

***Breakthrough
for the Next Decade***

Mitsubishi UFJ Lease & Finance

FY3/2018 3rd Quarter Results

(Tokyo Stock Exchange / Nagoya Stock Exchange: 8593)

February 7, 2018

Mitsubishi UFJ Lease & Finance Company Limited

Value Integrator



FY3/2018 3rd Quarter Results



Forecast for FY3/2018



Appendix



FY3/2018 3rd Quarter Results



Forecast for FY3/2018



Appendix

- ✓ Regarding profit and loss, as a result of stable growth at domestic subsidiaries which were established last year and with strong performance in global asset subsidiaries, net income (※1) posted a record high for the consolidated nine months under review.
- ✓ The volume of new transactions decreased due mainly to the recording of several aircraft lease transactions in the previous corresponding period.

						(billion yen)
		FY3/2018 3Q	YOY Change		YOY Change (%)	FY3/2017 3Q
				exchange rate effects		
1	Total Revenue	644.9	+29.8	+3.4	+4.9%	615.1
2	Gross Profit	119.2	+7.0	+1.1	+6.3%	112.1
3	Operating Income	63.8	+2.6	+0.7	+4.3%	61.2
4	Recurring Income	68.4	+2.8	+0.7	+4.4%	65.5
5	※1 Net Income	45.1	+1.7	+0.4	+3.9%	43.4
6	New Transactions Volume	1,089.2	-67.4	+7.8	-5.8%	1,156.7
7	USD Exchange Rate (*1)	\$1:¥111.92	-			\$1:¥108.69

(*1): Exchange rate applied to profit and loss statement of overseas subsidiaries

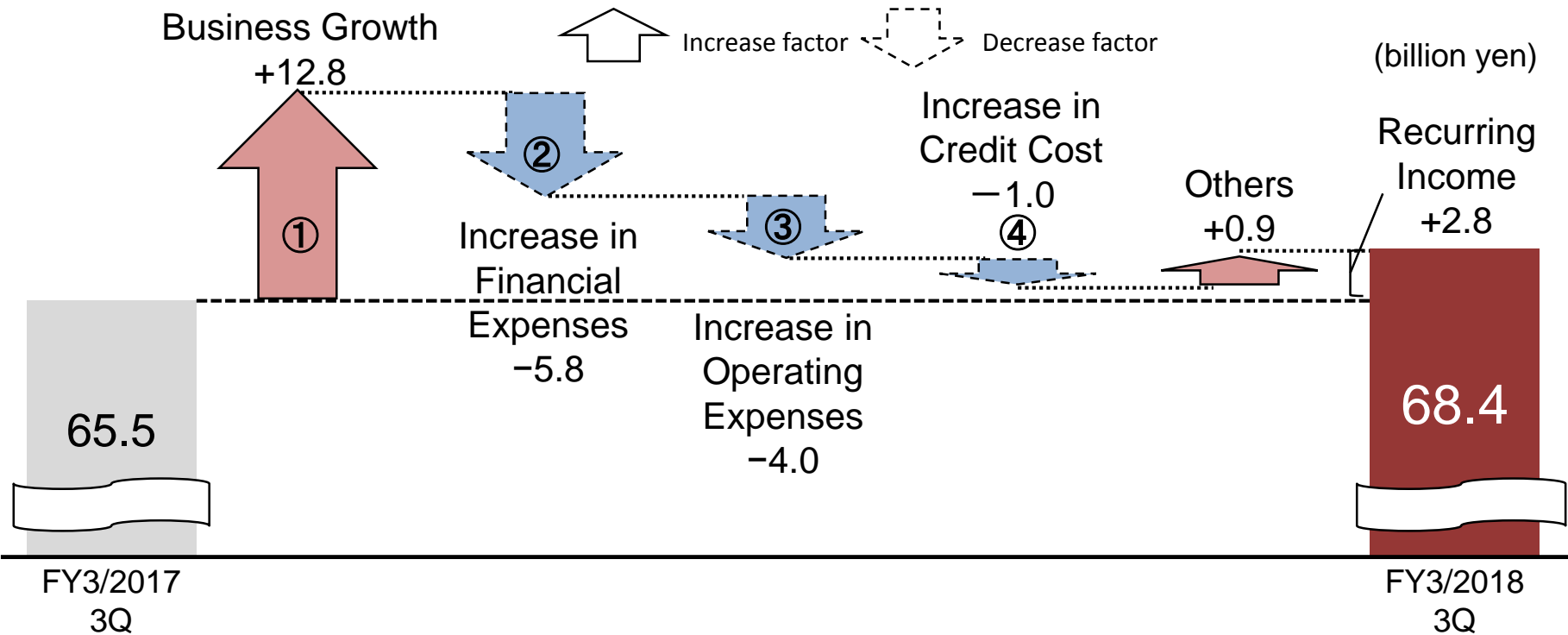
8	Total Operating Assets	4,897.8	※2 +21.3	-49.4	※2 +0.4%	※3 4,876.5
9	USD Exchange Rate (*2)	\$1:¥112.73	-			\$1:¥116.49

(*2): Exchange rate applied to balance sheet of overseas subsidiaries

※1: Net income attributable to parent company shareholders

※2: Total operating assets is change from FY3/2017

※3: FY3/2017



① Business Growth	✓ Newly established domestic subsidiaries and global asset subsidiaries contributed to the performance, and there was solid growth in aircraft-related gain on sales and gain from real estate-related dividend income. As a result, business growth increased year-on-year.
② Financial Expenses	✓ Financial expenses increased, centering on those incurred in U.S. dollars.
③ Operating Expenses	✓ The number of newly consolidated domestic subsidiaries and expenses in overseas subsidiaries increased.
④ Credit Cost	✓ Although costs were incurred in some domestic and overseas subsidiaries, the condition was stable as a whole, with MUL posting reversals.

		(billion yen)		
<By Transaction Type>		FY3/2018 3Q	YOY Change (%)	FY3/2017 3Q
1	Leases	525.9	-12.2%	599.2
2	Finance Leases	348.5	+2.7%	339.5
3	Operating Leases	177.4	-31.7%	259.7
4	Installment Sales	72.5	+0.6%	72.0
5	Loans and Others	490.7	+1.1%	485.3
6	Factoring	147.3	+2.5%	143.7
7	Real Estate Finance	82.3	-3.0%	84.9
8	Others	261.0	+1.7%	256.7
9	Volume of All New Transactions	1,089.2	-5.8%	1,156.7
<Domestic/Overseas>				
10	Domestic	818.3	-4.0%	852.3
11	Leases	342.8	-2.1%	350.3
12	Installment Sales	72.5	+0.6%	72.0
13	Loan and Others	402.9	-6.3%	429.8
14	Overseas	270.9	-11.0%	304.4
15	General Finance	138.4	+48.8%	93.0
16	Global Assets	132.5	-37.3%	211.3
17	Volume of All New Transactions	1,089.2	-5.8%	1,156.7

(billion yen)

<By Transaction Type>		FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q	Change from FY3/2017 (%)
1	Leases	2,357.2	2,925.8	3,040.8	3,272.0	3,260.0	-0.4%
2	Finance Leases	1,405.7	1,447.6	1,480.3	1,514.7	1,523.4	+0.6%
3	Operating Leases	951.5	1,478.2	1,560.4	1,757.2	1,736.5	-1.2%
4	Installment Sales	227.3	234.0	245.8	252.9	251.5	-0.5%
5	Loans and Others	1,432.8	1,381.0	1,339.7	1,351.6	1,386.2	+2.6%
6	Total Operating Assets	4,017.4	4,540.9	4,626.4	4,876.5	4,897.8	+0.4%
<Domestic/Overseas>							
7	Domestic	3,160.1	3,118.1	3,147.4	3,208.5	3,220.6	+0.4%
8	Leases	1,726.9	1,752.9	1,814.5	1,855.9	1,843.8	-0.7%
9	Installment Sales	227.3	234.0	245.8	252.9	251.5	-0.5%
10	Loans and Others	1,205.7	1,130.9	1,086.9	1,099.6	1,125.1	+2.3%
11	Overseas	857.3	1,422.8	1,479.0	1,668.0	1,677.2	+0.6%
12	General Finance	216.3	245.4	226.5	258.1	302.8	+17.3%
13	Global Assets	641.0	1,177.4	1,252.5	1,409.9	1,374.3	-2.5%
14	Total Operating Assets	4,017.4	4,540.9	4,626.4	4,876.5	4,897.8	+0.4%

(billion yen)

<MUL/Subsidiaries>		FY3/2014	FY3/2015	FY3/2016	FY3/2017
1	MUL	4.3	-2.8	2.6	-2.9
2	Domestic Subsidiaries	1.1	0.1	2.3	0.4
3	Overseas Subsidiaries	-0.6	1.9	4.5	2.1
4	Total Net Credit Cost	4.8	-0.8	9.4	-0.4

FY3/2017 3Q	FY3/2018 3Q	YOY Change
-4.8	-1.7	+3.0
0.3	0.9	+0.6
2.4	0.4	-1.8
-2.1	-0.3	+1.8

<Specific/General>		FY3/2014	FY3/2015	FY3/2016	FY3/2017
5	Specific Provision	7.5	1.7	9.5	0.0
6	Real Estate Sector	5.1	-1.6	2.9	-0.6
7	Manufacturing Sector	1.4	0.8	-0.1	-0.1
8	Transportation Sector	-1.2	0.7	3.1	1.6
9	Others	2.2	1.8	3.6	-0.9
10	General Provision	-2.7	-2.5	-0.1	-0.4
11	Total Net Credit Cost	4.8	-0.8	9.4	-0.4

-1.4	-0.0	+1.3
-2.0	-0.2	+1.8
-0.4	0.2	+0.6
1.8	0.5	-1.3
-0.8	-0.5	+0.3
-0.7	-0.2	+0.4
-2.1	-0.3	+1.8

(billion yen)

		FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q	Change from FY3/2017 (%)
1	Borrowing	1,952.9	2,218.0	2,169.4	2,395.1	2,460.5	+2.7%
2	Yen	1,447.5	1,430.9	1,418.9	1,449.4	1,472.4	+1.6%
3	Foreign Currency	505.4	787.1	750.4	945.7	988.1	+4.5%
4	CP (Commercial Paper)	762.3	830.0	853.6	835.9	874.1	+4.6%
5	Securitization	164.4	173.5	168.8	137.4	126.0	-8.3%
6	Corporate Bonds	604.7	688.7	716.8	773.5	865.9	+11.9%
7	Yen	453.1	397.5	385.0	452.0	465.4	+3.0%
8	Foreign Currency	151.6	291.2	331.8	321.5	400.5	+24.6%
9	Total Funding	3,484.4	3,910.3	3,908.7	4,142.0	4,326.6	+4.5%
10	Direct Funding Ratio *1	44.0%	43.3%	44.5%	42.2%	43.1%	+0.9P
11	Foreign Currency Funding Ratio *2	18.9%	27.6%	27.7%	30.6%	32.1%	+1.5P

*1: Proportion of CPs, securitization and corporate bonds among total funding

*2: Proportion of foreign currency-based funding among total funding



FY3/2018 3rd Quarter Results



Forecast for FY3/2018



Appendix

(billion yen)

		FY3/2018	YOY Change	YOY Change (%)	FY3/2017
1	Total Revenue	830.0	-8.8	-1.1%	838.8
2	Gross Profit	155.0	+4.8	+3.2%	150.2
3	Operating Income	79.0	-0.1	-0.1%	79.1
4	Recurring Income	81.0	-3.7	-4.4%	84.7
5	Net Income Attributable to Parent Company Shareholders	53.5	+0.4	+0.6%	53.1
6	Interim Dividend	15.00 yen	+2.00 yen	-	13.00 yen



FY3/2018 3rd Quarter Results



Forecast for FY3/2018



Appendix

<By Transaction Type>		(billion yen)		
		FY3/2018 3Q	YOY Change (%)	FY3/2017 3Q
1	Leases	525.9	-12.2%	599.2
2	IT / Office Equipment	91.2	-0.4%	91.6
3	Industrial Machinery	87.3	+5.4%	82.8
4	Civil Eng. & Construction Machinery	30.4	+17.6%	25.8
5	Transportation Equipment	143.2	-35.3%	221.3
6	Medical Equipment	39.1	-0.8%	39.4
7	Commercial & Service Equipment	49.8	+0.7%	49.4
8	Others	84.7	-4.3%	88.6
9	Installment Sales	72.5	+0.6%	72.0
10	IT / Office Equipment	1.4	+4.9%	1.4
11	Industrial Machinery	9.6	+15.1%	8.3
12	Civil Eng. & Construction Machinery	23.4	-6.1%	24.9
13	Transportation Equipment	3.5	-14.0%	4.1
14	Medical Equipment	6.2	+11.0%	5.6
15	Commercial & Service Equipment	14.9	+3.9%	14.3
16	Others	13.2	+0.2%	13.2
17	Loans and Others	490.7	+1.1%	485.3
18	Factoring	147.3	+2.5%	143.7
19	Real Estate Finance	82.3	-3.0%	84.9
20	Others	261.0	+1.7%	256.7
21	Volume of All New Transactions	1,089.2	-5.8%	1,156.7

(million yen)

		FY3/2014 3Q	FY3/2015 3Q	FY3/2016 3Q	FY3/2017 3Q	FY3/2018 3Q
		13/4–13/12	14/4–14/12	15/4–15/12	16/4–16/12	17/4–17/12
1	Total Revenue	530,867	547,443	610,989	615,141	644,988
		+1.7%	+3.1%	+11.6%	+0.7%	+4.9%
2	Leases	431,062	444,173	497,988	506,582	526,012
		+5.4%	+3.0%	+12.1%	+1.7%	+3.8%
3	Installment Sales	61,373	62,462	64,080	68,945	71,079
		-3.8%	+1.8%	+2.6%	+7.6%	+3.1%
4	Loans	25,922	25,253	25,605	25,157	26,205
		-0.7%	-2.6%	+1.4%	-1.7%	+4.2%
5	Others	12,510	15,554	23,315	14,455	21,691
		-46.6%	+24.3%	+49.9%	-38.0%	+50.1%
6	Cost of Revenue	437,776	449,361	486,110	502,946	525,735
		+1.7%	+2.6%	+8.2%	+3.5%	+4.5%
7	COR/Revenue	82.5%	82.1%	79.6%	81.8%	81.5%
		+0.1P	-0.4P	-2.5P	+2.2P	-0.3P
8	Leases, COR	356,170	364,781	391,398	405,319	418,136
		+1.9%	+2.4%	+7.3%	+3.6%	+3.2%
9	Installment Sales, COR	55,937	57,104	59,003	64,126	66,248
		-3.4%	+2.1%	+3.3%	+8.7%	+3.3%
10	Financial expenses	18,542	19,459	28,839	26,021	31,857
		+42.9%	+4.9%	+48.2%	-9.8%	+22.4%
11	Others, COR	7,126	8,015	6,868	7,479	9,491
		-28.1%	+12.5%	-14.3%	+8.9%	+26.9%
12	Gross Profit	93,091	98,081	124,879	112,194	119,253
		+1.3%	+5.4%	+27.3%	-10.2%	+6.3%
13	Gross Profit/Revenue	17.5%	17.9%	20.4%	18.2%	18.5%
		-0.1P	+0.4P	+2.5P	-2.2P	+0.3P

		(million yen)				
		FY3/2014 3Q	FY3/2015 3Q	FY3/2016 3Q	FY3/2017 3Q	FY3/2018 3Q
		13/4–13/12	14/4–14/12	15/4–15/12	16/4–16/12	17/4–17/12
14	SG&A Expenses	47,027	44,604	56,413	50,960	55,379
		+5.3%	-5.2%	+26.5%	-9.7%	+8.7%
15	Personnel Expenses	19,787	20,535	24,384	24,801	27,112
		+12.6%	+3.8%	+18.7%	+1.7%	+9.3%
16	Non-Personnel Expense	22,084	22,877	25,823	24,559	26,312
		+13.3%	+3.6%	+12.9%	-4.9%	+7.1%
17	Expenses for Non-performing Assets	5,156	1,191	6,204	1,599	1,954
		-32.0%	-76.9%	+420.7%	-74.2%	+22.3%
18	Overhead Ratio (Overhead expenses divided by GP)	45.0%	44.3%	40.2%	44.0%	44.8%
		+4.7P	-0.7P	-4.1P	+3.8P	+0.8P
19	Operating Income	46,063	53,477	68,465	61,234	63,873
		-2.5%	+16.1%	+28.0%	-10.6%	+4.3%
20	Operating Income/Revenue	8.7%	9.8%	11.2%	10.0%	9.9%
		-0.3P	+1.1P	+1.4P	-1.2P	-0.1P
21	Recurring Income	49,119	55,505	71,677	65,598	68,467
		-1.7%	+13.0%	+29.1%	-8.5%	+4.4%
22	Extraordinary Income	83	820	98	4,200	2,774
		-66.6%	+880.3%	-88.0%	+4,162.6%	-34.0%
23	Extraordinary Cost	4	8	80	9	20
		-98.8%	+92.0%	+861.1%	-88.0%	+117.6%
24	Net Income *	28,754	33,384	44,633	43,410	45,111
		-2.1%	+16.1%	+33.7%	-2.7%	+3.9%

* Net Income Attributable to Parent Company Shareholders

(million yen)

		FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q
1	Total Equity	534,250	621,344	642,366	686,378	723,379
		+14.1%	+16.3%	+3.4%	+6.9%	+5.4%
2	Total Assets	4,497,502	5,035,676	5,121,253	5,388,844	5,569,216
		+7.7%	+12.0%	+1.7%	+5.2%	+3.3%
3	Operating Assets	4,017,419	4,540,920	4,626,455	4,876,553	4,897,871
		+8.2%	+13.0%	+1.9%	+5.4%	+0.4%
4	Leases	2,357,220	2,925,880	3,040,849	3,272,018	3,260,061
		+14.8%	+24.1%	+3.9%	+7.6%	-0.4%
5	Installment Sales	227,318	234,023	245,882	252,907	251,577
		+4.9%	+2.9%	+5.1%	+2.9%	-0.5%
6	Loans	1,288,819	1,257,593	1,241,831	1,245,555	1,252,328
		+2.6%	-2.4%	-1.3%	+0.3%	+0.5%
7	Others	144,061	123,423	97,892	106,072	133,904
		-23.1%	-14.3%	-20.7%	+8.4%	+26.2%
8	Impaired Assets	33,223	33,434	27,921	34,144	31,873
		-27.9%	+0.6%	-16.5%	+22.3%	-6.7%
9	Allowance	12,494	14,134	16,302	16,365	13,984
10	Net Balance of Impaired Assets	20,729	19,300	11,618	17,779	17,889
		-31.2%	-6.9%	-39.8%	+53.0%	+0.6%

(million yen)

		FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q
11	Equity Ratio	11.4%	11.8%	12.0%	12.2%	12.4%
		+0.7P	+0.4P	+0.2P	+0.2P	+0.2P
12	ROE	7.9%	8.0%	9.0%	8.4%	-
		-0.6P	+0.1P	+1.0P	-0.7P	-
13	ROA	0.9%	0.9%	1.1%	1.0%	-
		-0.0P	+0.0P	+0.2P	-0.1P	-
14	Total Funding	3,484,480	3,910,324	3,908,736	4,142,073	4,326,643
		+5.1%	+12.2%	-0.0%	+6.0%	+4.5%
15	Indirect Funding	1,952,985	2,218,009	2,169,456	2,395,158	2,460,508
		+3.2%	+13.6%	-2.2%	+10.4%	+2.7%
16	Direct Funding	1,531,494	1,692,314	1,739,279	1,746,914	1,866,135
		+7.6%	+10.5%	+2.8%	+0.4%	+6.8%
17	CP	762,300	830,000	853,600	835,900	874,100
		-5.4%	+8.9%	+2.8%	-2.1%	+4.6%
18	Securitization (Lease Receivables)	164,413	173,539	168,869	137,484	126,095
		+17.7%	+5.6%	-2.7%	-18.6%	-8.3%
19	Corporate Bonds	604,781	688,774	716,809	773,530	865,939
		+26.7%	+13.9%	+4.1%	+7.9%	+11.9%
20	Direct Funding Ratio	44.0%	43.3%	44.5%	42.2%	43.1%
		+1.1P	-0.7P	+1.2P	-2.3P	+1.0P

(million yen)

FY3/2018 3Q	Mitsubishi UFJ Lease & Finance (Parent)		Japan Medical Lease MUL's Share : 100%		DFL Lease MUL's Share : 95%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenue	351,397	-2.2%	27,489	+0.4%	16,075	+7.5%
Gross Profit	47,595	-2.0%	2,205	+1.4%	1,308	+1.1%
Operating Income	23,166	-8.9%	601	-3.3%	315	-49.8%
Recurring Income	18,784	-21.6%	646	-2.3%	345	-45.7%
Net Income	14,080	-26.9%	414	-2.6%	237	-45.4%
FY3/2018 3Q	Amount	Change from FY3/2017	Amount	Change from FY3/2017	Amount	Change from FY3/2017
Operating Assets	2,959,118	+0.1%	98,099	-1.2%	66,344	+1.7%
Total Assets	3,993,201	+3.4%	100,467	-1.4%	68,015	+1.0%
Total Equity	448,423	+1.5%	14,319	+3.0%	11,789	+2.1%

(million yen)

FY3/2018 3Q	Shinko Lease MUL's Share : 80%		Casio Lease MUL's Share : 80%		Hirogin Lease MUL's Share : 80%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenue	22,231	+1.2%	8,596	+3.4%	12,534	+0.1%
Gross Profit	1,597	+5.8%	713	+3.8%	1,289	-3.1%
Operating Income	525	+4.6%	174	+54.1%	612	-12.1%
Recurring Income	537	-2.1%	201	+40.0%	631	-12.3%
Net Income	338	-10.8%	132	+43.0%	430	-12.7%
FY3/2018 3Q	Amount	Change from FY3/2017	Amount	Change from FY3/2017	Amount	Change from FY3/2017
Operating Assets	90,627	+1.3%	31,338	-4.5%	59,971	+2.1%
Total Assets	95,856	+0.5%	32,205	-5.0%	62,357	+1.7%
Total Equity	9,063	+3.5%	12,103	+1.1%	12,118	+3.8%

(million yen)

FY3/2018 3Q	Shutoken Leasing MUL's Share : 76%		Chukyo General Lease MUL's Share : 70%		MMC Diamond Finance MUL's Share : 50%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenue	22,571	+4.9%	5,350	+0.5%	13,078	-14.8%
Gross Profit	2,827	+13.3%	412	-7.4%	7,085	-5.8%
Operating Income	1,343	+2.9%	88	-41.1%	2,388	-20.1%
Recurring Income	1,399	+2.0%	109	-33.9%	2,823	-16.6%
Net Income	962	-1.4%	72	-33.9%	1,911	-17.5%

FY3/2018 3Q	Amount	Change from FY3/2017	Amount	Change from FY3/2017	Amount	Change from FY3/2017
Operating Assets	142,264	+5.2%	17,414	-7.0%	237,217	-2.9%
Total Assets	147,437	+5.5%	18,337	-6.9%	257,523	-3.2%
Total Equity	16,573	+7.0%	5,862	+1.4%	26,906	+7.6%

(million yen)

FY3/2018 3Q	DRS MUL's Share : 100%		Diamond Asset Finance MUL's Share : 100%		Miyuki Building MUL's Share : 98%		MUL Property MUL's Share : 100%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenue	19,497	-3.9%	5,356	-9.9%	5,392	+4.9%	27,677	+140.8%
Gross Profit	1,704	-2.3%	3,356	+3.6%	2,961	+10.8%	2,926	+20.2%
Operating Income	393	-3.7%	2,150	+3.9%	2,556	+12.4%	2,062	+7.9%
Recurring Income	392	-5.0%	2,232	+2.4%	2,347	+14.7%	2,093	+7.9%
Net Income	265	-5.3%	1,536	+2.9%	1,536	+14.7%	1,449	+6.9%

FY3/2018 3Q	Amount	Change from FY3/2017	Amount	Change from FY3/2017	Amount	Change from FY3/2017	Amount	Change from FY3/2017
Operating Assets	48,304	-2.3%	212,141	+4.0%	65,782	+4.8%	111,905	-2.8%
Total Assets	50,967	-1.0%	214,284	+4.0%	69,268	+3.7%	164,960	-0.0%
Total Equity	6,483	+4.3%	31,903	+5.1%	27,291	+5.8%	12,531	+13.1%

◆ Cumulative total asset volume contracted for solar projects (billion yen)

	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q
Total	146.5	202.5	248.6	295.0
Lease	101.7	124.3	139.8	149.2
Debt	35.3	48.9	57.3	62.6
Equity	9.5	29.3	51.4	83.3
Equity ratio*	6.5%	14.5%	20.7%	28.2%

*Equity ratio: Proportion of equity among total solar power assets

◆ Balance of real estate-related finance

(billion yen)

	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q
Total *1	263.3	176.1	129.0	156.6	165.3
Debt	218.1	125.0	92.6	90.5	86.7
Equity	45.2	51.1	36.3	66.1	78.8
Equity ratio *2	17.2%	29.0%	28.2%	42.2%	47.7%

*1: Total of MUL and MUL Realty Investment (MURI)

*2: Equity ratio: Proportion of equity among total real estate finance assets

◆ Number of aircraft

	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018 3Q
Number of aircraft *	123	140	149	169	176

*Total number of aircraft handled by Jackson Square Aviation and MUL, including owned aircraft and undelivered contracted aircraft



Inquiries:
Corporate Communications Department
Tel: +81 3-6865-3002



Website

<http://www.lf.mufg.jp/english/>



Mitsubishi UFJ Lease & Finance

This document contains forward-looking statements that are based on our opinions and information available to us at the time of publication. Mitsubishi UFJ Lease & Finance does not guarantee the accuracy or completeness of the information. The information is subject to change without notice. Actual results may differ significantly from those in the forward-looking statements due to various factors.