

# Overview

# Third-Quarter Results for FY2015

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February 4, 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.

# Consolidated P/L

- **Gross profit before write-offs and funding costs increased ¥2.3 billion y-o-y**
  - Along with increase in operating assets, higher profits at financing business also contributed
- **Increase in gross profit before write-offs and funding costs offset higher credit costs, resulting in gains at every profit level**

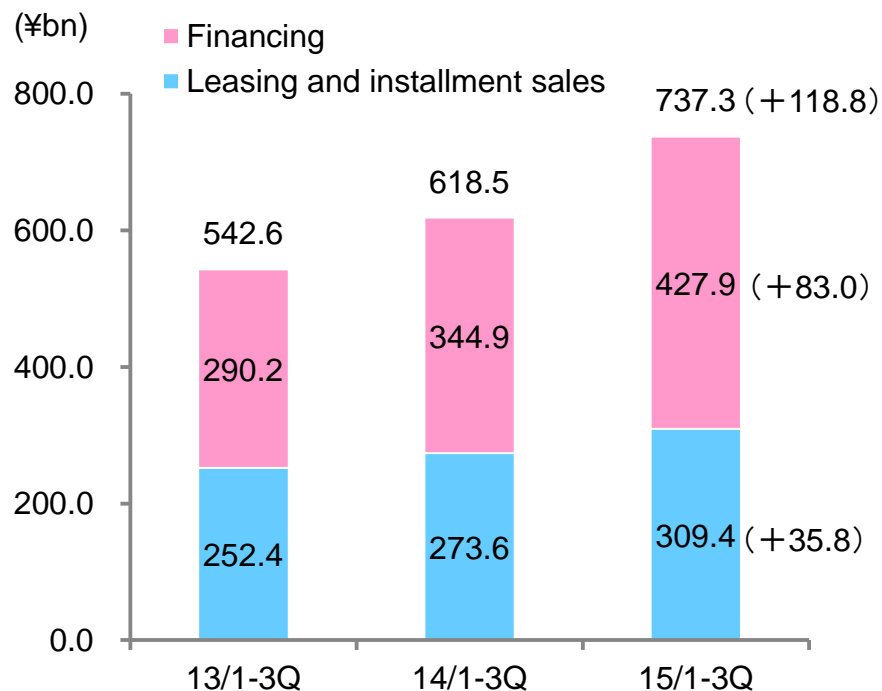
(¥bn)	FY13 1-3Q	FY14 1-3Q (A)	FY15 1-3Q (B)	Change (B)-(A)	Percentage Change (B)/(A)	FY15 Forecast <% progress>
Revenues	266.0	255.1	<b>254.3</b>	-0.8	-0%	<72%> 355.0
Gross profit before write-offs, funding costs	32.2	31.0	<b>33.3</b>	+2.3	+7%	—
(Funding costs)	(4.9)	(4.7)	<b>(4.8)</b>	(+0.1)	(+2%)	—
Gross profit	27.4	26.3	<b>28.5</b>	+2.2	+8%	—
(General expenses)	(14.1)	(14.2)	<b>(14.4)</b>	(+0.2)	(+1%)	—
Operating income	14.9	12.8	<b>13.3</b>	+0.5	+3%	<78%> 16.9
Ordinary income	15.3	13.4	<b>13.7</b>	+0.3	+2%	<78%> 17.6
(Credit costs)	(-1.7)	(-0.7)	<b>(0.8)</b>	(+1.5)	(—)	—
Net Extraordinary Gains (Losses)	0.1	-0.0	<b>0.4</b>	+0.4	—	—
Net income *	9.4	8.3	<b>9.1</b>	+0.8	+10%	<79%> 11.5
Operating Assets	1,299.1	1,373.0	<b>1,556.2</b>	+183.2	+13%	—

\*In FY15, Net Income Attributable to Owners of the Parent is shown.

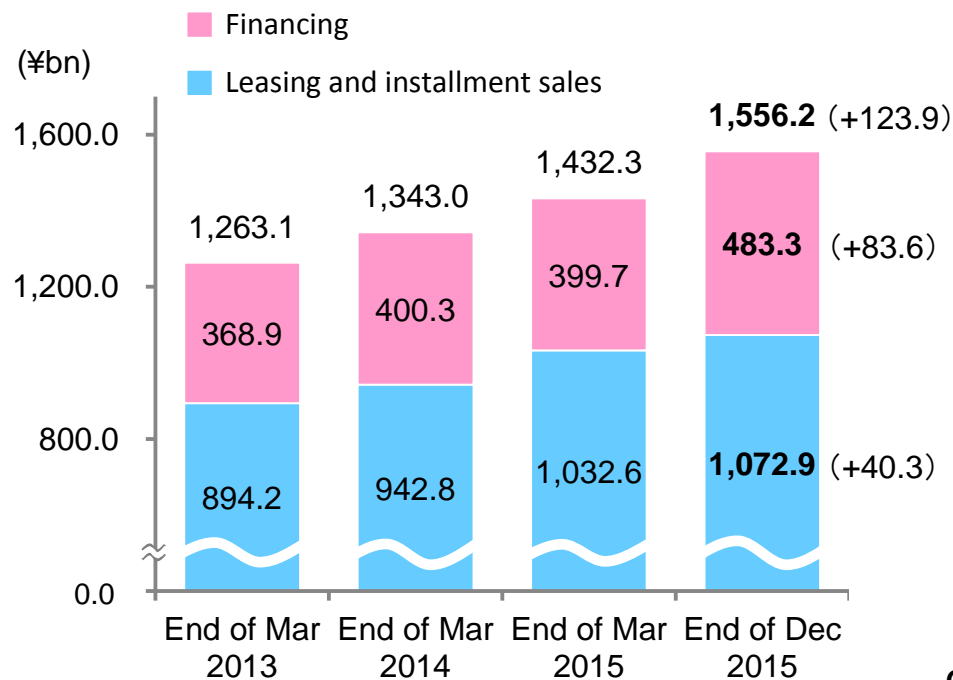
# Sales

- **Contract execution volume expanded 19% y-o-y on increases in Leasing and installment sales as well as Financing**
  - Leasing and installment sales: +13%, Financing: +24%
- **Operating assets increased 9% from end of previous fiscal year, achieving the medium-term plan's FY16 target of ¥1.5 trillion ahead of schedule**

## Contract execution volume



## Operating assets



# Leasing and Installment Sales

- **Contract execution volume stayed on steady growth track, up 13% y-o-y**
  - Industrial and factory / Information and communications – volume up on increased capex by large corporations
  - Real estate lease – continued to expand pipeline, especially for retail and distribution facilities and large bridge loans for REITS

## Contract Execution Volume by Equipment Type

(¥bn)	FY13 1-3Q	FY14 1-3Q	FY15 1-3Q	Change (%)		% change for entire industry*
Industrial and factory	51.0	59.6	<b>77.6</b>	+18.0	(+30%)	(+43%)
Information and communications	62.0	45.3	<b>58.2</b>	+12.9	(+29%)	(+6%)
Transport	25.1	31.8	<b>33.4</b>	+1.6	(+5%)	(+4%)
Construction	41.8	42.1	<b>29.3</b>	-12.8	(-30%)	(+3%)
Medical	19.6	17.8	<b>19.7</b>	+1.9	(+11%)	(+16%)
Commerce and services	20.8	26.1	<b>26.8</b>	+0.7	(+3%)	(-0%)
Office equipment	11.1	7.6	<b>7.6</b>	+0.0	(+1%)	(+1%)
Other	21.0	43.3	<b>56.8</b>	+13.5	(+31%)	(+59%)
Real estate lease	4.9	25.8	<b>39.2</b>	+13.4	(+52%)	
<b>Total</b>	<b>252.4</b>	<b>273.6</b>	<b>309.4</b>	<b>+35.8</b>	<b>(+13%)</b>	<b>(+14%)</b>

\* Source: IBJ Leasing, based on the data published by Japan Leasing Association

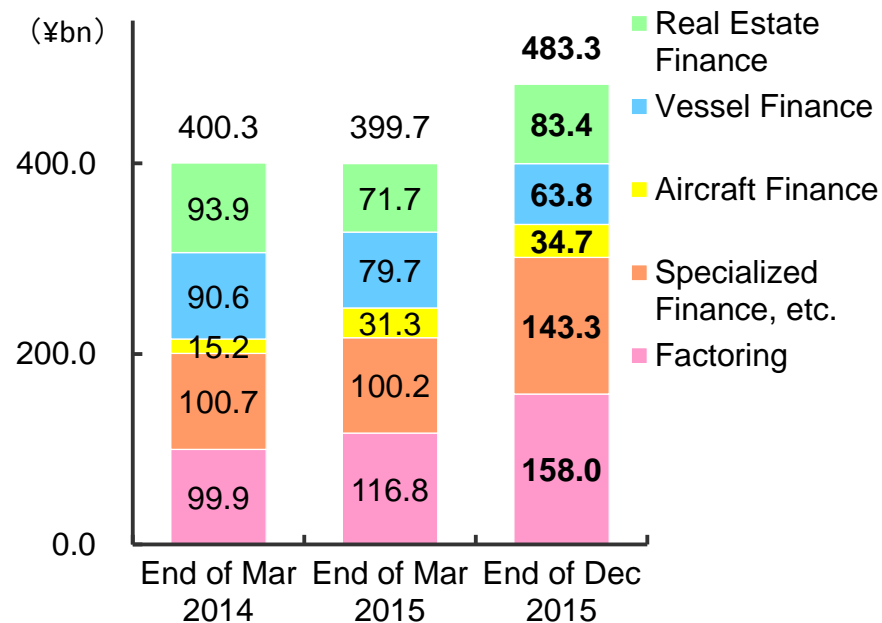
# Financing

- **Contract execution volume up 24% y-o-y, including many highly profitable deals**
  - Specialized Finance, etc. took advantage of changes in environment to win high-quality contracts
  - Strengthened efforts to accumulate Aircraft Finance assets, designated as core business
  - Real Estate Finance responding to diverse needs
- **Overall Financing operating assets up 21% from end of previous fiscal year**

## Contract execution volume

(¥bn)	FY13 1-3Q	FY14 1-3Q	FY15 1-3Q	Change (%)
Factoring	236.3	277.0	<b>300.6</b>	+23.6 (+9%)
Specialized Finance, etc.	23.1	32.2	<b>65.3</b>	+33.1 (+103%)
Aircraft Finance	7.7	14.9	<b>16.3</b>	+1.4 (+10%)
Real Estate Finance	15.6	11.4	<b>36.9</b>	+25.5 (+223%)
Vessel Finance	7.5	9.3	<b>8.8</b>	-0.5 (-6%)
<b>Total</b>	<b>290.2</b>	<b>344.9</b>	<b>427.9</b>	<b>+83.0 (+24%)</b>

## Operating assets



# Profitability

- **Gross profit before write-offs and funding costs increased ¥2.3 billion y-o-y**
  - Profit on Leasing and Installment Sales up ¥0.1 billion, as increase in operating assets covered drop in interest rates
  - Financing profit increased ¥2.1 billion y-o-y on steady increase in highly-profitable deals

## Yield

(¥bn)	FY13	FY14	FY15 1-3Q	Change (%)
Gross profit margin before write-offs and funding costs	3.30%	3.00%	<b>2.97%</b>	-0.03pt
CoF Ratio	0.49%	0.46%	<b>0.43%</b>	-0.03pt
Gross Profit Margin	2.81%	2.54%	<b>2.54%</b>	-0.00pt
Operating assets (average balance, ¥bn)	1,303.1	1,387.7	<b>1,494.2</b>	+106.5

Note) FY15/1-3Q ratios are annualized values

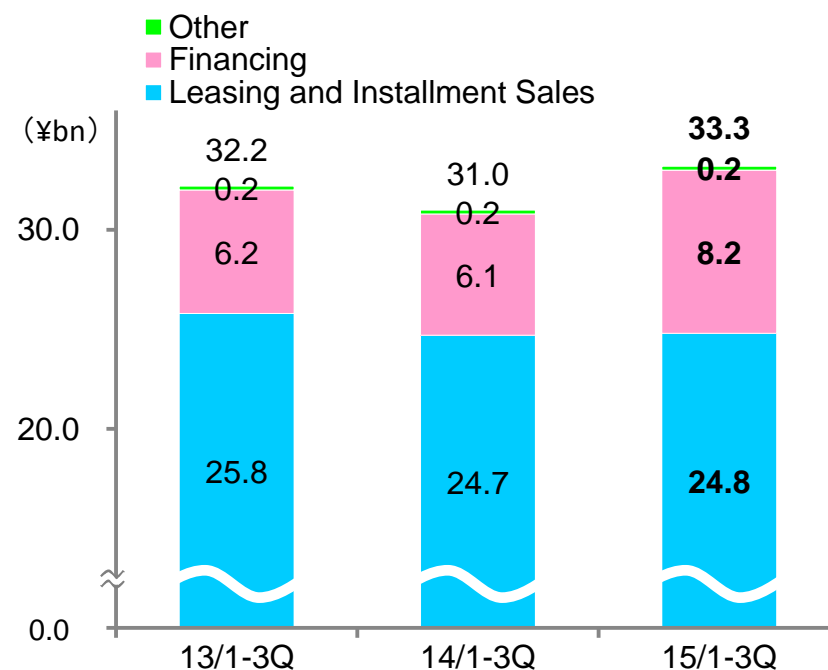
Gross profit margin before write-offs and funding costs

=Gross profit before write-offs and funding costs/Operating assets (average balance)

CoF ratio = Cost of funding / Operating assets (average balance)

Gross profit margin = Gross profit / Operating assets (average balance)

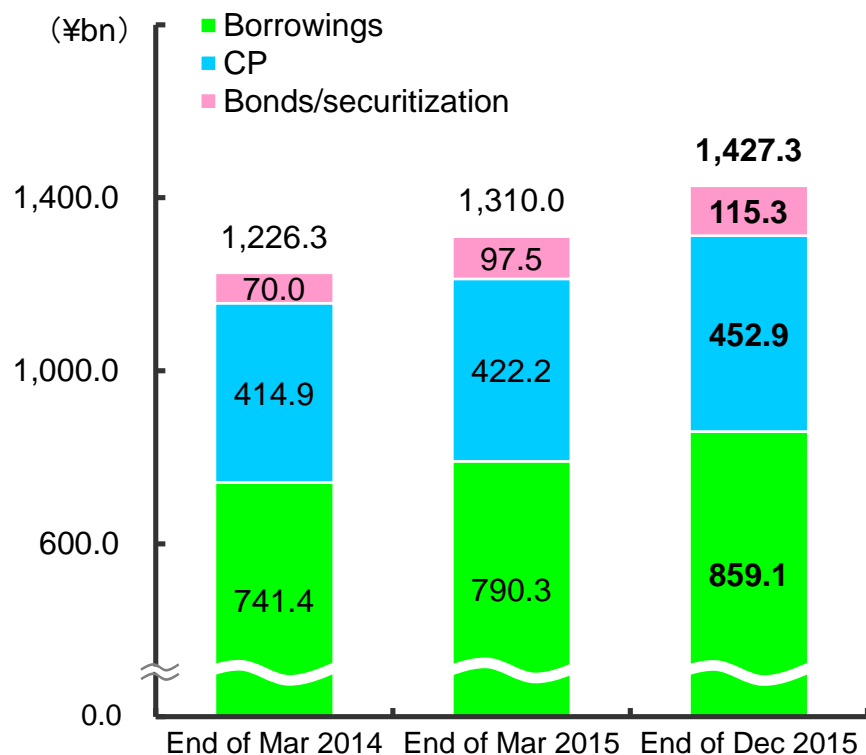
## Gross profit before write-offs, funding costs



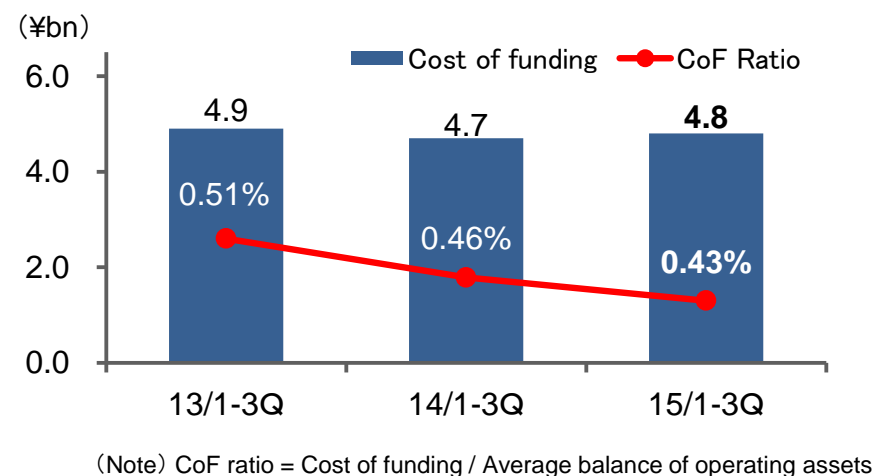
# Interest-bearing Debt and Net Assets

- Funding costs kept low even as interest-bearing debt rose in tandem with operating assets
- Net assets up ¥8.2 billion from end-March to ¥131.5 billion

## Interest-bearing debt



## Funding costs (%)



## Net assets / Equity ratio

(¥bn)	End of Mar 2013	End of Mar 2014	End of Mar 2015	End of Dec 2015
Net assets	84.9	109.8	123.3	131.5
Equity ratio	5.9%	7.2%	7.6%	7.5%

# Earnings forecasts and dividends

- 1-3Q results amount to more than 75% of full-year profit targets
- The year-end dividend of ¥30 per share (plan), combined with the ¥30 interim dividend already paid, will result an annual dividend of ¥60 per share (¥4 per share increase), marking the 14th straight year of increase

(¥bn)	FY2014 (Results) (A)	FY2015 (Forecast) (B)		Change (B) - (A)	% Change (B)/(A)	
		1-3Q	Progress rate			
Revenues	353.7	<b>355.0</b>	<b>254.3</b>	<b>72%</b>	+1.3	+0%
Operating income	17.9	<b>16.9</b>	<b>13.3</b>	<b>78%</b>	-1.0	-6%
Ordinary income	19.0	<b>17.6</b>	<b>13.7</b>	<b>78%</b>	-1.4	-7%
Net income*	11.1	<b>11.5</b>	<b>9.1</b>	<b>79%</b>	+0.4	+3%

Annual dividend	¥56	<b>¥60</b>	<b>+¥4</b>
Interim dividend	¥28	(Resolved) <b>¥30</b>	<b>+¥2</b>
Year-end dividend	¥28	(Plan) <b>¥30</b>	<b>+¥2</b>

\*In FY15, Net Income Attributable to Owners of the Parent is shown.

Dividend payout ratio	21.4%	<b>22.3%</b>
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