FINANCIAL INFORMATION 2015

For the year ended March 31, 2015

Value Integrator®

MUFG Mitsubishi UFJ Lease & Finance

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Results

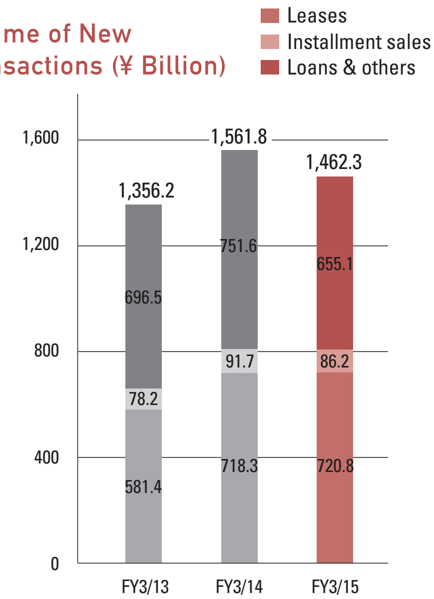
The fiscal year ended March 31, 2015, saw improvement in corporate business results backed by a range of government economic and fiscal policies amid an overall gradual move toward recovery in the Japanese economy.

In response to these conditions, the Mitsubishi UFJ Lease & Finance Group worked to implement the strategies set out in **Limitless Evolution**, the Medium-Term Management Plan it launched in April 2014, taking energetic measures under the plan to further strengthen its domestic business base and accelerate the rollout of its global businesses.

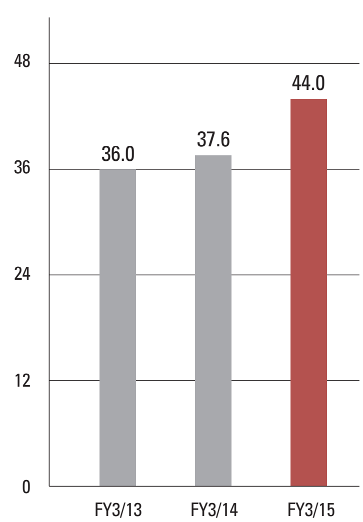
As a result, the Group posted a 3.4% year-on-year increase in consolidated revenues, which grew by ¥24.6 billion to ¥742.4 billion. The Group also set all-time records at all stages of consolidated income, with gross profit increasing by ¥4.6 billion or 3.6% to ¥133.2 billion, operating income by ¥4.9 billion or 7.6% to ¥70.2 billion, and net income by ¥6.3 billion or 17.0% to ¥44.0 billion. This was the fourth consecutive year of record highs in net income.

The volume of new transactions during the fiscal year ended March 31, 2015, decreased 6.4% year on year to ¥1,462.3 billion, partly due to a dip in demand following a consumption tax hike. By business segment, the volume of new transactions posted a 0.3% year-on-year increase in the leasing business to reach ¥720.8 billion, backed by the expansion of the global asset business. On the other hand, the installment sales business saw the volume of new transactions decline 6.0% year on year to ¥86.2 billion, while the loans business experienced a corresponding 12.4% decline to ¥614.6 billion and other businesses a decline of 18.6% to ¥40.5 billion.

Volume of New Transactions (¥ Billion)



Net Income (¥ Billion)



Financial Position

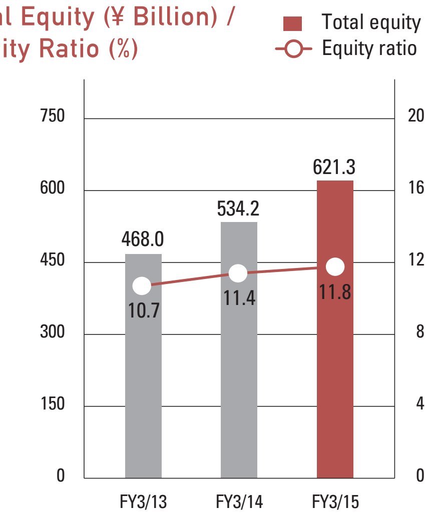
As of March 31, 2015, the total assets of Mitsubishi UFJ Lease & Finance stood at ¥5,035.6 billion, an increase of ¥538.1 billion over the previous fiscal year-end. Due among other factors to the rise in net income, total equity expanded by ¥87.0 billion from the previous fiscal year-end to ¥621.3 billion, driving the equity ratio up by 0.4 percentage point to 11.8%. The balance of interest-bearing debt rose by ¥425.8 billion to ¥3,910.3 billion.

Operating activities used net cash of ¥56.2 billion, compared to ¥41.7 billion used in the previous period. The main inflows comprised ¥76.4 billion in income before income taxes and minority interests, ¥96.1 billion in depreciation and amortization, and ¥59.8 billion in a decrease in receivables. These were offset by outflows consisting mainly of ¥40.6 billion due to a decrease in trade payables, ¥264.3 billion used for purchases of leased assets, ¥10.8 billion due to an increase in lease receivables and investments in leases; and ¥26.1 billion in income taxes paid.

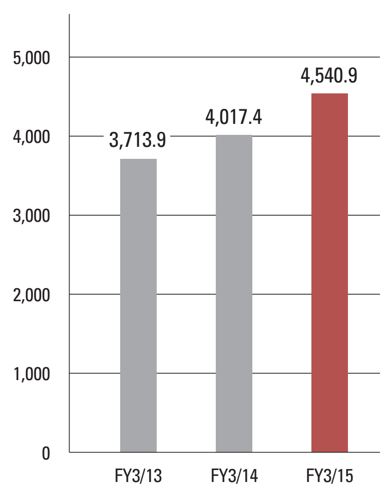
Investing activities used net cash of ¥31.4 billion, compared with net cash provided of ¥8.7 billion in the previous fiscal year. The main outflow consisted of payments of ¥37.1 billion for acquisition of newly consolidated subsidiaries. This was partly offset by inflows including proceeds of ¥7.8 billion from sales and redemption of investment securities.

Financing activities provided net cash of ¥65.3 billion, compared with a net inflow of ¥77.7 billion in the previous fiscal year. Direct financing such as corporate bonds and commercial paper provided net proceeds of ¥127.3 billion, while indirect financing such as bank loans used net cash of ¥54.4 billion. Among the other main outflows was ¥7.7 billion in cash dividends paid. As a result of these movements, cash and cash equivalents as of March 31, 2015 stood at ¥102.7 billion, a decrease of ¥17.7 billion or 14.7% from the previous fiscal year-end.

Total Equity (¥ Billion) / Equity Ratio (%)



Operating Assets (¥ Billion)



BUSINESS AND RELATED RISKS

The Mitsubishi UFJ Lease & Finance Group engages in business activities mainly in the field of leases, installment sales, and finance. The Group is exposed to various risks. The primary risks are credit risk (delinquency and insolvency by a counterparty) and interest rate fluctuation risk.

The Group regards these envisaged risk factors as subjects of risk management and holds quarterly meetings of the Risk Management Committee, composed of directors and the managers of relevant departments. Detailed reports on risk factors are made to the committee, which then makes decisions on response policies against these risks and takes other measures to prevent risk from emerging or to facilitate a versatile response when it does emerge.

The forward-looking statements herein are based on judgments made by the Group as of the end of the consolidated fiscal year ended March 31, 2015 and may differ from actual outcomes due to changes in the external environment and other factors. Being aware of these risks, the Group has put in place the necessary functions for risk management and strives to avoid risk or to minimize its impact when it occurs.

01 Credit Risk

The Mitsubishi UFJ Lease & Finance Group is exposed to credit risk arising from non-payment of lease or installment sales fees or similar due to a bankruptcy or equivalent situation in the counterparty's organization.

In response, the Group operates a credit assessment system for each individual transaction, including assessment of country risk, and implements a careful screening process. After entering into a transaction, the Group continues to monitor both the credit and market conditions and takes any necessary action as appropriate. In the event of a customer default or similar cases, the Group takes measures to avert loss, for instance by selling the lease property or other assets or by setting up a secondary lease.

The Group takes further measures to analyze and quantify the potential credit risk in its portfolio using external data on corporate bankruptcy trends, in-house calculations of the likelihood of bankruptcy based on individual corporate credit ratings, or annual data on leased property value fluctuation based on the unique expertise we have acquired through long-term operation. This quantitative approach to credit risk enables us to maintain stable operations and management. We also make use of the relevant data to map out our business strategies and to promote portfolio management, in which the final aim is to maximize return with minimum risk.

02 Interest Rate Fluctuation Risk

The Mitsubishi UFJ Lease & Finance Group is exposed to interest rate fluctuation risk arising from imbalances between assets and liabilities.

To manage the interest rate fluctuation risk appropriately, the Group carries out constant monitoring of not only interest rate movements, but also any imbalances in interest conditions or in the duration between invested assets and financing liabilities. The interest rate fluctuation risk is monitored at the quarterly meeting of the ALM (Asset Liability Management) Committee, composed of directors and managers of relevant departments. The ALM Committee reviews market conditions, analyzes the asset and liability portfolio, and makes policy decisions on risk management, new fund procurement, and related matters.

03 System Change Risk

The Mitsubishi UFJ Lease & Finance Group is exposed to system risk arising from changes or amendments to legislation, taxation, accounting, or other systems.

The Group operates its various finance businesses based on existing systems. In the event of a material change in these systems, the Group could be adversely affected.

04 Risk from Natural Disaster

Earthquake, torrential rain, flood, or other natural disasters could disrupt our business activities or related operations. To prepare for such events, the Mitsubishi UFJ Lease & Finance Group has formulated in advance a business continuity plan and other measures constituting a system to enable continued operation. Notwithstanding these measures, the Group's business performance or financial situation may be adversely affected by disturbance of the smooth conduct of business or other negative consequences.

05 Risk Relating to Strategic Alliances and Corporate Acquisitions

To achieve sustainable growth as a comprehensive finance company which leads the industry, not only do we strengthen and expand the functions we provide, but we also actively promote alliances, acquisitions, and related strategies. In the case of such alliances and acquisitions, factors such as system changes or changes in the external environment may make it impossible to maintain the alliance relationship, while the acquisitions may fail to achieve the expected benefit. Moreover, planned alliances or acquisitions may be delayed or fail to be implemented due to various reasons, and unexpected costs may occur.

06 Other Risk

Besides the above risks, the Mitsubishi UFJ Lease & Finance Group is exposed to risk arising from fluctuation of the future value of lease property that is a critical factor in an operating lease transaction, known as residual asset value risk, as well as fund liquidity risk, compliance risk, and risk in system operation and administrative operation.

Consolidated Balance Sheets

Mitsubishi UFJ Lease & Finance Company Limited and Consolidated Subsidiaries
March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Assets			
Current assets:			
Cash and cash equivalents (Notes 11 and 22)	**¥102,773**	¥120,540	**$856,442**
Time deposits other than cash equivalents (Notes 11 and 22)	**10,135**	6,995	**84,459**
Marketable securities (Notes 4 and 22)	**14,202**	26,789	**118,351**
Receivables:			
Lease	**20,250**	15,750	**168,756**
Installment sales (Note 22)	**258,057**	253,572	**2,150,476**
Loans (Notes 11, 12, and 22)	**1,257,593**	1,288,819	**10,479,944**
Lease receivables and investments in leases (Notes 7, 11, and 22)	**1,447,615**	1,405,716	**12,063,463**
Inventories (Note 5)	**1,302**	3,076	**10,856**
Deferred tax assets (Note 20)	**9,000**	7,522	**75,007**
Prepaid expenses and other	**76,740**	67,885	**639,500**
Allowance for doubtful receivables (Note 22)	**(7,707)**	(10,728)	**(64,229)**
Total current assets	**3,189,963**	3,185,939	**26,583,029**
Property and equipment:			
Leased assets — at cost	**1,893,046**	1,256,968	**15,775,385**
Accumulated depreciation	**(414,789)**	(305,488)	**(3,456,578)**
Net leased assets	**1,478,256**	951,480	**12,318,806**
Advances for purchases of leased assets	**3,049**	926	**25,412**
Total leased assets (Notes 6, 8, and 11)	**1,481,306**	952,407	**12,344,218**
Other operating assets — at cost	**8,398**	7,799	**69,988**
Accumulated depreciation	**(777)**	(288)	**(6,479)**
Net other operating assets	**7,621**	7,510	**63,509**
Own used assets — at cost	**15,448**	14,869	**128,738**
Accumulated depreciation	**(6,825)**	(7,049)	**(56,881)**
Net own used assets (Note 10)	**8,622**	7,820	**71,856**
Total property and equipment	**1,497,550**	967,738	**12,479,585**
Investments and other assets:			
Investment securities (Notes 4, 11, and 22):			
Unconsolidated subsidiaries and associated companies	**44,497**	40,076	**370,809**
Other securities	**128,559**	142,763	**1,071,332**
Goodwill (Note 9)	**94,497**	86,839	**787,481**
Long-term receivables (Note 22)	**33,434**	33,223	**278,624**
Asset for retirement benefits (Note 14)	**834**		**6,950**
Deferred tax assets (Note 20)	**13,776**	15,554	**114,801**
Other (Note 11)	**46,697**	37,861	**389,142**
Allowance for doubtful receivables (Note 22)	**(14,134)**	(12,494)	**(117,785)**
Total investments and other assets	**348,162**	343,824	**2,901,357**
Total assets	**¥5,035,676**	¥4,497,502	**$41,963,971**

See notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Liabilities and Equity			
Current liabilities:			
Short-term loans from banks and other financial institutions (Notes 13, 19, and 22)	**¥796,298**	¥679,077	**$6,635,821**
Commercial paper (Notes 13 and 22)	**830,000**	762,300	**6,916,666**
Current maturities of bonds (Notes 13 and 22)	**127,500**	177,577	**1,062,500**
Current maturities of long-term loans (Notes 11, 12, 13, 19, and 22)	**253,403**	274,215	**2,111,695**
Current maturities of loans from the securitizations of the minimum future rentals on lease contracts (Notes 11, 13, and 22)	**60,738**	54,755	**506,155**
Current maturities of lease obligations (Note 13)	**16,958**	13,004	**141,320**
Notes and accounts payable — trade (Note 22)	**91,954**	129,319	**766,287**
Income taxes payable	**14,649**	12,615	**122,081**
Deferred profit on installment sales (Note 22)	**24,033**	26,253	**200,280**
Other (Notes 11 and 20)	**116,428**	104,450	**970,240**
Total current liabilities	**2,331,965**	2,233,568	**19,433,049**
Long-term liabilities:			
Bonds, less current maturities (Notes 13 and 22)	**561,274**	427,204	**4,677,289**
Long-term loans from banks and other financial institutions, less current maturities (Notes 11, 12, 13, 19, and 22)	**1,168,307**	999,692	**9,735,897**
Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities (Notes 11, 13, and 22)	**112,800**	109,657	**940,007**
Lease obligations, less current maturities (Note 13)	**54,374**	41,505	**453,116**
Liability for retirement benefits (Note 14)	**1,535**	6,430	**12,792**
Asset retirement obligations	**13,532**	13,016	**112,773**
Deferred tax liabilities (Note 20)	**23,836**	17,102	**198,633**
Other (Note 11)	**146,705**	115,074	**1,222,543**
Total long-term liabilities	**2,082,366**	1,729,683	**17,353,054**
Commitments and contingent liabilities (Notes 15 and 23)			
Equity (Notes 16 and 27)**:**			
Common stock — authorized, 3,200,000,000 shares in 2015 and 2014; issued, 895,834,160 shares in 2015 and 2014	**33,196**	33,196	**276,633**
Capital surplus	**166,762**	166,776	**1,389,685**
Stock acquisition rights (Note 17)	**1,029**	899	**8,583**
Retained earnings	**308,882**	269,506	**2,574,022**
Treasury stock — at cost, 6,958,937 shares in 2015 and 7,116,137 shares in 2014	**(2,434)**	(2,489)	**(20,288)**
Accumulated other comprehensive income:			
Net unrealized gain on available-for-sale securities	**21,260**	12,978	**177,167**
Deferred (loss) gain on derivatives under hedge accounting	**(2,377)**	910	**(19,808)**
Foreign currency translation adjustments	**71,377**	33,173	**594,812**
Defined retirement benefit plans	**(1,148)**	(2,223)	**(9,571)**
Total	**596,548**	512,726	**4,971,236**
Minority interests	**24,795**	21,524	**206,630**
Total equity	**621,344**	534,250	**5,177,866**
Total liabilities and equity	**¥5,035,676**	¥4,497,502	**$41,963,971**

See notes to consolidated financial statements.

Consolidated Statements of Income

Mitsubishi UFJ Lease & Finance Company Limited and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Revenues	**¥742,452**	¥717,760	**$6,187,101**
Costs (Note 19)	**609,172**	589,086	**5,076,435**
Gross profit	**133,279**	128,673	**1,110,665**
Selling, general, and administrative expenses (Note 18)	**63,042**	63,395	**525,354**
Operating income	**70,237**	65,278	**585,310**
Other income (expenses):			
Dividend income	**1,008**	1,312	**8,407**
Interest expense — net of interest income of ¥152 million ($1,266 thousand) in 2015 and ¥93 million in 2014 (Note 19)	**(3,168)**	(2,956)	**(26,401)**
Impairment loss (Note 10)		(3,006)	
Other — net	**8,367**	6,268	**69,730**
Other income — net	**6,208**	1,617	**51,736**
Income before income taxes and minority interests	**76,445**	66,895	**637,047**
Income taxes (Note 20)**:**			
Current	**28,888**	24,664	**240,739**
Deferred	**1,285**	2,544	**10,710**
Total income taxes	**30,173**	27,208	**251,449**
Net income before minority interests	**46,271**	39,687	**385,597**
Minority interests in net income	**2,203**	2,011	**18,362**
Net income	**¥44,068**	¥37,675	**$367,235**

	Yen		U.S. dollars
	2015	2014	**2015**
Amounts per share of common stock (Note 26)**:**			
Basic net income	**¥49.58**	¥42.40	**$0.41**
Diluted net income	**49.42**	42.27	**0.41**
Cash dividends applicable to the year	**9.50**	8.00	**0.07**

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Mitsubishi UFJ Lease & Finance Company Limited and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Net income before minority interests	**¥46,271**	¥39,687	**$385,597**
Other comprehensive income (Note 24)**:**			
Net unrealized gain on available-for-sale securities	**8,303**	3,500	**69,196**
Deferred (loss) gain on derivatives under hedge accounting	**(3,242)**	1,685	**(27,023)**
Foreign currency translation adjustments	**32,206**	29,320	**268,388**
Defined retirement benefit plans	**1,096**		**9,139**
Share of other comprehensive income in associates	**54**	58	**455**
Total other comprehensive income	**38,418**	34,566	**320,157**
Comprehensive income	**¥84,690**	¥74,253	**$705,754**
Total comprehensive income attributable to:			
Owners of the parent	**¥82,032**	¥72,032	**$683,605**
Minority interests	**2,657**	2,220	**22,148**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Mitsubishi UFJ Lease & Finance Company Limited and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Thousands				
	Number of shares of common stock issued	Common stock	Capital surplus	Stock acquisition rights (Note 17)	Retained earnings
BALANCE, APRIL 1, 2013	895,834	¥33,196	¥166,783	¥712	¥237,832
Net income					37,675
Cash dividends					(5,998)
Purchase of treasury stock (11 thousands of shares)					
Disposal of treasury stock (98 thousands of shares)			(7)		
Adjustment of retained earnings for newly consolidated subsidiaries and associated companies accounted for by the equity method					(3)
Net change in the year				186	
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	895,834	33,196	166,776	899	269,506
Cumulative effect of accounting change					2,731
BALANCE, APRIL 1, 2014 (as restated)	895,834	33,196	166,776	899	272,237
Net income					**44,068**
Cash dividends					**(7,776)**
Disposal of treasury stock (157 thousands of shares)			**(14)**		
Adjustment of retained earnings for newly consolidated subsidiaries					**47**
Adjustment of retained earnings for newly associated companies accounted for by the equity method					**306**
Net change in the year				**130**	
BALANCE, MARCH 31, 2015	**895,834**	**¥33,196**	**¥166,762**	**¥1,029**	**¥308,882**

	Common stock	Capital surplus	Stock acquisition rights (Note 17)	Retained earnings
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	**$276,633**	**$1,389,803**	**$7,492**	**$2,245,885**
Cumulative effect of accounting change				**22,759**
BALANCE, APRIL 1, 2014 (as restated)	**276,633**	**1,389,803**	**7,492**	**2,268,645**
Net income				**367,235**
Cash dividends				**(64,806)**
Disposal of treasury stock (157 thousands of shares)		**(117)**		
Adjustment of retained earnings for newly consolidated subsidiaries				**396**
Adjustment of retained earnings for newly associated companies accounted for by the equity method				**2,552**
Net change in the year			**1,091**	
BALANCE, MARCH 31, 2015	**$276,633**	**$1,389,685**	**$8,583**	**$2,574,022**

See notes to consolidated financial statements.

Millions of yen

Accumulated other comprehensive income →							
Treasury stock	Net unrealized gain on available-for-sale securities	Deferred (loss) gain on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Minority interests	Total equity
¥(2,517)	¥9,442	¥(775)	¥4,037		¥448,713	¥19,348	¥468,061
					37,675		37,675
					(5,998)		(5,998)
(6)					(6)		(6)
34					27		27
					(3)		(3)
	3,535	1,685	29,135	¥(2,223)	32,318	2,175	34,494
(2,489)	12,978	910	33,173	(2,223)	512,726	21,524	534,250
					2,731		2,731
(2,489)	12,978	910	33,173	(2,223)	515,457	21,524	536,981
					44,068		**44,068**
					(7,776)		**(7,776)**
54					**40**		**40**
					47		**47**
					306		**306**
	8,281	**(3,287)**	**38,203**	**1,075**	**44,404**	**3,271**	**47,676**
¥(2,434)	**¥21,260**	**¥(2,377)**	**¥71,377**	**¥(1,148)**	**¥596,548**	**¥24,795**	**¥621,344**

Thousands of U.S. dollars (Note 1)

Accumulated other comprehensive income →							
Treasury stock	Net unrealized gain on available-for-sale securities	Deferred (loss) gain on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Minority interests	Total equity
$(20,746)	**$108,151**	**$7,583**	**$276,446**	**$(18,531)**	**$4,272,718**	**$179,367**	**$4,452,085**
					22,759		**22,759**
(20,746)	**108,151**	**7,583**	**276,446**	**(18,531)**	**4,295,477**	**179,367**	**4,474,844**
					367,235		**367,235**
					(64,806)		**(64,806)**
458					**340**		**340**
					396		**396**
					2,552		**2,552**
	69,015	**(27,392)**	**318,366**	**8,960**	**370,041**	**27,263**	**397,304**
$(20,288)	**$177,167**	**$(19,808)**	**$594,812**	**$(9,571)**	**$4,971,236**	**$206,630**	**$5,177,866**

Consolidated Statements of Cash Flows

Mitsubishi UFJ Lease & Finance Company Limited and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Operating activities:			
Income before income taxes and minority interests	¥76,445	¥66,895	$637,047
Adjustment for:			
Income taxes — paid	(26,159)	(20,354)	(217,998)
Depreciation and amortization	96,151	89,240	801,265
Amortization of negative goodwill	(25)	(25)	(209)
Reversal of allowance for doubtful receivables	(1,874)	(7,075)	(15,616)
Loss on disposals and sales of leased assets	36,676	32,020	305,636
Impairment loss		3,006	
Changes in assets and liabilities:			
Decrease (increase) in receivables	59,844	(6,666)	498,702
Increase in lease receivables and investments in leases	(10,878)	(89,873)	(90,654)
Decrease in operating securities and investments in private equity securities	25,919	41,823	215,997
(Decrease) increase in trade payables	(40,686)	41,529	(339,052)
Increase in interest payable	640	541	5,341
Purchases of leased assets	(264,308)	(213,780)	(2,202,574)
Other — net	(8,043)	20,941	(67,026)
Total adjustments	(132,742)	(108,672)	(1,106,188)
Net cash used in operating activities	(56,296)	(41,776)	(469,141)
Investing activities:			
Purchases of own used assets	(2,536)	(2,654)	(21,140)
Purchases of investment securities	(423)	(4,630)	(3,529)
Proceeds from sales and redemption of investment securities	7,832	22,124	65,268
Payments for acquisition of newly consolidated subsidiaries	(37,111)	(9,877)	(309,263)
Payments into time deposits	(2,462)	(3,355)	(20,523)
Proceeds from withdrawal of time deposits	2,018	4,010	16,823
Other — net	1,230	3,122	10,256
Net cash (used in) provided by investing activities	(31,453)	8,739	(262,110)
Financing activities:			
Net decrease in short-term loans	(122,019)	(126,706)	(1,016,829)
Net increase (decrease) in commercial paper	67,700	(43,900)	564,166
Proceeds from loans from the securitizations of the minimum future rentals on lease contracts	117,969	177,666	983,080
Repayments of loans from the securitizations of the minimum future rentals on lease contracts	(108,843)	(152,897)	(907,026)
Proceeds from long-term loans	355,861	559,636	2,965,514
Repayments of long-term loans	(288,257)	(449,535)	(2,402,148)
Proceeds from issuance of bonds	227,024	241,406	1,891,874
Redemption of bonds	(176,470)	(121,002)	(1,470,583)
Cash dividends paid	(7,776)	(5,998)	(64,806)
Other — net	196	(940)	1,634
Net cash provided by financing activities	65,384	77,729	544,874
Foreign currency translation adjustments on cash and cash equivalents	4,422	2,893	36,854
Net (decrease) increase in cash and cash equivalents	(17,942)	47,585	(149,522)
Increase in cash and cash equivalents resulting from change in the scope of consolidated subsidiaries	175		1,462
Cash and cash equivalents, beginning of year	120,540	72,954	1,004,502
Cash and cash equivalents, end of year	¥102,773	¥120,540	$856,442

See notes to consolidated financial statements.

Additional information

Acquisition of equity interests of Beacon Intermodal Leasing, LLC (BIL) (Note 3)
On November 13, 2014, the Company acquired all of the equity interests of BIL according to the equity purchase agreement executed on May 12, 2014.

Reconciliation of the net cash paid for the investment in BIL is as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2015	2015
Current assets	¥12,786	$106,553
Fixed assets	125,213	1,043,447
Goodwill	2,008	16,733
Current liabilities	(109,423)	(911,859)
Long-term liabilities	(20,093)	(167,442)
Foreign currency translation adjustments	(647)	(5,395)
Acquisition cost	9,844	82,036
Cash and cash equivalents	(1,201)	(10,010)
Net cash paid for acquisition of BIL	¥8,643	$72,025

Acquisition of outstanding shares of Engine Lease Finance Corporation (ELF) (Note 3)
On November 13, 2014, the Company acquired all of the outstanding shares of ELF according to the equity purchase agreement executed on May 12, 2014.

Reconciliation of the net cash paid for investment in ELF is as follows:

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2015	2015
Current assets	¥12,366	$103,054
Fixed assets	156,622	1,305,184
Goodwill	4,041	33,676
Current liabilities	(121,184)	(1,009,872)
Long-term liabilities	(16,731)	(139,430)
Foreign currency translation adjustments	(2,329)	(19,409)
Acquisition cost	32,784	273,202
Cash and cash equivalents	(4,315)	(35,964)
Net cash paid for acquisition of ELF	¥28,468	$237,238

Notes to Consolidated Financial Statements

Mitsubishi UFJ Lease & Finance Company Limited and Consolidated Subsidiaries

Years ended March 31, 2015 and 2014

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements of Mitsubishi UFJ Lease & Finance Company Limited (the "Company") and its consolidated subsidiaries (collectively, the "Companies") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the 2014 consolidated financial statements to conform to the classifications used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120 to USD1, the approximate rate of exchange at March 31, 2015.

Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Japanese yen figures less than a million yen and U.S. dollars figures less than a thousand dollars are rounded down to the nearest million yen and thousand dollars, except for per share data. As a result, totals in millions of yen and thousands of U.S. dollars may not add up exactly.

2. Summary of Significant Accounting Policies

a. Consolidation — The consolidated financial statements as of March 31, 2015, include the accounts of the Company and its 250 (216 in 2014) significant subsidiaries.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in two (one in 2014) unconsolidated subsidiaries and ten (eight in 2014) associated companies are accounted for by the equity method.

In September 2006, the Accounting Standards Board of Japan (ASBJ) issued Practical Issues Task Force No. 20, *Practical Solution Application of Control Criteria and Influence Criteria to Investment Associations*. The practical solution clarifies how the control and influence concept should be practically applied to the consolidation scope of collective investment vehicles, such as limited partnerships, silent partnerships, and other entities with similar characteristics. The Company applied this practical solution and consolidated four such collective investment vehicles in 2015 (four in 2014).

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is shown as "Goodwill" in "Investments and other assets." Goodwill is amortized using the straight-line method over a period of 15 or 20 years.

The excess of the fair value of the net assets of the acquired subsidiary over the cost of an acquisition ("negative goodwill") at the date of acquisition is recognized in the consolidated statements of income as a bargain purchase gain. Before the Company recognizes a bargain purchase gain as profit, the Company reassesses the completeness of identified assets and liabilities of the acquired company and appropriate allocation of acquisition cost to the assets and liabilities. The negative goodwill recognized before April 1, 2009, is systematically amortized using the straight-line method over a period of 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All the material unrealized profit included in assets resulting from transactions within the Companies is also eliminated.

The fiscal years of the subsidiaries are not necessarily the same as the Company's. Accounts of those subsidiaries which have different fiscal periods have been adjusted for significant transactions to reflect properly their financial positions at March 31 of each year and the results of operations for the years then ended. Certain subsidiaries have prepared provisional statements of accounts, prepared in the equivalent way as the year-end closing, as of March 31, 2015.

The consolidated financial statements as of March 31, 2014, include only the balance sheet of PT. Takari Kokoh Sejahtera since the deemed acquisition date was December 31, 2013, and the Company consolidated PT. Takari Kokoh Sejahtera using its financial statements as of December 31, 2013.

Koken Chemical Co., Ltd. ("Koken"), acquired by a consolidated subsidiary, which is a private equity firm of the Company was not consolidated though the Company acquired a majority of its voting rights for the years ended March 31, 2015 and 2014. The reason was the Company had not intended to control it as an owner, but to improve its business for investment purpose through the consolidated subsidiary.

b. Business Combinations — In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, *Accounting Standard for Business Combinations*. Major accounting changes under the revised accounting standard are as follows:

(1) The previous accounting standard for business combinations allowed companies to apply the pooling-of-interests method of accounting when certain specific criteria were met such that the business combination was essentially regarded as a uniting of interests. The revised standard requires companies to account for such business combinations by the purchase method and the pooling-of-interests method of accounting is no longer allowed.

(2) The previous accounting standard required that research and development costs be charged to income as incurred. Under the revised standard, in-process research and development costs acquired in a business combination are capitalized as an intangible asset.

(3) The previous accounting standard required that a bargain purchase gain (negative goodwill) be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation.

The revised standard was applicable to business combinations undertaken on or after April 1, 2009.

The Company acquired 100% of the net assets of Engine Lease Finance Corporation and Beacon Intermodal Leasing, LLC on November 13, 2014, and accounted for them by the purchase method of accounting. The related goodwill is systematically amortized over 20 years.

c. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, all of which mature or become due within three months of the date of acquisition. Time deposits in trust, restricted for payment of maintenance of leased assets and reserved to refund security deposits under lease contracts to lessees are not included in cash equivalents.

d. Lease Accounting — In March 2007, the ASBJ issued ASBJ Statement No. 13, *Accounting Standard for Lease Transactions*, which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

Lessee — Finance leases that are deemed to transfer ownership of the leased property to the lessee are capitalized. However, under the previous accounting standard, other finance leases were permitted to be accounted for as operating lease transactions if certain "as-if capitalized" information was disclosed in the notes to the lessee's consolidated financial statements. In principle, the revised accounting standard requires that all finance lease transactions be capitalized by recognizing lease assets and lease obligations in the consolidated balance sheets, but it permits leases that existed at the transition date and do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions.

The Company and its consolidated domestic subsidiaries applied the revised accounting standard effective April 1, 2008.

Lessor — Finance leases that are deemed to transfer ownership of the leased property to the lessee are to be treated as sales. However, under the previous accounting standard, other finance leases were permitted to be accounted for as operating lease transactions if certain "as-if sold" information was disclosed in the notes to the lessor's consolidated financial statements. The revised accounting standard requires that all finance leases that are deemed to transfer ownership of the leased property to the lessee be recognized as "lease receivables" and all finance leases that are not deemed to transfer ownership of the leased property to the lessee be recognized as "investments in leases."

The Company and its consolidated domestic subsidiaries applied the revised accounting standard effective April 1, 2008. The leased assets are initially recorded at their acquisition cost and depreciated over the term of the lease or estimated useful lives on a straight-line basis to the residual value that is the amount to be realized at the time when the lease contract is terminated.

e. Revenue Recognition

Finance Leases — The Companies recognize lease revenues and related costs over the lease term. Interest revenues on finance lease contracts are calculated by the interest method after April 1, 2008, and by the straight-line method prior to April 1, 2008, over the remaining lease period.

Operating Leases — The Companies recognize lease revenues on a straight-line basis over the lease term based on the minimum rentals on the lease contracts.

Installment Sales — The Companies record revenues and profits from installment sales at the due date of each receipt.

The Companies follow the industry practice of including installment receivables due after one year in current assets. Receivables due after one year amounted to ¥176,769 million ($1,473,077 thousand) in 2015 and ¥174,637 million in 2014.

f. Marketable and Investment Securities — All securities are classified as available-for-sale securities. Available-for-sale securities are reported at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Available-for-sale securities for which the fair value is not readily determinable are stated at cost determined by the moving-average method.

The Company reviews the fair value of its available-for-sale securities on a regular basis to determine if the fair value of any individual security has declined below its cost and if such decline is other than temporary. If the decline in value is judged to be other than temporary, the security is written down to fair value. The resulting realized loss is recorded as other – net in other income (expenses) included in the consolidated statements of income in the period in which the decline was deemed to be other than temporary.

Investments in limited partnerships, which are considered securities under Article 2, Clause 2 of the Japanese Financial Instruments and Exchange Act, are recorded under the equity method and based on the latest consolidated financial statements available on the reportable date ruled by the partnership contracts.

The Companies have operating securities to gain interest or dividend income. The amount of operating securities included in "Marketable Securities" and "Investment Securities" were ¥14,007 million ($116,730 thousand) and ¥78,772 million ($656,434 thousand), respectively, as of March 31, 2015, and ¥26,634 million and ¥94,172 million, respectively, as of March 31, 2014. In addition, the Companies record income from those securities as "Revenues" in the consolidated statements of income.

As mentioned in Note 2. a., the Companies also have investments in private equity (Koken). Investments in private equity, included in "Investment Securities," as of March 31, 2015 and 2014, were ¥2,498 million ($20,819 thousand) and ¥2,498 million, respectively. In addition, the Companies record income from selling those securities as "Revenues" in the consolidated statements of income.

g. Inventories — Inventories held for sale in the ordinary course of business are stated at the lower of cost, which is determined by the specific identification method, or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.

h. Property and Equipment
Leased Assets — See Note 2.d.
Other Operating Assets — Property and equipment held for the Companies' operating use other than leased assets are stated at cost. Depreciation is computed based on the estimated useful lives of the assets under the straight-line method.
Own Used Assets — Property and equipment held for the Companies' own use are stated at cost. Depreciation is computed based on the estimated useful lives of the assets under the declining-balance method while the straight-line method is applied to assets held by consolidated foreign subsidiaries and buildings acquired after April 1, 1998, by the Company and its consolidated domestic subsidiaries.

The range of estimated useful lives of the assets is principally as follows:

Buildings: 3 to 47 years
Furniture and equipment: 2 to 20 years

i. Long-Lived Assets — The Company and its consolidated domestic subsidiaries review their long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows (DCFs) from the continued use and eventual disposition of the asset or the net selling price at disposition.

j. Allowance for Doubtful Receivables — The allowance for doubtful receivables is stated at the amount considered to be appropriate based on the Companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding. The amounts of long-term receivables considered uncollectible were directly written off from the accounts. The amounts directly written off were ¥14,302 million ($119,189 thousand) and ¥18,256 million at March 31, 2015 and 2014, respectively.

k. Retirement and Pension Plans
Employees' Retirement Benefits — The Company and certain consolidated subsidiaries have contract-type defined benefit corporate pension plans for employees or unfunded retirement benefit plans. The Company adopted contract-type defined benefit corporate pension plans based on Defined Benefit Corporate Pension Act, at February 1, 2011.

The liability for retirement benefits of the Company and a certain consolidated subsidiary is computed based on projected benefit obligations and plan assets at the consolidated balance sheet date, while the liability for retirement benefits of the other subsidiaries is provided at 100% of the amount that would be required if all employees had retired at the consolidated balance sheet date.

Assumptions were set forth as follows:

	2015	2014
Method of attributing expected retirement benefit to periods	Benefit formula basis method	Straight-line method
Amortization period of prior service cost	13 to 15 years	13 to 15 years
Recognition period of actuarial gain/loss	10 to 20 years	10 to 20 years

In May 2012, the ASBJ issued ASBJ Statement No. 26, *Accounting Standard for Retirement Benefits*, and ASBJ Guidance No. 25, *Guidance on Accounting Standard for Retirement Benefits*, which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Treatment in the consolidated balance sheets
Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after

adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) Treatment in the consolidated statement of income and the consolidated statement of comprehensive income
The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) Amendments relating to the method of attributing expected benefits to periods and relating to the discount rate and expected future salary increases
The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, all with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective March 31, 2014, and for (c) above, effective April 1, 2014.

With respect to (c) above, the Company changed the method of attributing the expected benefit to periods from a straight-line basis to a benefit formula basis, the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (c) above as of April 1, 2014, in retained earnings. As a result, liability for retirement benefits as of April 1, 2014, decreased by ¥4,228 million ($35,237 thousand), and retained earnings as of April 1, 2014, increased by ¥2,731 million ($22,759 thousand) and the effects on operating income and income before income taxes for the year ended March 31, 2015 were immaterial. In addition, the effects of this change on basic net income per share and diluted net income per share for the year ended March 31, 2015 were immaterial.

Retirement Allowances for Directors and Audit and Supervisory Board Members — Retirement allowances for directors and Audit and Supervisory Board members of certain consolidated domestic subsidiaries are recorded as a liability included in liability for retirement benefits in the consolidated balance sheets at the amount that would be required if all directors and Audit and Supervisory Board members retired at the consolidated balance sheet date.

l. Asset Retirement Obligations — In March 2008, the ASBJ published ASBJ Statement No. 18, *Accounting Standard for Asset Retirement Obligations*, and ASBJ Guidance No. 21, *Guidance on Accounting Standard for Asset Retirement Obligations*. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the DCFs required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

m. Stock Options — ASBJ Statement No. 8, *Accounting Standard for Stock Options*, and related guidance are applicable to stock options granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for stock options based on the fair value at the date of grant and over the vesting period. In the consolidated balance sheets, stock options are presented as stock acquisition rights as a separate component of equity until exercised.

n. Income Taxes — The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. Translation of Foreign Currency Accounts
Foreign Currency Transactions — All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date or, for hedged transactions, the applicable exchange rates. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged.

However, assets and liabilities denominated in foreign currencies covered by currency swap agreements and foreign exchange forward contracts are translated into Japanese yen at the contract amounts.

Foreign Currency Financial Statements — The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, except for equity, which is translated at the historical rate. Revenue and expense accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the average exchange rate during the fiscal year. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

Effective April 1, 2014, the Company changed its method of translation of revenue and expense accounts of the consolidated foreign subsidiaries from using the exchange rates as of the balance sheet date to using the average exchange rate during the fiscal year to more accurately reflect the operating results of the consolidated foreign subsidiaries in the consolidated financial statements, taking into consideration that increasing importance of overseas revenues will be expected. The effects of this change on operating income and income before income taxes for the year ended March 31, 2014, and cumulative effect up to April 1, 2013, were immaterial. In addition, the effects of this change on basic net income per share and diluted net income per share were immaterial.

p. Derivative and Hedging Activities — The Companies enter into foreign exchange forward contracts and cross-currency interest rate swap contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. The Companies also enter into interest rate swap contracts, interest rate cap contracts, and currency interest rate swaps to manage their interest rate risk and foreign currency exposures on certain assets and liabilities. The Company also utilizes foreign currency-denominated debt to manage its foreign currency exposures associated with the net investments in the foreign subsidiaries.

All derivative transactions are utilized to hedge interest and foreign currency exposures incorporated within the Companies' businesses. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of the hedged assets or liabilities. The Companies do not hold or issue derivatives for trading or speculative purposes. Because the counterparties to these derivatives are limited to major international financial institutions, the Companies do not anticipate any losses arising from credit risk. Derivative transactions entered into by the Companies have been made in accordance with internal policies, which regulate the authorization and credit limit amounts. Derivative financial instruments are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value and gains or losses on the derivative transactions are recognized in the consolidated statements of income and (b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

All derivative transactions, except for interest rate swaps and currency interest rate swaps which qualify for hedge accounting and meet specific matching criteria, are assessed for their hedging effectiveness to verify whether hedge instruments offset interest rate risk or foreign exchange risk of hedged items in application of hedge accounting.

Foreign exchange forward contracts, currency interest rate swap contracts and foreign currency-denominated debt are utilized to hedge foreign exchange risk. Certain assets and liabilities denominated in foreign currencies are translated at the contracted rates if the contracts qualify for hedge accounting.

Interest rate swaps and currency interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value. Instead, the differential paid or received under the swap contracts is recognized and included in interest expense or income. Other interest rate swaps and currency interest rate swaps that qualify for hedge accounting are measured at fair value at the balance sheet date and the unrealized gains or losses are deferred until maturity in a separate component of equity.

q. Per Share Information — Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share reflects the potential dilution that could occur if the stock options were exercised. Diluted net income per share of common stock assumes full exercise of the outstanding stock options.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

r. New Accounting Pronouncements

Accounting Standards for Business Combinations and Consolidated Financial Statements — In September, 2013, the ASBJ issued revised ASBJ Statement No. 21, *Accounting Standard for Business Combinations,* revised ASBJ Guidance No. 10, *Guidance on Accounting Standards for Business Combinations and Business Divestitures,* and revised ASBJ Statement No. 22, *Accounting Standard for Consolidated Financial Statements.* Major accounting changes are as follows:

(a) Transactions with noncontrolling interest

A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of minority interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Under the current accounting standard, any difference between the fair value of the consideration received or paid and the amount by which the minority interest is adjusted is accounted for as an adjustment of goodwill or as profit or loss in the consolidated statement of income. Under the revised accounting standard, such difference shall be accounted for as capital surplus as long as the parent retains control over its subsidiary.

(b) Presentation of the consolidated balance sheet

In the consolidated balance sheet, "minority interest" under the current accounting standard will be changed to "noncontrolling interest" under the revised accounting standard.

(c) Presentation of the consolidated statement of income

In the consolidated statement of income, "income before minority interest" under the current accounting standard will be changed to "net income" under the revised accounting standard, and "net income" under the current accounting standard will be changed to "net income attributable to owners of the parent" under the revised accounting standard.

(d) Provisional accounting treatments for a business combination

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. Under the current accounting standard guidance, the impact of adjustments to provisional amounts recorded in a business combination on profit or loss is recognized as profit or loss in the year in which the measurement is completed. Under the revised accounting standard guidance, during the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date.

(e) Acquisition-related costs
Acquisition-related costs are costs, such as advisory fees or professional fees, which an acquirer incurs to effect a business combination. Under the current accounting standard, the acquirer accounts for acquisition-related costs by including them in the acquisition costs of the investment. Under the revised accounting standard, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred.

The above accounting standards and guidance for (a) transactions with noncontrolling interest, (b) presentation of the consolidated balance sheet, (c) presentation of the consolidated statement of income, and (e) acquisition-related costs are effective for the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted from the beginning of annual periods beginning on or after April 1, 2014, except for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income. In the case of earlier application, all accounting standards and guidance above, except for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income, should be applied simultaneously.

Either retrospective or prospective application of the revised accounting standards and guidance for (a) transactions with noncontrolling interest and (e) acquisition-related costs is permitted. In retrospective application of the revised standards and guidance, the accumulated effects of retrospective adjustments for all (a) transactions with noncontrolling interest and (e) acquisition-related costs which occurred in the past shall be reflected as adjustments to the beginning balance of capital surplus and retained earnings for the year of the first-time application. In prospective application, the new standards and guidance shall be applied prospectively from the beginning of the year of the first-time application.

The revised accounting standards and guidance for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income shall be applied to all periods presented in financial statements containing the first-time application of the revised standards and guidance.

The revised standards and guidance for (d) provisional accounting treatments for a business combination are effective for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2014.

The Company expects to apply the revised accounting standards and guidance for (a), (b), (c), and (e) above from April 1, 2015, and for (d) above for a business combination which will occur on or after April 1, 2015, and is in the process of measuring the effects of applying the revised accounting standards and guidance in future applicable periods.

3. Business Combination

On November 13, 2014, the Company acquired all of the outstanding shares of Engine Lease Finance Corporation (ELF) (country of incorporation: Ireland) and all of the equity interests of Beacon Intermodal Leasing, LLC (BIL) (country of incorporation: USA) according to the equity purchase agreement executed on May 12, 2014. The consolidated financial statements for the year ended March 31, 2015, include their operating results for the period from November 13, 2014 to December 31, 2014. The excess of the acquisition cost over the fair value of the net assets of ELF and BIL was ¥4,041 million ($33,676 thousand) and ¥2,008 million ($16,733 thousand), respectively, at November 13, 2014, which was recognized as goodwill in the accompanying consolidated balance sheets and is amortized using the straight-line method over a period of 20 years.

The Company demonstrates its flexibility and mobility as a nonbank to the maximum extent possible and provides financing in reliance on the business characteristics and potential value in assets, and engages in overall development of businesses, such as planning and management of business plans. With respect to one of its priority strategies, the business involving global assets, including aircraft, vessels, and containers, in which high marketability and value on assets can be found and recognized in global markets, in addition to the reinforcing of the aircraft leasing business through the acquisition of all of equity interests of JSA International holdings, L.P., with its U.S.-based aircraft leasing subsidiary Jackson Square Aviation, LLC, in January 2013, the Company commenced full-scale development of the auto leasing business with the cooperation of PT. Takari Sumber Mulia, a major Indonesian automobile rental company, in November 2013, thereby establishing an optimal business platform suited to assets characteristics and business models.

In furtherance of these efforts, the Company acquired all of the outstanding shares of ELF, a leading aircraft engine leasing company engaged in the aircraft engine leasing business and the management of aircraft engines held by other companies, and all of the equity interests in BIL, a company engaged in the container leasing business on a global scale to develop a system whereby the Company may establish itself globally as a main player in the business areas related to aircraft engines and containers by turning ELF and BIL into its group companies.

Acquisition of ELF

The details of the acquisition cost were as follows:

		Millions of yen	Thousands of U.S. dollars
Consideration	Cash	**¥31,772**	**$264,768**
Direct cost	Advisory costs and other expenses	**1,012**	**8,434**
Acquisition cost		**¥32,784**	**$273,202**

A summary of the balance sheet at the acquisition date was as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	**¥12,366**	**$103,054**
Leased assets, investments, other assets, and property and equipment	**156,622**	**1,305,184**
Total	**¥168,988**	**$1,408,238**
Current liabilities	**¥121,184**	**$1,009,872**
Long-term liabilities	**16,731**	**139,430**
Total	**¥137,916**	**$1,149,302**

The estimated impact on the consolidated statement of income for the year ended March 31, 2015, assuming the business combination was concluded on the beginning of the current fiscal year was as follows:

	Millions of yen	Thousands of U.S. dollars
Total revenues	**¥15,106**	**$125,888**
Operating income	**3,477**	**28,983**
Income before income taxes and minority interests	**3,574**	**29,785**
Net income	**2,272**	**18,933**

	Yen	U.S. dollars
Basic net income per share	**¥2.56**	**$0.021**

The above amounts were estimated as the difference between the amount of total revenue and income calculated with the assumption that the business combination was concluded at the beginning of the current fiscal year and the amount of total revenue and income recorded in the consolidated statement of income of the Company. Also, the difference includes amortization of goodwill for the period from the beginning of the current fiscal year to the effective date of the business combination and adjustments resulting from market valuation of leased assets. The estimated amounts of the impact of the combination have not been audited.

Acquisition of BIL

The details of the acquisition cost were as follows:

		Millions of yen	Thousands of U.S. dollars
Consideration	Cash	**¥8,832**	**$73,601**
Direct cost	Advisory costs and other expenses	**1,012**	**8,434**
Acquisition cost		**¥9,844**	**$82,036**

A summary of the balance sheet at the acquisition date was as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	**¥12,786**	**$106,553**
Leased assets, investments, other assets, and property and equipment	**125,213**	**1,043,447**
Total	**¥138,000**	**$1,150,000**
Current liabilities	**¥109,423**	**$911,859**
Long-term liabilities	**20,093**	**167,442**
Total	**¥129,516**	**$1,079,302**

The estimated impact on the consolidated statement of income for the year ended March 31, 2015, assuming the business combination was concluded on the beginning of the current fiscal year was as follows:

	Millions of yen	Thousands of U.S. dollars
Total revenues	**¥12,901**	**$107,514**
Operating income	**488**	**4,069**
Income before income taxes and minority interests	**488**	**4,069**
Net income	**284**	**2,374**

	Yen	U.S. dollars
Basic net income per share	**¥0.32**	**$0.002**

The above amounts were estimated as the difference between the amount of total revenue and income calculated with the assumption that the business combination was concluded at the beginning of the current fiscal year and the amount of total revenue and income recorded in the consolidated statement of income of the Company. Also, the difference includes amortization of goodwill for the period from the beginning of the current fiscal year to the effective date of the business combination and adjustments resulting from market valuation of leased assets. The estimated amounts of the impact of the combination have not been audited.

4. Marketable and Investment Securities

The carrying amounts of marketable and investment securities recognized in the consolidated balance sheets were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Marketable securities	**¥14,202**	¥26,789	**$118,351**
Investment securities:			
Unconsolidated subsidiaries and associated companies	**44,497**	40,076	**370,809**
Others	**128,559**	142,763	**1,071,332**
Total	**¥187,259**	¥209,629	**$1,560,493**

Marketable and investment securities as of March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Equity securities	**¥84,136**	¥73,231	**$701,138**
Debt securities	**28,170**	59,648	**234,756**
Trust fund investments and other	**74,951**	76,749	**624,599**
Total	**¥187,259**	¥209,629	**$1,560,493**

The carrying amounts and aggregate fair values of marketable and investment securities as of March 31, 2015 and 2014, were as follows:

	Millions of yen			
March 31, 2015	Cost	Unrealized gains	Unrealized (losses)	Fair value
Securities classified as:				
Available for sale:				
Equity securities	**¥19,687**	**¥29,226**	**¥(119)**	**¥48,794**
Debt securities	**27,929**	**245**	**(4)**	**28,170**
Trust fund investments and other	**2,337**			**2,337**
Total	**¥49,954**	**¥29,471**	**¥(123)**	**¥79,303**

	Millions of yen			
March 31, 2014	Cost	Unrealized gains	Unrealized (losses)	Fair value
Securities classified as:				
Available for sale:				
Equity securities	¥19,888	¥18,471	¥(339)	¥38,020
Debt securities	59,445	203		59,648
Trust fund investments and other	4,196			4,196
Total	¥83,530	¥18,674	¥(339)	¥101,866

	Thousands of U.S. dollars			
March 31, 2015	Cost	Unrealized gains	Unrealized (losses)	Fair value
Securities classified as:				
Available for sale:				
Equity securities	**$164,063**	**$243,553**	**$(992)**	**$406,623**
Debt securities	**232,749**	**2,042**	**(35)**	**234,756**
Trust fund investments and other	**19,478**			**19,478**
Total	**$416,291**	**$245,595**	**$(1,028)**	**$660,858**

Marketable and investment securities whose fair value is not readily determinable as of March 31, 2015 and 2014, were as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Investments in unconsolidated subsidiaries and associated companies	**¥42,153**	¥38,286	**$351,281**
Available for sale:			
Equity securities	**10,146**	10,146	**84,550**
Trust beneficiary interests		388	
Silent partnership and other	**55,656**	58,941	**463,802**
Total	**¥107,956**	¥107,763	**$899,634**

The proceeds from realized gains and losses of the available-for-sale securities, which were sold during the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Proceeds	**¥1,398**	¥14,559	**$11,656**
Realized gains	**1,129**	336	**9,410**
Realized (losses)	**(16)**	(4)	**(138)**

The impairment losses on marketable and investment securities recognized for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Equity securities	**¥47**	¥26	**$398**
Trust fund investments and other	**1,759**	4,897	**14,660**
Total	**¥1,807**	¥4,923	**$15,059**

5. Inventories

Inventories as of March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Merchandise	**¥1,125**	¥1,166	**$9,380**
Real estate for resale	**177**	1,909	**1,476**
Total	**¥1,302**	¥3,076	**$10,856**

6. Investment Property

The Companies own certain rental properties, such as office buildings, commercial facilities, and rental residential properties, in major cities throughout Japan. The net of rental income and operating expenses for those properties was ¥8,694 million ($72,457 thousand) and ¥7,039 million for the fiscal years ended March 31, 2015 and 2014, respectively.

The carrying amounts, changes in such balances, and fair value of those properties as of March 31, 2015 and 2014, were as follows:

Millions of yen			
2015			
Carrying amount (1)			Fair value (3)
Beginning of year	Net increase (2)	End of year	End of year
¥206,030	**¥5,968**	**¥211,998**	**¥220,496**

Millions of yen			
2014			
Carrying amount (1)			Fair value (3)
Beginning of year	Net increase (2)	End of year	End of year
¥196,741	¥9,289	¥206,030	¥210,727

Thousands of U.S. dollars			
2015			
Carrying amount (1)			Fair value (3)
Beginning of year	Net increase (2)	End of year	End of year
$1,716,916	**$49,738**	**$1,766,655**	**$1,837,470**

Notes:

(1) Carrying amounts recognized in the consolidated balance sheets are net of accumulated depreciation and accumulated impairment losses, if any.

(2) Increases during the fiscal years ended March 31, 2015 and 2014, were primarily attributable to ¥17,692 million ($147,438 thousand) and ¥14,408 million from the acquisition of real estate, respectively.

(3) For fair value disclosure related to major properties, the Company obtains fair value using third-party real estate appraisers or by the DCF method. When changes in facts or circumstances indicate that there is no significant change in indices from the latest appraisal, the Companies use the fair value of these properties based on such appraisal. For fair value disclosure on other properties, the Company obtains fair value using the DCF rationally calculated by the Companies, amounts calculated by using market price indices, or appropriate book value for certain depreciable assets or properties newly acquired in this fiscal year.

7. Lease Receivables and Investments in Leases

The aggregate annual maturities of the future rentals on lease receivables as of March 31, 2015, were as follows:

	Millions of yen	Thousands of U.S. dollars
Years Ending March 31	**2015**	**2015**
2016	**¥122,693**	**$1,022,442**
2017	**90,679**	**755,665**
2018	**67,731**	**564,425**
2019	**44,443**	**370,359**
2020	**27,069**	**225,578**
Thereafter	**54,592**	**454,937**
Total	**¥407,209**	**$3,393,408**

Investments in leases as of March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Gross investments in leases	**¥1,290,758**	¥1,295,512	**$10,756,320**
Residual values	**44,774**	46,764	**373,120**
Unearned interest income	**(256,016)**	(253,915)	**(2,133,468)**
Total	**¥1,079,516**	¥1,088,361	**$8,995,971**

The aggregate annual maturities of the future rentals on investments in leases as of March 31, 2015, were as follows:

	Millions of yen	Thousands of U.S. dollars
Years Ending March 31	**2015**	**2015**
2016	**¥330,656**	**$2,755,468**
2017	**267,905**	**2,232,542**
2018	**212,124**	**1,767,700**
2019	**157,698**	**1,314,155**
2020	**98,785**	**823,211**
Thereafter	**223,588**	**1,863,240**
Total	**¥1,290,758**	**$10,756,320**

As discussed in Note 2.d., the Company and its consolidated domestic subsidiaries applied the revised accounting standard for leases effective April 1, 2008. Due to this change, interest on finance lease contracts that do not transfer ownership of the leased property to the lessee and existed on the transition date was recorded using the straight-line method. Interest was ¥1,888 million ($15,737 thousand) larger for the year ended March 31, 2015, and ¥4,160 million larger for the year ended March 31, 2014, than would be recorded using the interest method from the beginning of the transition date.

The consolidated balance sheet amounts of sublease contracts, including those that aim to disperse credit risks, including interest as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Lease receivables	**¥23,509**	¥12,570	**$195,913**
Investments in leases	**46,003**	40,607	**383,362**
Lease obligations	**71,248**	54,437	**593,736**

8. Leased Assets

The minimum future rentals on lease contracts as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Due within one year	**¥158,114**	¥103,608	**$1,317,618**
Due after one year	**712,050**	490,606	**5,933,755**
Total	**¥870,164**	¥594,215	**$7,251,373**

9. Goodwill

Goodwill as of March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Goodwill in connection with acquisition	**¥25,627**	¥27,763	**$213,566**
Consolidation goodwill	**68,869**	59,075	**573,915**
Total	**¥94,497**	¥86,839	**$787,481**

Goodwill in connection with acquisition is related to the merger of the Company with UFJ Central Leasing Co., Ltd., effective April 1, 2007. Consolidation goodwill is related to the acquisition of the consolidated subsidiaries.

10. Long-Lived Assets

The Companies reviewed its long-lived assets for impairment as of March 31, 2015 and 2014. As a result, the Companies recognized impairment losses of ¥3,006 million on the following long-lived assets for the year ended March 31, 2014.

Location	Use	Type of assets	Millions of yen
Chuo-ku, Tokyo	Own used assets	Land and buildings	¥3,006
Total			¥3,006

No impairment loss was recognized in 2015.

The Company mainly categorizes leased assets as an individual independent unit. Due to the change in use of the above assets from own used assets to leased assets, the carrying amount of the above assets was reduced to the recoverable amount and the reduction was recorded as an impairment loss in other income (expenses). The recoverable amount of the asset group is measured at the net selling price determined by the appraisal amount by third-party real estate appraiser.

11. Pledged Assets

As of March 31, 2015, the following assets were pledged as collateral for long-term debt, other current liabilities, and other long-term liabilities:

	Millions of yen	Thousands of U.S. dollars
	2015	**2015**
Cash, cash equivalents, and time deposits	**¥4,870**	**$40,583**
Receivables — loans	**135,537**	**1,129,480**
Lease receivables and investments in leases	**26,606**	**221,721**
Leased assets	**329,659**	**2,747,162**
Investment securities	**7,377**	**61,478**
Investments and other assets — other	**213**	**1,782**
Total	**¥504,265**	**$4,202,208**

The liabilities secured by the foregoing assets were as follows:

	Millions of yen	Thousands of U.S. dollars
	2015	**2015**
Long-term loans from banks and other financial institutions	**¥197,011**	**$1,641,758**
Loans from the securitization of the minimum future rentals on lease contracts	**130,973**	**1,091,445**
Other current liabilities	**14**	**124**
Other long-term liabilities	**1,816**	**15,135**
Total	**¥329,815**	**$2,748,464**

12. Nonrecourse Loans

Nonrecourse loans as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Current maturities of non-recourse long-term loans	**¥588**	¥509	**$4,900**
Nonrecourse long-term loans, less current maturities	**8,991**	8,332	**74,929**
Total	**¥9,579**	¥8,841	**$79,830**

Pledged assets for non-recourse loans as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Receivables — loans	**¥11,188**	¥10,241	**$93,240**

13. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Short-term loans from banks and other financial institutions:			
0.52%	**¥796,298**		**$6,635,821**
0.54%		¥679,077	
Commercial paper:			
0.11%	**¥830,000**	¥762,300	**$6,916,666**
Bonds:			
Bonds without collateral:			
Due 2015-2024, 0.172% - 0.796%	**¥355,000**		**$2,958,333**
Due 2014-2021, 0.235% - 0.796%		¥385,000	
U.S. dollar bond without collateral:			
Due 2018, 2.000%	**59,943**	51,350	**499,526**
U.S. dollar bonds issued under the MTN program:			
Due 2016-2020, 1.032% - 2.500%	**216,037**		**1,800,309**
Due 2016-2019, 1.160% - 1.875%		82,172	
Euroyen bonds issued under the MTN program:			
Due 2015-2016, 0.113% - 0.636%	**37,500**		**312,500**
Due 2014-2016, 0.170% - 1.120%		63,100	
Chinese yuan bonds issued under the MTN program:			
Due 2017, 3.280%	**9,680**		**80,666**
Due 2015-2017, 3.280% - 3.600%		13,272	
Bond without collateral issued by Hirogin Lease Co., Ltd., due 2016, 0.250%	**5,000**	5,000	**41,666**
U.S. dollar bond without collateral issued by Bangkok Mitsubishi UFJ Lease Co., Ltd.:			
Due 2018, 0.285%	**1,944**		**16,203**
Due 2018, 0.276%		1,687	
Thai baht bond without collateral issued by Bangkok Mitsubishi UFJ Lease Co., Ltd., due 2016, 3.670%	**3,670**	3,200	**30,583**
Total	**¥688,774**	¥604,781	**$5,739,789**

Long-term loans from banks and other financial institutions, partially collateralized:			
Due within one year, 1.28%	**¥252,815**		**$2,106,795**
Due 2016-2030, 1.26%	**1,159,316**		**9,660,967**
Due within one year, 0.84%		¥273,706	
Due 2015-2031, 1.18%		991,359	
Total	**¥1,412,131**	¥1,265,065	**$11,767,762**
Nonrecourse loans:			
Due within one year, 0.54%	**¥588**		**$4,900**
Due 2016-2021, 0.54%	**8,991**		**74,929**
Due within one year, 0.55%		¥509	
Due 2015-2021, 0.55%		8,332	
Total	**¥9,579**	¥8,841	**$79,830**
Lease obligations, including fixed interests:			
Due within one year	**¥16,958**		**$141,320**
Due 2016-2030	**54,374**		**453,116**
Due within one year		¥13,004	
Due 2015-2029		41,505	
Total	**¥71,332**	¥54,509	**$594,437**
Loans from the securitization of the minimum future rentals on lease contracts:			
Due within one year, 0.41%	**¥60,738**		**$506,155**
Due 2016-2025, 0.60%	**112,800**		**940,007**
Due within one year, 0.42%		¥54,755	
Due 2015-2024, 0.61%		109,657	
Total	**¥173,539**	¥164,413	**$1,446,163**
Other current liabilities and other long-term liabilities:			
Due within one year	**¥1,531**		**$12,759**
Due 2016-2018	**17,883**		**149,031**
Due within one year		¥442	
Due 2015-2018		19,448	
Total	**¥19,414**	¥19,891	**$161,790**

The interest rates of loans from banks and other financial institutions, commercial paper, and loans from the securitization of the minimum future rentals on lease contracts represent weighted-average rates on outstanding balances at March 31, 2015 and 2014.

Substantially all of the Company's short-term bank loans are made under agreements, as is customary in Japan, which provide that, at the request of such banks, the Company will provide additional collateral or guarantors with respect to the loan. As of March 31, 2015, the Company has not received any such request.

Annual maturities of long-term debt as of March 31, 2015, for the next five years were as follows:

	Millions of yen				
March 31, 2015	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Short-term loans from banks and other financial institutions ...	**¥796,298**				
Commercial paper	**830,000**				
Bonds...........................	**127,500**	**¥173,357**	**¥119,943**	**¥57,995**	**¥169,978**
Long-term loans from banks and other financial institutions ...	**252,815**	**254,664**	**196,464**	**201,504**	**104,311**
Nonrecourse loans	**588**	**591**	**595**	**598**	**602**
Lease obligations..........	**16,958**	**13,537**	**11,608**	**9,561**	**7,005**
Loans from the securitization of the minimum future rentals on lease contracts and other......	**62,269**	**35,809**	**31,384**	**22,935**	**7,811**
Total	**¥2,086,430**	**¥477,960**	**¥359,995**	**¥292,595**	**¥289,709**

	Thousands of U.S. dollars				
March 31, 2015	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Short-term loans from banks and other financial institutions ...	**$6,635,821**				
Commercial paper	**6,916,666**				
Bonds...........................	**1,062,500**	**$1,444,643**	**$999,526**	**$483,295**	**$1,416,490**
Long-term loans from banks and other financial institutions ...	**2,106,795**	**2,122,203**	**1,637,206**	**1,679,201**	**869,266**
Nonrecourse loans	**4,900**	**4,930**	**4,959**	**4,987**	**5,017**
Lease obligations..........	**141,320**	**112,813**	**96,735**	**79,676**	**58,381**
Loans from the securitization of the minimum future rentals on lease contracts.....................	**518,914**	**298,414**	**261,534**	**191,130**	**65,092**
Total	**$17,386,918**	**$3,983,005**	**$2,999,962**	**$2,438,291**	**$2,414,248**

The Company and certain consolidated domestic subsidiaries had loan commitment agreements as of March 31, 2015 and 2014, amounting to ¥443,996 million ($3,699,966 thousand) and ¥370,797 million, respectively, of which ¥411,217 million ($3,426,814 thousand) and ¥369,088 million were unused, respectively.

14. Retirement and Pension Plans

The Company and certain consolidated domestic subsidiaries have contract-type defined benefit corporate pension plans for employees or unfunded retirement benefit plans. The Company adopted contract-type defined benefit corporate pension plans based on Defined Benefit Corporate Pension Act, at February 1, 2011.

Under most circumstances, employees terminating their employment are entitled to retirement benefits that are determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from its domestic subsidiaries and annuity payments from a trustee. If the termination is involuntary, such as when caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to a larger payment than in the case of a voluntary termination.

The liabilities for retirement benefits for directors and Audit and Supervisory Board members of the consolidated domestic subsidiaries at March 31, 2015 and 2014, were ¥152 million ($1,268 thousand) and ¥134 million, respectively. The retirement benefits for directors and Audit and Supervisory Board members are paid subject to the approval of the shareholders.

(1) The changes in defined benefit obligation for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Balance at beginning of year	**¥21,971**	¥20,963	**$183,097**
Cumulative effect of accounting change	**(4,228)**		**(35,237)**
Balance, April 1, 2014 (as restated)	**17,743**	20,963	**147,859**
Current service cost	**1,245**	1,242	**10,382**
Interest cost	**269**	186	**2,242**
Actuarial losses	**16**	123	**134**
Benefits paid	**(372)**	(544)	**(3,104)**
Balance at end of year	**¥18,901**	¥21,971	**$157,513**

(2) The changes in plan assets for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Balance at beginning of year	**¥15,676**	¥13,774	**$130,633**
Expected return on plan assets	**255**	223	**2,128**
Actuarial gains	**1,328**	723	**11,072**
Contributions from the employer	**1,320**	1,224	**11,003**
Benefits paid	**(227)**	(270)	**(1,898)**
Balance at end of year	**¥18,352**	¥15,676	**$152,940**

(3) Reconciliation between the liability recorded in the consolidated balance sheets and the balances of defined benefit obligation and plan assets

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Funded defined benefit obligation	**¥18,007**	¥21,167	**$150,061**
Plan assets	**(18,352)**	(15,676)	**(152,940)**
	(345)	5,491	**(2,878)**
Unfunded defined benefit obligation	**894**	803	**7,451**
Net liability arising from defined benefit obligation	**¥548**	¥6,295	**$4,572**
Liability for retirement benefits	**¥1,382**	¥6,295	**$11,523**
Asset for retirement benefit	**(834)**		**(6,950)**
Net liability arising from defined benefit obligation	**¥548**	¥6,295	**$4,572**

(4) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Service cost	**¥1,245**	¥1,242	**$10,382**
Interest cost	**269**	186	**2,242**
Expected return on plan assets	**(255)**	(223)	**(2,128)**
Recognized actuarial losses	**397**	419	**3,316**
Amortization of prior service cost	**72**	72	**607**
Others	**8**	14	**70**
Net periodic benefit costs	**¥1,738**	¥1,712	**$14,489**

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Prior service cost	**¥(72)**		**$(607)**
Actuarial losses	**(1,710)**		**(14,255)**
Total	**¥(1,783)**		**$(14,862)**

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Unrecognized prior service cost	**¥35**	¥108	**$298**
Unrecognized actuarial losses	**1,512**	3,223	**12,605**
Total	**¥1,548**	¥3,332	**$12,904**

(7) Plan assets

a. *Components of plan assets*

Plan assets consisted of the following:

	2015	2014
General account	**40%**	43%
Equity investments	**33**	35
Debt investments	**25**	20
Others	**2**	2
Total	**100%**	100%

b. *Method of determining the expected rate of return on plan assets*

The expected rate of return on plan assets is determined considering the long-term rates of return, which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2015 and 2014, were set forth as follows:

	2015	2014
Discount rate	**0.51 to 1.79%**	0.5 to 1.0%
Expected rate of return on plan assets	**1.5 to 1.7**	1.5 to 1.7

Other than the above, an expected rate of salary increase is used for the assumption. The Company and certain consolidated domestic subsidiaries have adopted a point system. Salaries as the base for benefits consist of points by function and points by service. Salary increase index by age is used for points by function.

15. Commitments and Contingent Liabilities

The Companies, as lenders, have loan commitment agreements as of March 31, 2015, totaling ¥131,848 million ($1,098,740 thousand), the used portion is ¥1,969 million ($16,408 thousand), and the unused portion is ¥129,879 million ($1,082,331 thousand). This amount includes unused portions of the facilities of ¥105,726 million ($881,057 thousand) which will not necessarily be utilized in full because these facilities are subject to periodic reviews of the borrower's purpose for the loan, credit standing, etc.

The Companies are contingently liable as of March 31, 2015, as guarantor or co-guarantor for borrowings and others of ¥7,037 million ($58,646 thousand) for their unconsolidated subsidiaries and others.

The Companies have entered into various interest rate swaps, interest rate cap contracts, cross-currency interest rate swaps, and foreign exchange forward contracts in the ordinary course of business (see Note 23).

16. Equity

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria, such as (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit and Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

Moreover, the additional dividend restriction based upon the consolidated retained earnings is applicable to the Company.

(b) Increases/decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of the legal reserve and additional paid-in capital equals 25% of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

On April 1, 2013, the Company completed a ten-for-one stock split by way of a free share distribution based on the resolution of the Board of Directors' meeting held on December 20, 2012.

17. Stock Based Compensation

The Company has a stock option plan for certain directors and executive officers. Under the plan, the right to purchase the common shares of the Company is granted at an exercise price of ¥1 per share. The contractual term of the stock options is 30 years. The stock option holders may exercise their stock acquisition rights during the five-year period starting the day one year after leaving their position as either director, Audit and Supervisory Board member, or executive officer of the Company.

The stock options outstanding as of March 31, 2015, were as follows:

	2010 stock option	2011 stock option	2012 stock option
Persons granted	9 directors 17 executive officers	9 directors 17 executive officers	10 directors 17 executive officers
Number of options granted*	684,400	651,600	721,700
Date of grant	October 15, 2009	October 15, 2010	October 14, 2011
The fair value of options granted under the plan at the grant dates*	¥264.3 ($2.20)	¥250.1 ($2.08)	¥283.1 ($2.35)

	2013 stock option	2014 stock option	2015 stock option
Persons granted	10 directors 17 executive officers	10 directors 19 executive officers	10 directors 18 executive officers
Number of options granted*	583,100	419,000	350,300
Date of grant	October 15, 2012	October 15, 2013	October 15, 2014
The fair value of options granted under the plan at the grant dates*	¥312.8 ($2.60)	¥502 ($4.18)	¥490 ($4.08)

The total stock-based compensation costs recognized for the years ended March 31, 2015 and 2014, were ¥171 million ($1,430 thousand) and ¥210 million, respectively.

The fair value of 2015 stock option is estimated using the Black-Scholes option-pricing model with the assumptions noted as follows in the table:

	2015 stock option
Volatility of stock price	29.64%
Estimated remaining outstanding period	3.9 years
Estimated dividend	1.53%
Risk-free interest rate	0.09%

The volatility of the stock price is based on the historical volatility of the Company's stock for the period equal to the option's estimated remaining outstanding period from the grant date. The estimated remaining outstanding period is based on the average term period and the average age as of retirement. The estimated dividend is based on the per share dividends (*) of ¥8.0 ($0.06) made in the preceding year for the year ended March 31, 2015. The risk-free interest rate is based on the yield of government bonds having a remaining life equal to the option's estimated remaining outstanding period.

The stock option activity for the fiscal years ended March 31, 2015 and 2014, was as follows:

	2010 stock option	2011 stock option	2012 stock option
	Number of shares*		
For the year ended March 31, 2014			
Outstanding at beginning of fiscal year	617,700	651,600	721,700
Granted			
Canceled or expired			
Exercised	74,800	17,800	
Outstanding at end of fiscal year	542,900	633,800	721,700
Vested at end of fiscal year	542,900	633,800	721,700
For the year ended March 31, 2015			
Outstanding at beginning of fiscal year	542,900	633,800	721,700
Granted			
Canceled or expired			
Exercised	98,800	58,400	
Outstanding at end of fiscal year	444,100	575,400	721,700
Vested at end of fiscal year	444,100	575,400	721,700

	2013 stock option	2014 stock option	2015 stock option
	Number of shares*		
For the year ended March 31, 2014			
Outstanding at beginning of fiscal year	583,100		
Granted		419,000	
Canceled or expired			
Exercised			
Outstanding at end of fiscal year	583,100	419,000	
Vested at end of fiscal year	583,100	419,000	
For the year ended March 31, 2015			
Outstanding at beginning of fiscal year	583,100	419,000	
Granted			350,300
Canceled or expired			
Exercised			
Outstanding at end of fiscal year	583,100	419,000	350,300
Vested at end of fiscal year	583,100	419,000	350,300

* On April 1, 2013, the Company split each share of its common stock, which was held by shareholders stated or recorded in the register of shareholders as of March 31, 2013, into ten (10) shares. Number of options, the fair value of options, and per share dividends have been retrospectively adjusted to reflect the stock split for all periods presented.

18. Selling, General, and Administrative Expenses

Selling, general, and administrative expenses for the years ended March 31, 2015 and 2014, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Provision for doubtful receivables	**¥2,021**	¥1,423	**$16,849**
Loss on operating securities	**949**	5,315	**7,913**
Employees' salaries, bonuses, and allowances	**16,783**	16,255	**139,865**
Other	**43,287**	40,400	**360,725**
Total	**¥63,042**	¥63,395	**$525,354**

19. Related-Party Transactions

The transactions with subsidiaries of the company which has significant influence over the Company for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Interest expense*1	**¥3,417**	¥2,952	**$28,478**
Purchases of shares and equity interests*2	**N/A**		**$377,259**

*1 Interest expense recorded in costs and other income (expenses).

*2 This refers to what MUL Asset Finance Corporation, a subsidiary of the Company, acquired shares of ELF and equity interests in BIL.

Amounts due from and to subsidiaries of the company which has significant influence over the Company as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Short-term loans	**¥238,936**	¥144,703	**$1,991,133**
Long-term loans, including current maturities	**183,157**	166,226	**1,526,309**

20. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 35.6% and 38.0% for the years ended March 31, 2015 and 2014, respectively.

The tax effects of significant temporary differences, which resulted in deferred tax assets and liabilities as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Deferred tax assets:			
Tax loss carryforwards	**¥23,443**	¥14,717	**$195,366**
Allowance for doubtful receivables	**9,882**	12,275	**82,351**
Accrued expenses	**6,285**	3,247	**52,380**
Investment securities	**5,916**	7,264	**49,306**
Advances received — leases	**3,784**	3,449	**31,536**
Other	**19,512**	15,185	**162,603**
Total deferred tax assets	**68,825**	56,138	**573,544**
Less valuation allowance	**(6,971)**	(5,857)	**(58,094)**
Less deferred tax liabilities	**(39,076)**	(27,204)	**(325,641)**
Net deferred tax assets	**¥22,777**	¥23,076	**$189,808**

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax liabilities:			
Depreciation of leased assets of foreign subsidiaries	¥32,251	¥17,009	$268,758
Difference in assets and liabilities of newly consolidated subsidiaries between fair value and tax basis	13,963	13,328	116,362
Net unrealized gain on available-for-sale securities	9,963	6,959	83,027
Deferred revenues from certain finance lease transactions	6,177	6,284	51,476
Other	4,787	3,852	39,893
Total deferred tax liabilities	67,142	47,434	559,518
Less deferred tax assets	(39,076)	(27,204)	(325,641)
Net deferred tax liabilities	¥28,065	¥20,229	$233,877

Certain subsidiaries of the Company have tax loss carryforwards as above and those will mainly begin to expire in 2031.

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the year ended March 31, 2015, with the corresponding figures for 2014 is as follows:

	2015	2014
Normal effective statutory tax rate	35.6%	38.0%
Amortization of goodwill	2.6	3.1
Other — net	1.3	(0.4)
Actual effective tax rate	39.5%	40.7%

New tax reform laws enacted in 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015, to approximately 33.1% and for the fiscal year beginning on or after April 1, 2016, to approximately 32.3%. The effect of these changes was to decrease deferred tax assets, net of deferred tax liabilities, by ¥514 million ($4,287 thousand) and increase accumulated other comprehensive income for unrealized gain on available-for-sale securities by ¥1,008 million ($8,403 thousand), and decrease deferred gain on derivatives under hedge accounting by ¥99 million ($828 thousand), and defined retirement benefit plans by ¥52 million ($433 thousand), in the consolidated balance sheet as of March 31, 2015, and to increase income taxes — deferred in the consolidated statement of income for the year then ended by ¥1,371 million ($11,428 thousand).

New tax reform laws enacted in 2014 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2014, from approximately 38.0% to 35.6%. The effect of this change was to decrease deferred tax assets in the consolidated balance sheet as of March 31, 2014, by ¥471 million and to increase income taxes — deferred in the consolidated statement of income for the year then ended by the same amount.

21. Leases

The future minimum payments under noncancelable operating leases as lessee as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within one year	¥1,968	¥2,414	$16,400
Due after one year	2,817	4,140	23,481
Total	¥4,785	¥6,555	$39,882

22. Financial Instruments and Related Disclosures

(1) Policy for financial instruments

The Companies mainly conduct business of lease transactions, installment sales, and financial transactions.

In order to finance these businesses, the Companies utilize indirect financing, primarily bank loans, as well as direct financing, issuance of bonds, commercial paper, and securitization receivables.

So as to properly manage the interest rate risk that arises from the mismatch of interest conditions and that of duration between invested assets and financing liabilities, the Companies utilize asset liability management (ALM).

Derivatives are used, not for speculative and trading purposes, but to hedge interest and foreign currency exposures as described in Note 23.

(2) Nature and extent of risks arising from financial instruments

Major financial assets the Companies have are receivables relating to leases, installment sales, and loans, which are exposed to customer credit risk.

Marketable and investment securities, mainly composed of equity securities, debt securities, and others, which are held for maintaining business relationships with customers and investment income purposes, are exposed to issuer credit risk, interest rate risk, and market price fluctuation risk.

The Companies are exposed to liquidity risk, namely the risk that, under certain conditions, they may not be able to procure the funds needed from the market to meet payment obligations for loans, bonds, commercial paper, and so on, on their maturity dates. The Companies are also exposed to interest rate fluctuation risk on floating interest rate liabilities.

The Companies mainly conduct business of lease transactions, installment sales, and financial transactions. Some receivables relating to leases, installment sales, and loans are with fixed interest rates. However, the Companies use some floating interest rate financing instruments, which expose them to interest rate risk.

In order to comprehensively manage these interest rate risks, or to secure stable earnings by fixing a profit margin for individual business projects, the Companies utilize interest rate-related derivative transactions.

In order to manage foreign exchange risk for individual foreign currency-denominated assets and liabilities, the Companies also utilize currency-related derivative transactions and foreign currency-denominated debt.

Please see Note 23 for more details about derivatives.

(3) Risk management for financial instruments

(a) Credit risk management

The Companies manage the credit risk of individual customers based on their overall strategy, financial position, credit rating portfolio characteristics, and other factors in accordance with the internal credit management rules. This credit management process is conducted by the business departments and the credit department, with regular reporting to the Risk Management Committee, the Management Committee, and the Board of Directors. In addition, the Internal Audit department monitors and audits credit administration and management status.

(b) Market risk management (foreign exchange risk and interest rate fluctuation risk)

The Companies manage exposure to interest rate fluctuation risk, foreign exchange risk, and price fluctuation risk according to internal rules for market risk management.

(i) Interest rate fluctuation risk management

In order to properly manage interest rate fluctuation risk, the Companies not only constantly monitor interest rate movements, but also monitor any mismatches of interest conditions and that of duration between invested assets and financing liabilities. With respect to interest rate fluctuation risk, the Company convenes the ALM Committee quarterly, attended by officers and the managers of related departments, to review market conditions, and asset/liability portfolio analysis. The ALM Committee deliberates and decides on policies with regard to current risk management and new financing. In addition, the Company reports quarterly to the Risk Management Committee.

(ii) Foreign exchange risk management

The Companies reduce foreign exchange risk of foreign currency-denominated assets individually by financing commensurate foreign currency-denominated debt and by using foreign currency-related derivative transactions. Regular reports regarding foreign exchange risk status are made to the executive officer in charge and to the ALM Committee and the Risk Management Committee.

(iii) Price fluctuation risk management

Price fluctuation risk for marketable and investment securities is reported to the officer in charge on a regular basis, and marketable and investment securities with quoted market prices in particular are reported to the ALM Committee and the Risk Management Committee. Most equity securities held by the Companies are for the purpose of maintaining business relationships with customers, and the Companies perform an annual review on whether to maintain these shares by monitoring the financial condition of the issuers (customers) and transaction status with customers.

(iv) Derivative transactions

The financial department utilizes derivative transactions in accordance with internal rules. Interest rate fluctuation risk is managed comprehensively through ALM with interest rate fluctuation risk of assets and liabilities in the consolidated balance sheets. Foreign currency fluctuation risk is managed on an individual project basis. The status of these derivative transactions is reported to the Management Committee every quarter. Credit risk due to nonfulfillment of contracts by counterparties is managed by setting individual credit limits according to the financing credit rating of the customer.

(v) Quantitative information of market risk

The Companies have financial instruments exposed to market risk, which are composed mainly of installment sales receivables, lease receivables and investments in leases, loans, marketable and investment securities, short-term borrowings, and long-term debt. To measure market risks, the Companies use the Value at Risk (VaR) method, which estimates changes in the market value of portfolios within a certain period by statistically analyzing past market data. In calculating the VaR, the Companies adopt a historical simulation model (holding period, one year; confidence interval, 99%; and observation period, five years). The aggregate VaR at March 31, 2015 and 2014, was ¥12,011 million ($100,097 thousand) and ¥5,884 million, respectively. The Companies measure and manage market risks, including the risks of the future rentals on and residual values of operating lease transactions, since they are also exposed to market risks similar to lease receivables and investments in lease (which are related to finance lease transactions).

The Companies have adopted a historical simulation model, which calculates a VaR as a statistically possible amount of losses in a fixed confidence interval based on historical market volatility. However, this model is not designed to capture certain abnormal market fluctuations.

(c) Liquidity risk management on financing

The Companies monitor their cash management status as a whole and control the duration mixture of financing. Through maintaining commitment lines with multiple financial institutions and diversification of financing methods, the Companies endeavor to secure liquidity. Liquidity risk management related to financing is conducted based on the Companies' internal liquidity risk management rule monitoring the probability of realization of the risk under the current financing environment and monthly reports on liquidity risk status to the executive officer in charge. The executive officer in charge decides the stage of liquidity risk and reports the decision to the ALM Committee and the Risk Management Committee. The Company has also prepared a contingency plan for each stage of liquidity risk and has been prepared for appropriate action addressing any such contingency.

(4) Supplementary information on fair value of financial instruments

Quoted market prices, when available, are used to estimate fair values of financial instruments. However, when quoted market prices are not available for financial instruments, fair values for such financial instruments are estimated using DCF models or other valuation techniques. Considerable judgment is required in determining methodologies and assumptions used in estimating fair values of financial instruments, therefore, the effect of using different methodologies and assumptions may be material to the estimated fair value amounts.

Regarding the fair value of financial instruments other than derivatives as of March 31, 2015 and 2014, see Note 23 for fair value information for derivatives.

	Millions of yen		
March 31, 2015	Carrying amount	Fair value	Unrealized gain (loss)
Cash and cash equivalents	**¥102,773**	**¥102,773**	
Time deposits other than cash equivalents	**10,135**	**10,135**	
Receivables:			
Installment sales	**258,057**		
Deferred profit on installment sales	**(24,033)**		
Allowance for doubtful receivables	**(510)**		
Sub-total	**233,513**	**249,469**	**¥15,955**
Loans	**1,257,593**		
Allowance for doubtful receivables	**(4,128)**		
Sub-total	**1,253,464**	**1,294,099**	**40,634**
Lease receivables and investments in leases	**1,447,615**		
Residual values of investments in leases	**(44,774)**		
Allowance for doubtful receivables	**(2,648)**		
Sub-total	**1,400,192**	**1,468,374**	**68,182**
Marketable and investment securities	**79,303**	**79,303**	
Long-term receivables	**33,434**		
Allowance for doubtful receivables	**(14,102)**		
Sub-total	**19,332**	**19,332**	
Total	**¥3,098,714**	**¥3,223,486**	**¥124,772**

Short-term loans from banks and other financial institutions	**¥796,298**	**¥796,298**	
Commercial paper	**830,000**	**830,000**	
Notes and accounts payable — trade	**91,954**	**91,954**	
Bonds	**688,774**	**690,495**	**¥1,721**
Loans from the securitizations of the minimum future rentals on lease contracts	**173,539**	**174,110**	**570**
Long-term loans from banks and other financial institutions	**1,421,711**	**1,428,384**	**6,673**
Total	**¥4,002,278**	**¥4,011,243**	**¥8,965**

March 31, 2014	Millions of yen Carrying amount	Fair value	Unrealized gain (loss)
Cash and cash equivalents	¥120,540	¥120,540	
Time deposits other than cash equivalents	6,995	6,995	
Receivables:			
Installment sales	253,572		
Deferred profit on installment sales	(26,253)		
Allowance for doubtful receivables	(1,021)		
Sub-total	226,296	243,434	¥17,137
Loans	1,288,819		
Allowance for doubtful receivables	(6,235)		
Sub-total	1,282,583	1,321,659	39,075
Lease receivables and investments in leases	1,405,716		
Residual values of investments in leases	(46,764)		
Allowance for doubtful receivables	(3,255)		
Sub-total	1,355,696	1,424,517	68,820
Marketable and investment securities	101,866	101,866	
Long-term receivables	33,223		
Allowance for doubtful receivables	(12,452)		
Sub-total	20,770	20,770	
Total	¥3,114,750	¥3,239,784	¥125,033
Short-term loans from banks and other financial institutions	¥679,077	¥679,077	
Commercial paper	762,300	762,300	
Notes and accounts payable — trade	129,319	129,319	
Bonds	604,781	605,305	¥523
Loans from the securitizations of the minimum future rentals on lease contracts	164,413	164,727	314
Long-term loans from banks and other financial institutions	1,273,907	1,270,053	(3,854)
Total	¥3,613,799	¥3,610,782	¥(3,016)

March 31, 2015	Thousands of U.S. dollars Carrying amount	Fair value	Unrealized gain (loss)
Cash and cash equivalents	$856,442	$856,442	
Time deposits other than cash equivalents	84,459	84,459	
Receivables:			
Installment sales	2,150,476		
Deferred profit on installment sales	(200,280)		
Allowance for doubtful receivables	(4,251)		
Sub-total	1,945,943	2,078,908	$132,964
Loans	10,479,944		
Allowance for doubtful receivables	(34,403)		
Sub-total	10,445,541	10,784,162	338,621
Lease receivables and investments in leases	12,063,463		
Residual values of investments in leases	(373,120)		
Allowance for doubtful receivables	(22,072)		
Sub-total	11,668,270	12,236,455	568,185
Marketable and investment securities	660,858	660,858	
Long-term receivables	278,624		
Allowance for doubtful receivables	(117,524)		
Sub-total	161,100	161,100	
Total	$25,822,617	$26,862,389	$1,039,771
Short-term loans from banks and other financial institutions	$6,635,821	$6,635,821	
Commercial paper	6,916,666	6,916,666	
Notes and accounts payable — trade	766,287	766,287	
Bonds	5,739,789	5,754,132	$14,342
Loans from the securitizations of the minimum future rentals on lease contracts	1,446,163	1,450,917	4,754
Long-term loans from banks and other financial institutions	11,847,592	11,903,206	55,614
Total	$33,352,321	$33,427,032	$74,710

The methodologies and assumptions used to estimate the fair values of financial instruments are summarized below:

Cash and cash equivalents and time deposits other than cash equivalents

The carrying values of cash and cash equivalents and time deposits other than cash equivalents approximate fair value because of their short maturities.

Receivables — Installment sales

The fair values of receivables — installment sales are measured by discounting the amounts to be received based on the collection schedule at the interest rate assumed when similar and new installment sales are made, based on the same internal rating and periods.

Receivables — Loans

The carrying values of loan receivables with floating interest rates approximate fair value because the floating rates will be determined by the market interest rate in the short term as long as there are no significant fluctuations in the credit standing after lending.

The fair values of loan receivables with fixed interest rates are measured by discounting the amounts to be received, including principal and interest at the interest rates assumed when similar and new lending is made, based on the same internal rating and periods.

Lease receivables and investments in leases

The fair values of lease receivables and investments in leases are measured by discounting the amount to be received (*) based on the collection schedule reduced by the amount of the estimate for the administrative and maintenance expenses at the interest rates assumed when similar and new lease dealings are made based on its internal rating and periods.

(*) As to the lease receivables and investments in leases involved in the foreign exchange forward contracts that qualify for hedge accounting and meet specific matching criteria, the amount to be received is exchanged at the contract rate (see Note 23).

Marketable and investment securities

The fair values of equity securities are measured at the quoted market price of the stock exchanges, or determined by discounting the future cash flows at a certain discount rate. The carrying values of debt securities and trust beneficiary interests with floating interest rates approximate fair value because the floating rates will be determined by the market interest rate in the short term as long as there are no significant fluctuations in the credit standing. The fair values of debt securities and trust beneficiary interests with fixed interest rates are determined by discounting the cash flows at a certain discount rate. Information on the fair value of the marketable and investment securities by classification is included in Note 4.

Long-term receivables

The fair values of long-term receivables, which are composed of receivables to customers in distress, are measured at carrying value reduced by the estimated uncollectible amount based on the estimated amount of the collateral value and the recoverable amount by guarantee.

Short-term loans from banks and other financial institutions

The carrying values of short-term loans from banks and other financial institutions approximate fair value because of the short-term settlement period.

Commercial paper

The carrying values of commercial paper approximate fair value because of their short-term settlement period.

Notes and accounts payable — trade

The carrying values of Notes and accounts payable — trade approximate fair value because of their short-term settlement period.

Bonds

The carrying values of bonds settled in the short term approximate fair value. The carrying values of bonds settled in the long term with floating interest rates approximate fair value because the floating rates will be determined by the market interest rate in the short term and there were no significant fluctuations in the credit standing of the Companies after issuance. The fair values of other bonds are measured by discounting the total amount to be paid, including principal and interest (*) based on the specific periods at the interest rates assumed when issuing a new bond with similar terms.

(*) Bonds with fixed interest rates are netted against related floating-to-fixed interest rate swaps when qualifying for hedge accounting and meeting specific criteria (see Note 23).

Loans from the securitizations of the minimum future rentals on lease contracts

The carrying values of loans from the securitizations of the minimum future rentals on lease contracts settled in the short term approximate fair value.

The carrying values of loans from the securitizations of the minimum future rentals on leases settled in the long term with floating interest rates approximate fair value because the floating interest rate will be determined by the market interest rate in the short term and there are no significant fluctuations in the credit standing of the Companies after securitizing. The fair values of other loans from the securitizations of the minimum future rentals on lease contracts are measured by discounting the cash flows to be paid, including principal and interest based on its specific period, at interest rates assumed when a similar and new securitization is made.

Long-term loans from banks and other financial institutions

The carrying values of long-term loans with floating interest rates approximate fair value because the floating rates will be determined by the market interest rate in the short term and there are no significant fluctuations in the credit standing of the Companies after borrowing. The fair values of long-term loans with fixed interest rates are measured by discounting the total amount to be paid, including principal and interest (*) based on its specific period, at interest rates assumed when a similar and new borrowing is made.

(*) Regarding the long-term loans involved in the interest rate swap contracts that qualify for hedge accounting and meet specific matching criteria, the total amount of its principal and interest at the post-swap rate is applied.
Regarding the long-term loans involved in the cross-currency interest rate swap contracts that qualify for hedge accounting and meet specific matching criteria, the total amount of its principal and interest is considered as borrowings of yen currency at a fixed rate (see Note 23).

Derivatives

Information regarding the fair value of derivatives is included in Note 23.

Financial instruments of which fair value is not readily determinable

Nonmarketable securities as of March 31, 2015 and 2014, were summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Shares of subsidiaries and associated companies	**¥25,195**	¥25,064	**$209,963**
Unlisted shares	**10,146**	10,146	**84,550**
Trust beneficiary interests		388	
Silent partnership interests and other	**72,614**	72,164	**605,120**
Total	**¥107,956**	¥107,763	**$899,634**

(5) Maturity analysis for receivables and securities with contractual maturities

	Millions of yen					
March 31, 2015	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and cash equivalents	**¥102,773**					
Time deposits other than cash equivalents	**10,135**					
Receivables						
Installment sales (1)	**81,287**	**¥59,803**	**¥44,290**	**¥28,872**	**¥17,051**	**¥26,752**
Loans	**331,492**	**205,096**	**177,894**	**139,437**	**115,633**	**288,038**
Lease receivables and investments in leases (2)	**453,349**	**358,584**	**279,855**	**202,141**	**125,854**	**278,181**
Investment securities						
Available-for-sale securities with contractual maturities						
Debt securities	**3,700**	**590**	**3,590**	**1,445**	**18,501**	**341**
Other	**10,501**	**6,740**	**4,956**	**8,612**	**15,154**	**7,055**
Total	**¥993,240**	**¥630,816**	**¥510,586**	**¥380,510**	**¥292,195**	**¥600,368**

March 31, 2014	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
	Millions of yen					
Cash and cash equivalents	¥120,540					
Time deposits other than cash equivalents	6,995					
Receivables						
Installment sales (1)	78,934	¥57,606	¥42,509	¥28,812	¥16,195	¥29,514
Loans	351,314	200,611	204,166	153,970	108,893	269,863
Lease receivables and investments in leases (2)	436,196	354,724	270,234	195,651	130,271	258,877
Investment securities						
Available-for-sale securities with contractual maturities						
Debt securities	14,891	14,921	3,862	6,466	1,443	18,062
Other	11,897	5,154	10,446	4,201	11,159	13,297
Total	¥1,020,770	¥633,018	¥531,220	¥389,103	¥267,962	¥589,615

March 31, 2015	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
	Thousands of U.S. dollars					
Cash and cash equivalents	**$856,442**					
Time deposits other than cash equivalents	**84,459**					
Receivables						
Installment sales (1)	**677,399**	**$498,358**	**$369,083**	**$240,606**	**$142,094**	**$222,934**
Loans	**2,762,439**	**1,709,137**	**1,482,453**	**1,161,983**	**963,613**	**2,400,319**
Lease receivables and investments in lease (2)	**3,777,911**	**2,988,208**	**2,332,125**	**1,684,514**	**1,048,790**	**2,318,178**
Investment securities						
Available-for-sale securities with contractual maturities						
Debt securities	**30,840**	**4,923**	**29,923**	**12,049**	**154,177**	**2,843**
Other	**87,511**	**56,174**	**41,304**	**71,770**	**126,287**	**58,794**
Total	**$8,277,004**	**$5,256,801**	**$4,254,890**	**$3,170,924**	**$2,434,962**	**$5,003,069**

(1) Including unrealized profit of installment sales.
(2) Including unearned interest income.
(3) Long-term receivables to customers in distress, of which repayment schedule cannot be expected, are not presented in the above table.
(4) Please see Note 13 for information on the maturity of short-term borrowings and long-term debt.

23. Derivatives

Derivative transactions to which hedge accounting is not applied as of March 31, 2015 and 2014, were as follows:

	Millions of yen							
	2015				2014			
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain (loss)	Contract amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts:								
Selling Chinese yuan	**¥568**	**¥378**	**¥(5)**	**¥(5)**	¥662	¥496	¥(34)	¥(34)
Selling U.S. dollars					7			
Currency interest rate swap contracts:								
Chinese yuan payment, U.S. dollars receipt	**396**	**241**	**(8)**	**(8)**	481	346	(35)	(35)
Indonesia rupiah payment, Japanese yen receipt	**6,909**	**1,000**	**(471)**	**(311)**	7,076	2,728	(139)	
Interest rate swap contracts:								
Fixed-rate payment, floating-rate receipt	**6,074**	**2,596**	**(102)**	**(102)**	9,258	6,307	(133)	(133)
Floating-rate payment, floating-rate receipt	**2,000**	**2,000**	**18**	**18**	2,000	2,000	40	40
Interest rate cap:								
Buying	**3,406**	**3,021**	**86**		3,309	2,978	141	66

	Thousands of U.S. dollars			
	2015			
	Contract amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts:				
Selling Chinese yuan	**$4,733**	**$3,155**	**$(48)**	**$(48)**
Selling U.S. dollars				
Currency interest rate swap contracts:				
Chinese yuan payment, U.S. dollars receipt	**3,302**	**2,012**	**(67)**	**(67)**
Indonesia rupiah payment, Japanese yen receipt	**57,581**	**8,333**	**(3,933)**	**(2,598)**
Interest rate swap contracts:				
Fixed-rate payment, floating-rate receipt	**50,618**	**21,636**	**(856)**	**(856)**
Floating-rate payment, floating-rate receipt	**16,666**	**16,666**	**152**	**152**
Interest rate cap:				
Buying	**28,390**	**25,176**	**723**	**4**

Derivative transactions to which hedge accounting is applied as of March 31, 2015 and 2014, were as follows:

	Hedged item	Millions of yen 2015 Contract amount	Contract amount due after one year	Fair value
Currency interest rate swap contracts:				
Chinese yuan payment, U.S. dollars receipts	Lease receivables, receivables — loan	**¥7,554**	**¥7,077**	**¥(71)**
Indonesia rupiah payment, U.S. dollars receipt	Lease receivables	**3,430**	**2,549**	**(5)**
Foreign exchange forward contracts:				
Selling U.S. dollars	Payables — trade	**302**		**(7)**
Selling Singapore dollars	Payables — trade	**114**		**(10)**
Selling Chinese yuan	Lease receivables, payables — trade	**2,467**		**(107)**
Cross-currency interest rate swap contracts:				
Yen payment, U.S. dollars receipt	Long-term loans	**7,846**	**7,846**	
Thai baht payment, U.S. dollars receipt	Long-term loans, bonds	**24,181**	**14,829**	
Foreign exchange forward contracts:				
Selling U.S. dollars	Lease receivables	**1,486**		
Interest rate swap contracts:				
Fixed-rate payment, floating-rate receipt	Short-term loans, long-term loans, bonds	**553,231**	**522,726**	**(4,337)**
Interest rate swap contracts:				
Floating-rate payment, fixed-rate receipt	Long-term loans	**5,000**	**5,000**	
Fixed-rate payment, floating-rate receipt	Long-term loans	**176,610**	**162,299**	

	Hedged item	Millions of yen 2014 Contract amount	Contract amount due after one year	Fair value
Currency interest rate swap contracts:				
Chinese yuan payment, U.S. dollars receipts	Lease receivables, receivables — loan	¥2,598	¥2,354	¥(106)
Foreign exchange forward contracts:				
Selling U.S. dollars	Payables — trade	344		(15)
Selling Chinese yuan	Payables — trade	290		(17)
Cross-currency interest rate swap contracts:				
Yen payment, U.S. dollars receipt	Long-term loans	41,719	6,719	
Thai baht payment, U.S. dollars receipt	Long-term loans, bonds	17,390	14,099	
Foreign exchange forward contracts:				
Selling U.S. dollars	Lease receivables	985		
Interest rate swap contracts:				
Fixed-rate payment, floating-rate receipt	Short-term loans, long-term loans, bonds	404,181	360,790	(43)
Interest rate swap contracts:				
Floating-rate payment, fixed-rate receipt	Long-term loans	5,000	5,000	
Fixed-rate payment, floating-rate receipt	Long-term loans	122,909	113,524	

	Hedged item	Thousands of U.S. dollars 2015 Contract amount	Contract amount due after one year	Fair value
Currency interest rate swap contracts:				
Chinese yuan payment, U.S. dollars receipts	Lease receivables, receivables — loan	**$62,956**	**$58,983**	**$(598)**
Indonesia rupiah payment, U.S. dollars receipt	Lease receivables	**28,591**	**21,248**	**(49)**
Foreign exchange forward contracts:				
Selling U.S. dollars	Payables — trade	**2,523**		**(61)**
Selling Singapore dollars	Payables — trade	**956**		**(87)**
Selling Chinese yuan	Lease receivables, payables — trade	**20,565**		**(897)**
Cross-currency interest rate swap contracts:				
Yen payment, U.S. dollars receipt	Long-term loans	**65,383**	**65,383**	
Thai baht payment, U.S. dollars receipt	Long-term loans, bonds	**201,511**	**123,578**	
Foreign exchange forward contracts:				
Selling U.S. dollars	Lease receivables	**12,388**		
Interest rate swap contracts:				
Fixed-rate payment, floating-rate receipt	Short-term loans, long-term loans, bonds	**4,610,258**	**4,356,054**	**(36,142)**
Interest rate swap contracts:				
Floating-rate payment, fixed-rate receipt	Long-term loans	**41,666**	**41,666**	
Fixed-rate payment, floating-rate receipt	Long-term loans	**1,471,753**	**1,352,498**	

The fair values of derivative transactions are measured at the offered price by financial institutions or the price calculated according to present discounted value, and so on.

The contract amounts of derivatives, which are shown in the above tables do not represent the amounts exchanged by the parties and do not measure the Companies' exposure to credit or market risk.

The cross-currency interest rate swap contracts, interest rate swap contracts, and foreign currency exchange contracts which qualify for hedge accounting and meet specific matching criteria are assigned to the associated long-term loans from banks and other financial institutions and lease receivables, recorded in the consolidated balance sheets at March 31, 2015 and 2014, and included in the fair value of hedged items.

24. Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2015 and 2014, were as follows:

	Millions of yen 2015	Millions of yen 2014	Thousands of U.S. dollars 2015
Net unrealized gain on available-for-sale securities:			
Gains arising during the year	**¥11,478**	¥5,553	**$95,652**
Reclassification adjustments to (loss)	**(170)**	(145)	**(1,423)**
Amount before income tax effect	**11,307**	5,408	**94,228**
Income tax effect	**(3,003)**	(1,907)	**(25,032)**
Total	**8,303**	3,500	**69,196**
Deferred (loss) gain on derivatives under hedge accounting:			
(Losses) gains arising during the year	**(7,478)**	430	**(62,318)**
Reclassification adjustments to profit	**2,485**	2,069	**20,710**
Amount before income tax effect	**(4,992)**	2,500	**(41,608)**
Income tax effect	**1,750**	(815)	**14,585**
Total	**(3,242)**	1,685	**(27,023)**

Foreign currency translation adjustments —			
Adjustments arising during the year	**32,206**	29,320	**268,388**
Total	**32,206**	29,320	**268,388**
Defined retirement benefit plans:			
Adjustments arising during the year	**1,366**		**11,383**
Reclassification adjustments to profit	**417**		**3,478**
Amount before income tax effect	**1,783**		**14,862**
Income tax effect	**(686)**		**(5,723)**
Total	**1,096**		**9,139**
Share of other comprehensive income in associates:			
Gains arising during the year	**38**	58	**318**
Reclassification adjustments to profit	**16**		**136**
Total	**54**	58	**455**
Total other comprehensive income	**¥38,418**	¥34,566	**$320,157**

25. Segment Information

Under ASBJ Statement No. 17, *Accounting Standard for Segment Information Disclosures,* and ASBJ Guidance No. 20, *Guidance on Accounting Standard for Segment Information Disclosures*, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Companies have two reportable segments: "Customer Finance" and "Asset Finance."

Customer Finance is attributable to financial transactions, such as finance leases, installment sales, loans to individual customers, relating to credit risk management.

Asset Finance is attributable to financial transactions, such as operating leases, investments or loans related to real estate, operating securities, financing related to aircraft, and leasing of office buildings, relating to individual asset or project management.

2. Methods of measurement for the amounts of revenues, profit or (loss), assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

Effective April 1, 2014, the Company applied the revised accounting standard and guidance as discussed in Note 2.k. The effect of this change on segment profit was immaterial.

Effective April 1, 2014, the Company changed the foreign currency translation method of revenue and expense accounts of the consolidated foreign subsidiaries as discussed in Note 2.o. The effect of this change on segment profit was immaterial.

3. Information about revenues, profit or (loss), assets, and other items

	Millions of yen				
	Reportable segment				
Year Ended March 31, 2015	Customer finance	Asset finance	Total	Adjustments (1) (2)	Consolidated
Revenues:					
Revenue from external customers	**¥550,814**	**¥191,637**	**¥742,452**		**¥742,452**
Intersegment revenue or transfers	**95**	**409**	**504**	**¥(504)**	
Total	**550,910**	**192,046**	**742,956**	**(504)**	**742,452**
Segment profit	**40,384**	**37,996**	**78,380**	**(8,143)**	**70,237**
Segment assets	**2,810,853**	**2,079,853**	**4,890,706**	**144,970**	**5,035,676**
Other items:					
Depreciation	**9,561**	**80,618**	**90,180**	**263**	**90,443**
Amortization of goodwill	**3,180**	**2,527**	**5,708**		**5,708**
Investments in equity method affiliates	**15,881**	**8,917**	**24,799**		**24,799**
Increase in property and equipment and intangible assets (3)	**600**	**262,246**	**262,846**	**2,391**	**265,238**

	Millions of yen				
	Reportable segment				
Year Ended March 31, 2014	Customer finance	Asset finance	Total	Adjustments (1) (2)	Consolidated
Revenues:					
Revenue from external customers	¥550,795	¥166,964	¥717,760		¥717,760
Intersegment revenue or transfers		252	252	¥(252)	
Total	550,795	167,216	718,012	(252)	717,760
Segment profit	38,472	34,372	72,845	(7,566)	65,278
Segment assets	2,730,728	1,586,234	4,316,963	180,539	4,497,502
Other items:					
Depreciation	10,423	72,994	83,418	410	83,828
Amortization of goodwill	2,918	2,493	5,411		5,411
Investments in equity method affiliates	13,557	7,533	21,091		21,091
Increase in property and equipment and intangible assets	368	213,224	213,592	2,454	216,046

Year Ended March 31, 2015	Thousands of U.S. dollars				
	Reportable segment				
	Customer finance	Asset finance	Total	Adjustments (1) (2)	Consolidated
Revenues:					
Revenue from external customers	$4,590,122	$1,596,978	$6,187,101		$6,187,101
Intersegment revenue or transfers	794	3,409	4,203	$(4,203)	
Total	4,590,916	1,600,388	6,191,305	(4,203)	6,187,101
Segment profit	336,535	316,638	653,173	(67,862)	585,310
Segment assets	23,423,776	17,332,112	40,755,888	1,208,083	41,963,971
Other items:					
Depreciation	79,680	671,820	751,501	2,192	753,693
Amortization of goodwill	26,507	21,064	47,572		47,572
Investments in equity method affiliates	132,348	74,312	206,661		206,661
Increase in property and equipment and intangible assets (3)	5,005	2,185,383	2,190,389	19,933	2,210,322

Notes:

(1) “Adjustments” in segment profit contain mainly Company-wide expenses relating to the back-office operations of the Company (general administration, HR, Finance, and accounting) included in selling, general, and administrative expenses, which are not attributed to each reportable segment.

“Adjustments” in segment assets contain mainly operating funds, long-term investment funds, and Company-wide assets relating to the back-office operations of the Company, which are not attributed to each reportable segment.

“Adjustments” in depreciation contain depreciation relating to the back-office operations of the Company, which are not attributed to each reportable segment.

“Adjustments” in increase in property and equipment and intangible assets contain increase in property, plant, and equipment and intangible assets of Company-wide assets.

(2) “Adjustments” for segment profit are adjusted to reach operating income in the consolidated statements of income.

(3) “Increase in property and equipment and intangible assets” for Asset Finance for the year ended March 31, 2015 does not include property and equipment of ELF and BIL and their subsidiaries amounting to ¥278,216 million ($2,318,472 thousand) as of the acquisition date and related goodwill of ¥6,049 million ($50,410 thousand) due to the acquisition of all of the outstanding shares of ELF and all of the equity interests in BIL.

4. Information about products and services

	Millions of yen				
	2015				
	Lease	Installment sales	Loans	Other	Total
Revenue from external customers	¥604,062	¥83,408	¥33,892	¥21,089	¥742,452

	Millions of yen				
	2014				
	Lease	Installment sales	Loans	Other	Total
Revenue from external customers	¥579,753	¥83,270	¥35,068	¥19,667	¥717,760

	Thousands of U.S. dollars				
	2015				
	Lease	Installment sales	Loans	Other	Total
Revenue from external customers	$5,033,851	$695,071	$282,435	$175,743	$6,187,101

5. Information about geographical areas

(1) Revenues

Millions of yen					
2015					
Japan	North America	Europe/ Middle and Near East	Asia/Oceania	Other	Total
¥663,374	**¥15,210**	**¥22,559**	**¥33,691**	**¥7,616**	**¥742,452**

Millions of yen					
2014					
Japan	North America	Europe/ Middle and Near East	Asia/Oceania	Other	Total
¥655,515	¥12,919	¥20,749	¥23,447	¥5,128	¥717,760

Thousands of U.S. dollars					
2015					
Japan	North America	Europe/ Middle and Near East	Asia/Oceania	Other	Total
$5,528,121	**$126,750**	**$187,998**	**$280,764**	**$63,467**	**$6,187,101**

(2) Property and equipment

Millions of yen					
2015					
Japan	North America	Europe/ Middle and Near East	Asia/Oceania	Other	Total
¥516,473	**¥165,096**	**¥350,674**	**¥341,079**	**¥124,226**	**¥1,497,550**

Millions of yen					
2014					
Japan	North America	Europe/ Middle and Near East	Asia/Oceania	Other	Total
¥507,456	¥96,052	¥188,079	¥127,510	¥48,639	¥967,738

Thousands of U.S. dollars					
2015					
Japan	North America	Europe/ Middle and Near East	Asia/Oceania	Other	Total
$4,303,942	**$1,375,806**	**$2,922,289**	**$2,842,329**	**$1,035,218**	**$12,479,585**

6. Information about impairment loss for property and equipment

	Millions of yen				
	2014				
	Customer finance	Asset finance	Total	Adjustments	Consolidated
Impairment loss				¥3,006	¥3,006

No impairment loss was recognized in 2015.

7. Information about amortization and unamortized balance of goodwill by reportable segment

	Millions of yen				
	2015				
	Customer finance	Asset finance	Total	Adjustments	Consolidated
Amortization of goodwill	**¥3,180**	**¥2,527**	**¥5,708**		**¥5,708**
Unamortized balance of goodwill	**37,116**	**57,381**	**94,497**		**94,497**

	Millions of yen				
	2014				
	Customer finance	Asset finance	Total	Adjustments	Consolidated
Amortization of goodwill	¥2,918	¥2,493	¥5,411		¥5,411
Unamortized balance of goodwill	39,676	47,163	86,839		86,839

	Thousands of U.S. dollars				
	2015				
	Customer finance	Asset finance	Total	Adjustments	Consolidated
Amortization of goodwill	**$26,507**	**$21,064**	**$47,572**		**$47,572**
Unamortized balance of goodwill	**309,304**	**478,176**	**787,481**		**787,481**

26. Net Income per Share

Reconciliation of the differences between basic and diluted net income per share (EPS) for the years ended March 31, 2015 and 2014, was as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars
For the year ended March 31, 2015	Net income	Weighted-average shares	EPS	
Basic EPS				
Net income available to common shareholders	**¥44,068**	**888,815**	**¥49.58**	**$0.41**
Effect of dilutive securities:				
Warrants		**2,957**		
Diluted EPS				
Net income for computation	**¥44,068**	**891,773**	**¥49.42**	**$0.41**

	Millions of yen	Thousands of shares	Yen
For the year ended March 31, 2014	Net income	Weighted-average shares	EPS
Basic EPS			
Net income available to common shareholders	¥37,675	888,665	¥42.40
Effect of dilutive securities:			
Warrants		2,720	
Diluted EPS			
Net income for computation	¥37,675	891,386	¥42.27

27. Subsequent Event

a. On May 15, 2015, the Board of Directors declared the appropriation of retained earnings as follows:

	Millions of yen	Thousands of U.S. dollars
Appropriations:		
Cash dividends of ¥5.40 ($0.04) per share	**¥4,799**	**$39,999**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mitsubishi UFJ Lease & Finance Company Limited:

We have audited the accompanying consolidated balance sheets of Mitsubishi UFJ Lease & Finance Company Limited and its consolidated subsidiaries as of March 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mitsubishi UFJ Lease & Finance Company Limited and its consolidated subsidiaries as of March 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2015

Member of
Deloitte Touche Tohmatsu Limited