

Overview Results for FY2015

May 11, 2016



IBJ Leasing Co., Ltd.

This document contains forecasts and other forward-looking statements that are based on information available at the time of preparation of this document. Actual business results may differ materially from those expressed or implied by such forward-looking statements due to various factors.

- Gross profit before write-offs and funding costs increased ¥3.2 bn y-o-y on a quantitative and qualitative increase in operating assets
- After a ¥1.3 bn provision for credit costs, operating and ordinary income were broadly flat y-o-y
- Net income exceeded plan and reached an all-time high

(¥bn)	FY13	FY14 (A)	FY15 (B)	Change (B)−(A)	%Change (B)/(A)
Revenues	354.8	353.7	364.2	+10.5	+3%
Gross profit before write-offs, funding costs	43.0	41.6	44.8	+3.2	+8%
(Funding costs)	(6.4)	(6.3)	(6.4)	(+0.1)	(+0%)
Gross profit	36.6	35.3	38.4	+3.1	+9%
(General expenses)	(19.0)	(19.2)	(19.5)	(+0.3)	(+2%)
Operating income	16.7	17.9	17.6	-0.3	-2%
Ordinary income	17.4	19.0	18.6	-0.4	-2%
(Credit costs)	(0.8)	(-2.0)	(1.3)	(+3.3)	(—)
Net Extraordinary Gains (Losses)	0.1	-0.1	0.4	+0.5	—
Net income	10.5	11.1	11.6 [*]	+0.5	+4%

* Net Income Attributable to Owners of the Parent is shown.

Overall situation

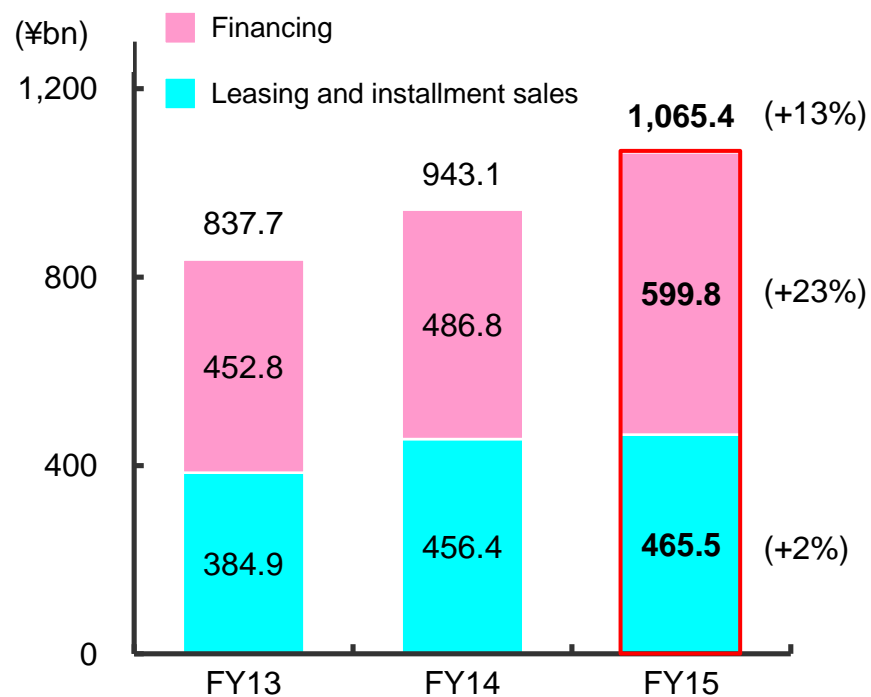
■ Achieved double-digit growth in contract execution volume and operating assets

■ Achieved growth in these two key indicators in both segments

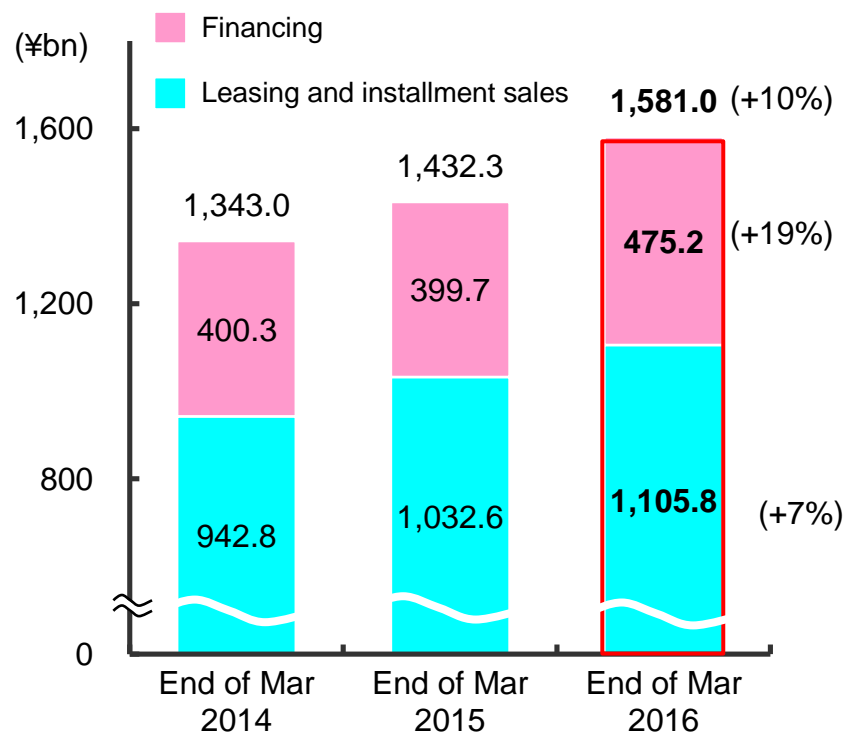
- Leasing and installment sales: contract execution volume up ¥9.1bn, operating assets up ¥73.2bn

- Financings: contract execution volume up ¥113.0bn, operating assets up ¥75.5bn

Contract execution volume



Operating assets

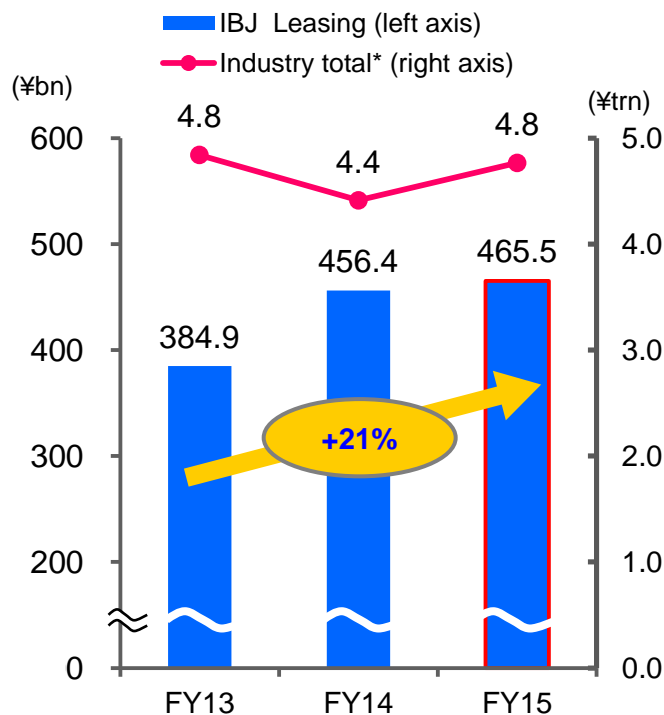


Leasing and Installment Sales

■ Contract execution volume rose to record high for second straight year

- Steady expansion in volume for almost all equipment types
- Information and communications up sharply on capital investment by major telecom company
- Construction's decline reflects fallback to normal levels after last-minute demand

Contract Execution Volume Trend



* FY15 based on Japan Leasing Association preliminary figures

Contract Execution Volume by Equipment Type

(¥bn)	FY13	FY14	FY15	Change (%)	% change for entire industry*
Industrial and factory	82.6	117.9	110.3	-7.6 (-7%)	(+21%)
Information and communications	93.2	73.1	93.8	+20.7 (+28%)	(+4%)
Transport	34.4	42.9	47.1	+4.2 (+10%)	(+1%)
Construction	57.4	54.7	39.1	-15.6 (-29%)	(-1%)
Medical	36.9	30.3	30.2	-0.1 (-1%)	(+11%)
Commerce and services	31.2	35.8	36.3	+0.5 (+1%)	(-2%)
Office equipment	15.2	10.0	10.2	+0.2 (+1%)	(-2%)
Other	33.9	91.5	98.6	+7.1 (+8%)	(+36%)
Real estate lease	10.8	66.7	74.6	+7.9 (+12%)	
Total	384.9	456.4	465.5	+9.1 (+2%)	(+8%)

* Percentage year-on-year change based on "FY2015 Leasing Capital Investment Statistics [by Equipment Type]" announced by the Japan Leasing Association (preliminary figures)

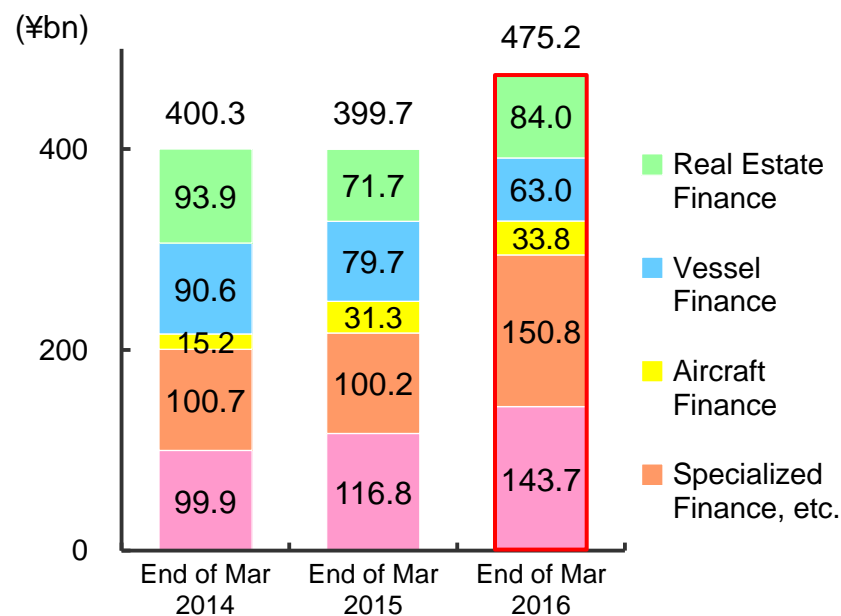
■ **Contract execution volume up 23% y-o-y as responses to diverse needs helped capture highly profitable deals**

- Specialized Finance: aggressively responded to financing needs dictated by corporate capital policies
- Aircraft Finance: increased operating assets by flipping large prepayment
- Real Estate Finance: increased contract volume by responding to diverse needs

Contract execution volume

(¥bn)	FY13	FY14	FY15	Change (%)
Factoring	345.7	389.0	437.2	+48.2 (+12%)
Specialized Finance, etc.	56.2	43.8	82.3	+38.5 (+88%)
Aircraft Finance	7.7	16.6	17.7	+1.1 (+7%)
Real Estate Finance	25.6	21.5	47.4	+25.9 (+120%)
Vessel Finance	17.6	15.9	15.2	-0.7 (-4%)
Total	452.8	486.8	599.8	+113.0 (+23%)

Operating assets



Note : Real Estate Finance above include REIT-related transactions

Developments in Focus Areas

Building business with domestic demand-oriented industries

- Expanding customer base by promoting comprehensive proposal-based marketing that meets diverse needs

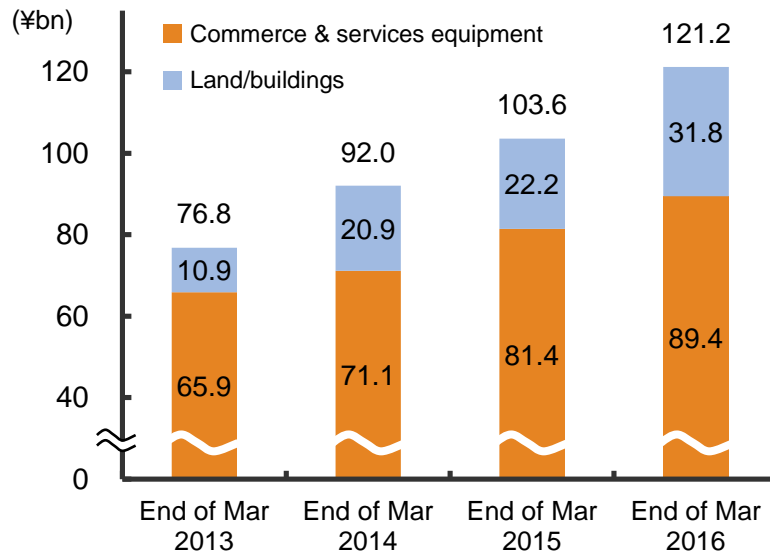
- Increased real estate leases (land, buildings) by strengthening ties with developers of large retail projects

Real estate-related business

- Restructured asset portfolio to more profitable asset composition, with due consideration for risk-return

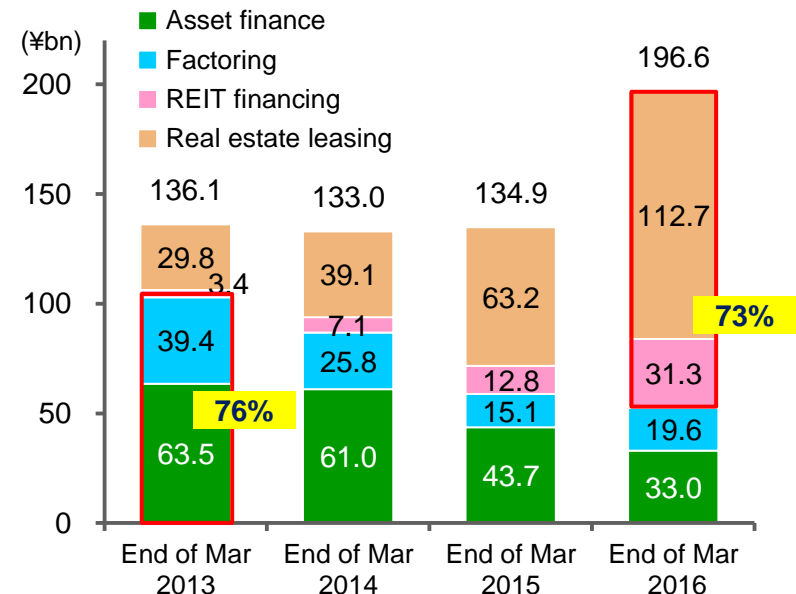
- Increased REIT-related transactions, including bridge loans

Distribution/retail industry related operating assets



Note : Operating assets above refers to leasing & installment sales to commerce & services industry plus real estate leases to distribution/foods/retail industries

Real estate-related business transaction volume



Note : Asset finance above does not include REIT-related transactions

Aircraft-related business

■ Established joint venture with Aircastle in US to specialize in aircraft operating leases

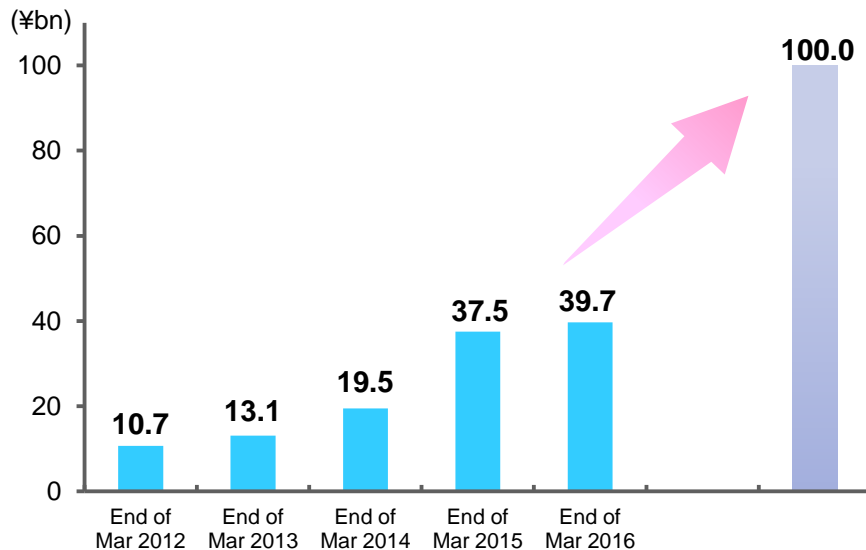
- Targeting broader business domain, expansion of operating assets, and greater earnings potential

Overseas Business

■ Promoting developments targeted at medium-and long-term broadening of overseas business base

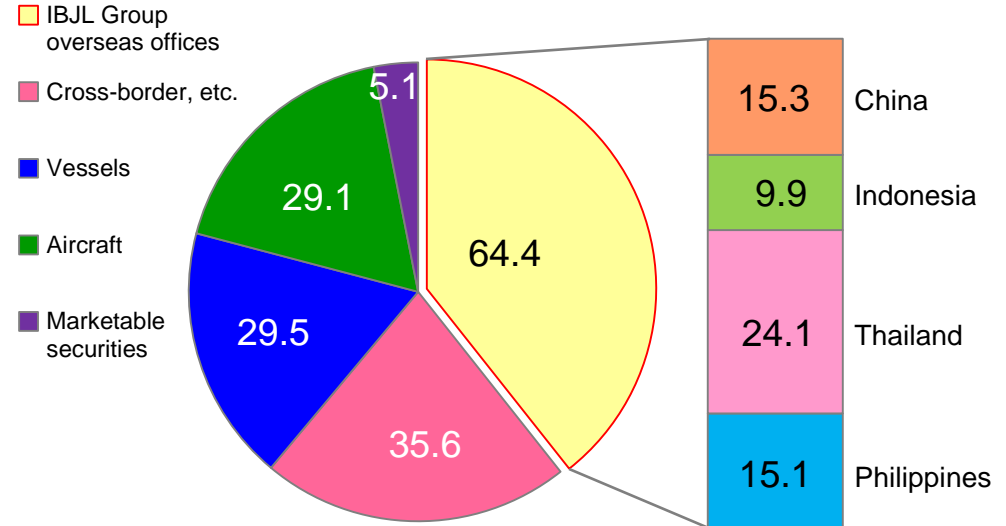
- Full-fledged entry into corporate fleet automobile leasing in Thailand

Aircraft-related business assets



Note: Assets above include aircraft leases

Overseas-related assets

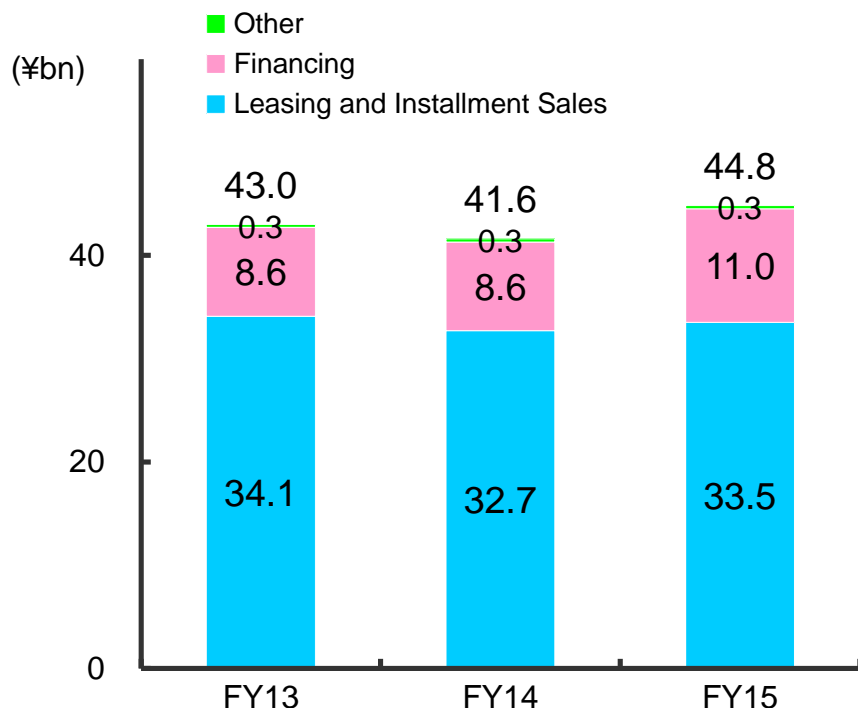


End of Mar 2016: 163.7 bn

■ Gross profit before write-offs and funding costs increased at Leasing and Installment Sales and Financing segments

- Profit on Leasing and Installment Sales up ¥0.8bn y-o-y on increase in operating assets
- Financing profit up ¥2.4bn y-o-y on steady increase in highly-profitable deals

Gross profit before write-offs, funding costs



Yield

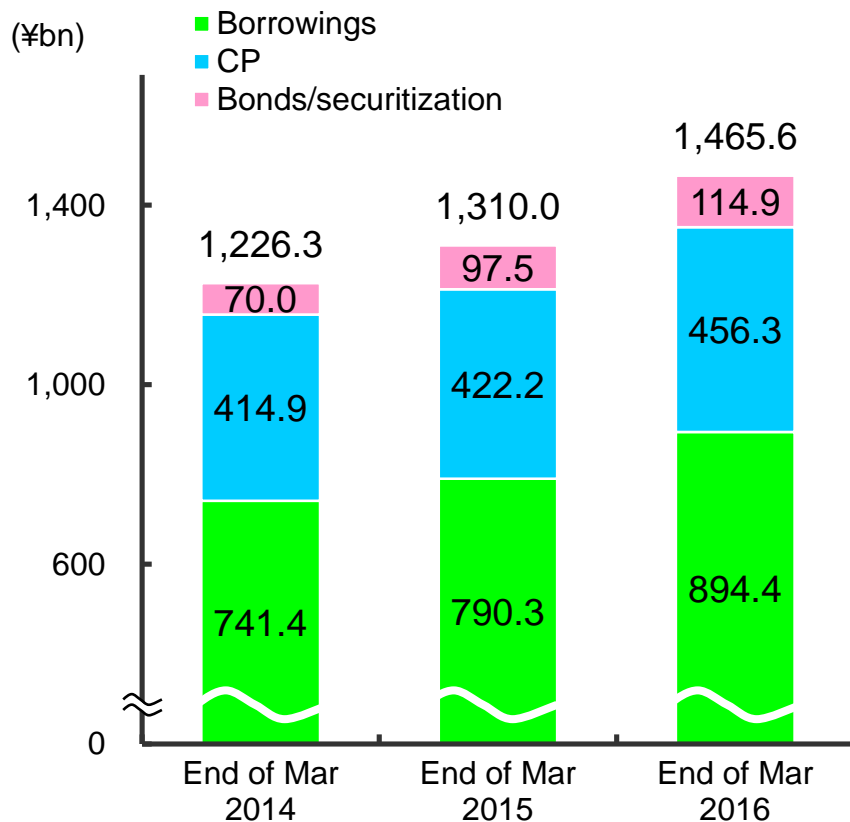
	FY13	FY14	FY15	Change
Gross profit margin before write-offs and funding costs	3.30%	3.00%	2.97%	-0.03pt
CoF Ratio	0.49%	0.46%	0.42%	-0.04pt
Gross Profit Margin	2.81%	2.54%	2.55%	+0.01pt
Operating assets (average balance, ¥bn)	1,303.1	1,387.7	1,506.7	+119.0

Note : Gross profit margin before write-offs and funding costs
 =Gross profit before write-offs and funding costs/ Average balance of operating assets
 CoF ratio = Cost of funding / Average balance of operating assets
 Gross profit margin = Gross profit / Average balance of operating assets

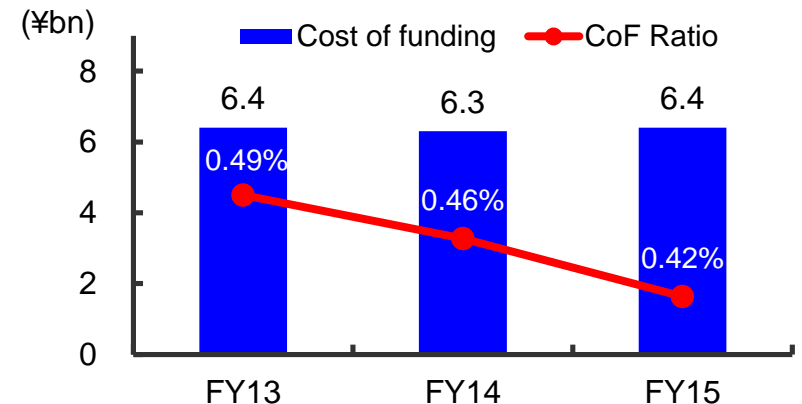
Interest-bearing Debt and Net Assets

- Interest-bearing debt rose in tandem with increase in operating assets
- Aggressive use of market-based funding, via CP and bond issuance, lowered Cost of funding (CoF) ratio

Interest-bearing debt



Funding costs(%)



Note : CoF ratio = Cost of funding / Average balance of operating assets

Net assets / Equity ratio

(¥bn)	End of Mar 2013	End of Mar 2014	End of Mar 2015	End of Mar 2016
Net assets	84.9	109.8	123.3	132.8
Equity ratio	5.9%	7.2%	7.6%	7.4%

Earnings forecasts and Dividends

- Japan's economy is expected to return to recovery track but faces downside risks from weak consumer spending, slowdowns in overseas economies, and strong yen's downward pressure on exports
- Expecting profit growth at each level in FY16, and a 4th straight year of record net income
- Plan to raise full-year dividend by ¥2/share, for 15th straight increase in annual dividend

(¥bn)	FY2015 (Results) (A)	FY2016 (Forecast) (B)	Change (B) - (A)	% Change (B)/(A)
Revenues	364.2	350.0	-14.2	-4%
Operating income	17.6	18.0	+0.4	+2%
Ordinary income	18.6	18.7	+0.1	+1%
Net income *	11.6	12.0	+0.4	+3%

Annual dividend	¥60	¥62	+¥2
Interim dividend	¥30	¥30	—
Year-end dividend (Plan)	¥30	¥32	+¥2

* Net Income Attributable to Owners of the Parent is shown

Dividend payout ratio	22.0%	22.0%
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