

# Business Results and Financial Position

## Overview of Financial Results

In fiscal 2016, the year ended March 31, 2017, we worked toward developing new businesses based on the expertise and knowledge we have cultivated to date in addition to strengthening and expanding business foundations at home and abroad, as well as steadily implementing the strategies set out in the medium-term management plan "Limitless Evolution."

## Revenues and Profit

Total revenues for fiscal 2016 increased ¥13.0 billion year on year, or 1.6%, to ¥838.8 billion. Gross profit fell ¥15.7 billion, or 9.5%, to ¥150.2 billion, and selling, general and administrative expenses decreased ¥6.6 billion, or 8.5%, to ¥71.1 billion. As a result, operating income fell ¥9.1 billion, or 10.4%, to ¥79.1 billion, recurring income dropped ¥7.9 billion, or 8.6%, to ¥84.7 billion, and net income attributable to parent company shareholders decreased ¥1.4 billion, or 2.7%, to ¥53.1 billion.

## Volume of New Transactions

On the sales front, increased activity in global asset, including aircraft, led to an 8.4% year-on-year increase in the volume of new transactions, to ¥1,665.6 billion. By business segment, the volume of new transactions posted a 14.8% year-on-year increase in the leasing business, reaching ¥904.0 billion, and a 6.3% increase in the installment sales business, to ¥103.0 billion, while the loans business experienced a 0.2% decline, to ¥612.3 billion, and other businesses registered an increase of 18.7%, to ¥46.1 billion.

## Financial Position

As of March 31, 2017, the total assets of the Mitsubishi UFJ Lease & Finance Group stood at ¥5,388.8 billion, an increase of ¥267.5 billion from the previous fiscal year-end. Due to the increase in net income attributable to parent company shareholders, among other factors, total equity expanded ¥44.0 billion from the previous fiscal year-end, to ¥686.3 billion, driving the equity ratio up 0.2 percentage point, to 12.2%. The balance of interest-bearing debt rose ¥233.4 billion from the previous fiscal year-end, to ¥4,142.0 billion.

## Cash Flows

Cash flows from operating activities resulted in a net cash outflow of ¥220.2 billion, compared with a net outflow of ¥36.8 billion in the previous fiscal year. Investing activities used net cash of ¥28.8 billion, compared with a net outflow of ¥5.1 billion in the previous fiscal year. Financing activities provided net cash of ¥234.9 billion, compared with a net inflow of ¥50.7 billion in the previous fiscal year. As a result, cash and cash equivalents as of March 31, 2017, stood at ¥95.2 billion, a decrease of ¥15.8 billion, or 14.2%, from the previous fiscal year-end.

## Basic Policy of Profit Distribution and Dividend

Our basic policy on profit distribution is to provide continuous and stable dividend payouts while seeking to maintain adequate equity reserves.

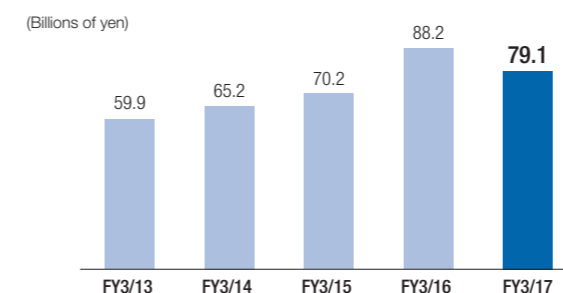
Based on this policy, we set the dividend for fiscal 2016 at ¥13.00 per share (interim dividend of ¥6.25 and year-end dividend of ¥6.75), an increase of ¥0.70 from the previous fiscal year and the 18th consecutive year of dividend growth if the effect of the 10-for-1 stock split carried out on April 1, 2013, is applied retrospectively.

# Consolidated Financial Highlights

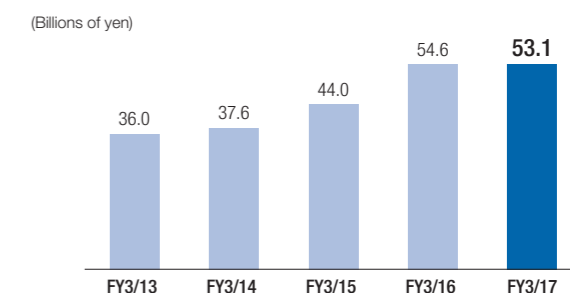
Years ended March 31	(Millions of yen)				
	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017
<b>Business Results</b>					
Total revenues	698,155	717,760	742,452	825,845	<b>838,886</b>
Leases	546,625	579,753	604,062	674,118	<b>692,125</b>
Installment sales	85,021	83,270	83,408	85,673	<b>92,232</b>
Loans	35,592	35,068	33,892	34,162	<b>33,655</b>
Others	30,914	19,667	21,089	31,890	<b>20,872</b>
Cost of revenues	580,121	589,086	609,172	659,846	<b>688,655</b>
Gross profit	118,033	128,673	133,279	165,998	<b>150,231</b>
Selling, general and administrative expenses	58,045	63,395	63,042	77,726	<b>71,119</b>
Operating income	59,987	65,278	70,237	88,272	<b>79,112</b>
Net income	36,038	37,675	44,068	54,631	<b>53,157</b>
Comprehensive income	46,018	74,253	84,690	35,357	<b>55,551</b>
<b>Profitability (%)</b>					
Cost of revenues to total revenues	83.1	82.1	82.0	79.9	<b>82.1</b>
Gross profit margin	16.9	17.9	18.0	20.1	<b>17.9</b>
Overhead ratio	42.4	44.0	44.7	40.4	<b>44.8</b>
Return on equity (ROE)	8.5	7.9	8.0	9.0	<b>8.4</b>
Return on assets (ROA)	0.9	0.9	0.9	1.1	<b>1.0</b>
<b>Sales Performance</b>					
Volume of new transactions	1,356,270	1,561,842	1,462,319	1,536,731	<b>1,665,612</b>
Leases	581,479	718,390	720,868	787,463	<b>904,018</b>
Installment sales	78,259	91,755	86,263	96,969	<b>103,078</b>
Loans & others	696,531	751,696	655,187	652,297	<b>658,514</b>
<b>Financial Position</b>					
Total assets	4,177,784	4,497,502	5,035,676	5,121,253	<b>5,388,844</b>
Operating assets	3,713,972	4,017,419	4,540,920	4,626,455	<b>4,876,553</b>
Total equity	468,061	534,250	621,344	642,366	<b>686,378</b>
Interest-bearing debt	3,315,294	3,484,480	3,910,324	3,908,736	<b>4,142,073</b>
Equity ratio (%)	10.7	11.4	11.8	12.0	<b>12.2</b>
<b>Cash Flows</b>					
Net cash provided by (used in) operating activities	(63,407)	(41,776)	(56,296)	(36,819)	<b>(220,251)</b>
Net cash provided by (used in) investing activities	(102,372)	8,739	(31,453)	(5,105)	<b>(28,865)</b>
Net cash provided by (used in) financing activities	183,560	77,729	65,384	50,736	<b>234,908</b>
Net increase (decrease) in cash and cash equivalents	18,766	47,585	(17,942)	8,298	<b>(15,876)</b>
Cash and cash equivalents, end of year	72,954	120,540	102,773	111,071	<b>95,263</b>
<b>Per Share Information* (Yen)</b>					
Net income per share	40.56	42.40	49.58	61.45	<b>59.77</b>
Cash dividends per share	6.5	8.0	9.5	12.3	<b>13.0</b>
<b>Number of Employees</b>					
	2,402	2,511	2,729	2,828	<b>2,969</b>

\* On April 1, 2013, Mitsubishi UFJ Lease & Finance split each share of its common stock, held by shareholders stated or recorded in the register of shareholders as of March 31, 2013, into 10 shares. Net income per share and cash dividends per share have been retrospectively adjusted to reflect the stock split for all periods presented.

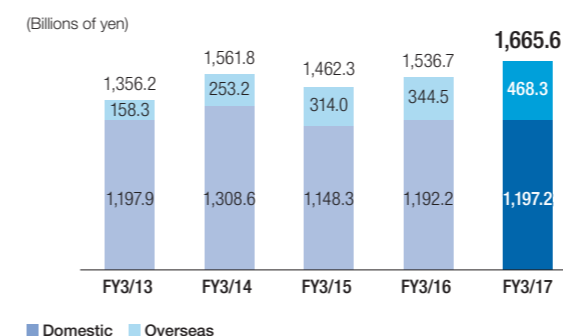
## Operating Income



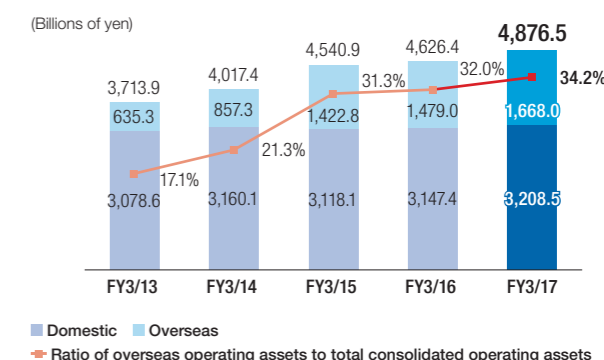
## Net Income Attributable to Parent Company Shareholders



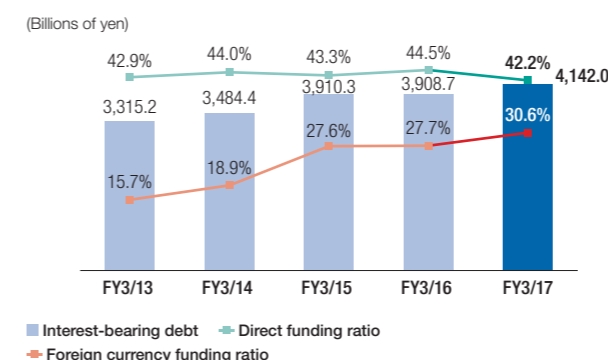
## Volume of New Transactions (Domestic and Overseas)



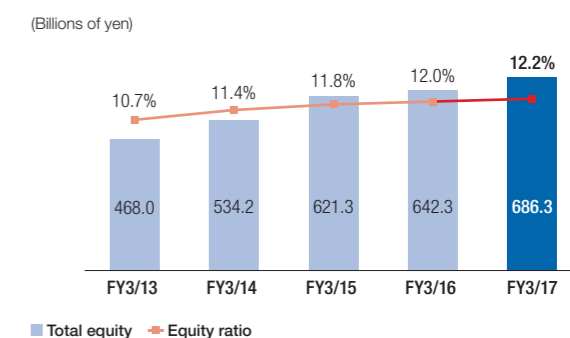
## Operating Assets (Domestic and Overseas)



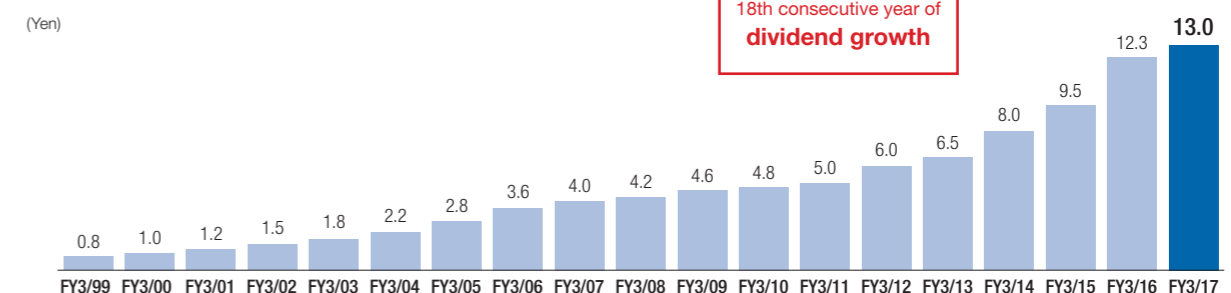
## Interest-Bearing Debt



## Total Equity/Equity Ratio



## Cash Dividends per Share\*



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