

Overview

First-Half Results for FY2015

November 5, 2015



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.

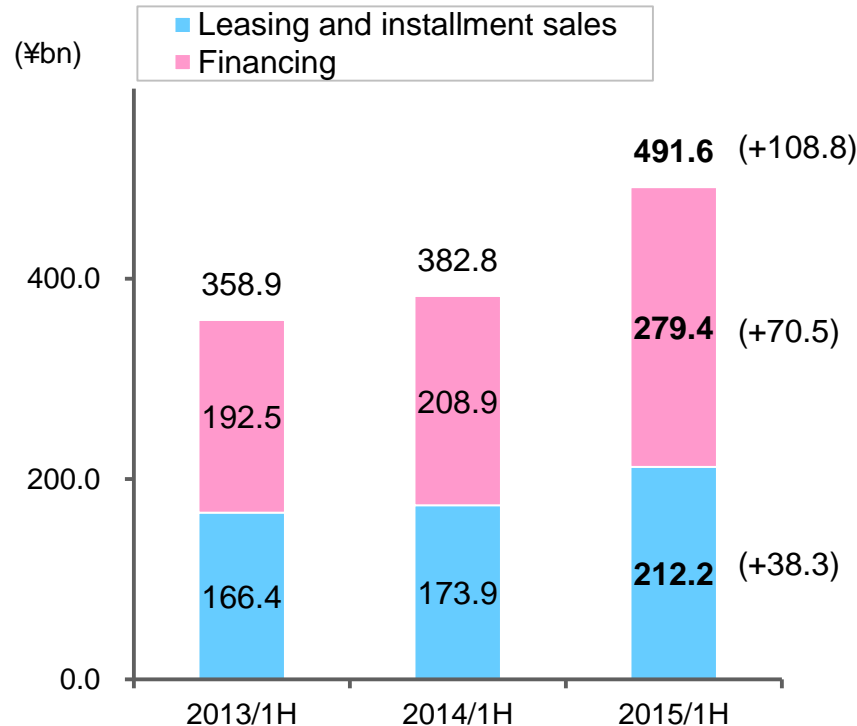
- Operating assets increased steadily. Accordingly gross profit before write-offs and funding costs also increased
- Posting of credit costs (as opposed to a cost reversal last year) resulted in declines in operating income and ordinary income, but net income increased thanks to an increase in gross profit before write-offs and funding costs and posting of a net extraordinary gain

(¥bn)	FY13 1H	FY14 1H (A)	FY15 1H (B)	Change (B) - (A)	% Change (B)/(A)	FY15 Forecast <% progress>
Revenues	177.0	168.9	166.2	-2.7	-2%	<47%> 355.0
Gross profit before write-offs, funding costs	22.0	21.0	21.4	+0.4	+2%	—
(Funding costs)	(3.1)	(3.1)	(3.2)	(+0.1)	(+4%)	—
Gross profit	18.9	17.9	18.2	+0.3	+2%	—
(General expenses)	(9.4)	(9.4)	(9.7)	(+0.3)	(+3%)	—
Operating income	11.1	9.0	8.3	-0.7	-7%	<49%> 16.9
Ordinary income	11.4	9.4	8.8	-0.6	-7%	<50%> 17.6
(Credit costs)	(-1.7)	(-0.6)	(0.1)	(+0.7)	(—)	—
Net Extraordinary Gains (Losses)	0.1	-0.1	0.4	+0.5	—	—
Net income ※	7.0	5.8	5.9	+0.1	+2%	<51%> 11.5
Operating Assets	1,269.3	1,331.6	1,498.0	+166.4	+5%	—

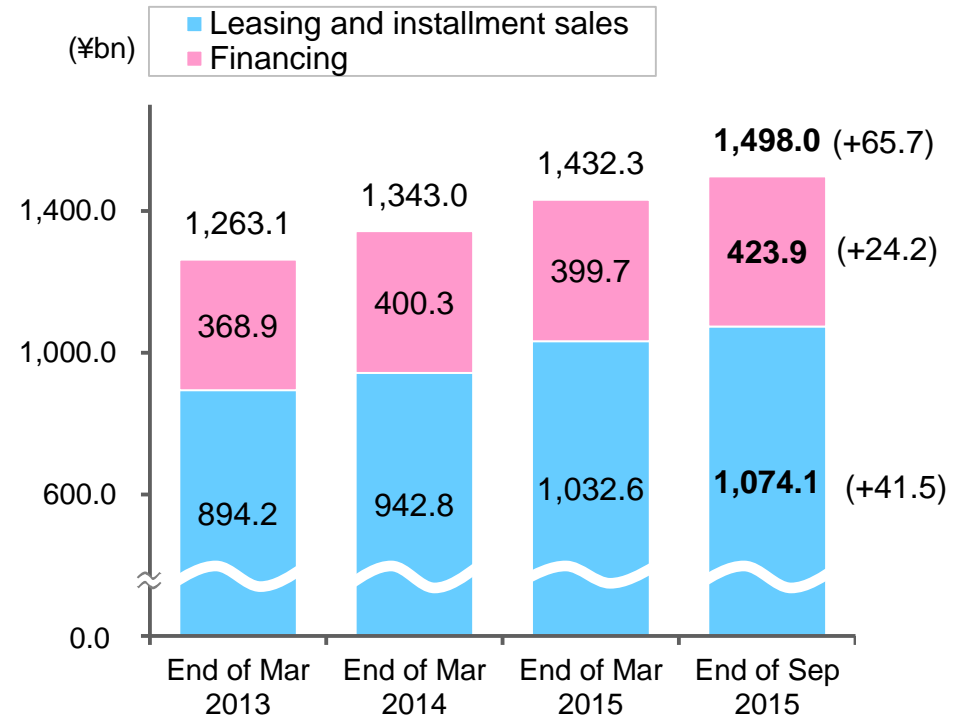
*In FY15, Net Income Attributable to Owners of the Parent is shown.

- Contract execution volume expanded 28% y-o-y overall as Leasing and installment sales and Financings both increased**
 - Leasing and installment sales : +22%, Financing: +34%
- Operating assets increased 5% compared to the end of the previous fiscal year, nearly achieving the full-year target of ¥1.5 trillion in the first half alone**

Contract execution volume



Operating assets



Leasing and Installment Sales

■ Contract execution volume increased steadily 22% y-o-y, same as the previous year

- In Industrial and factory equipment, contract execution volume increased 54% y-o-y, as we continued to work on large companies' capital investment projects
- In Information and communications, there was an increase as we captured capital investment by large telecommunications companies
- In Real estate leases, there was growth as we handled large bridge loans targeting REITs

Contract Execution Volume by Equipment Type

(¥bn)	FY13 1H	FY14 1H	FY15 1H	Change (%)	% change for entire industry*
Industrial and factory	31.1	33.5	51.5	+18.0 (+54%)	(+45%)
Information and communications	48.0	27.3	35.8	+8.5 (+31%)	(+11%)
Transport	16.5	20.5	22.4	+1.9 (+9%)	(+7%)
Construction	21.2	25.9	17.2	-8.7 (-34%)	(-4%)
Medical	13.0	11.4	14.8	+3.4 (+29%)	(+27%)
Commerce and services	13.8	17.4	18.4	+1.0 (+6%)	(+3%)
Office equipment	6.6	5.0	5.4	+0.4 (+6%)	(+0%)
Other	16.2	32.8	46.7	+13.9 (+43%)	(+42%)
Real estate lease	4.8	20.5	34.8	+14.3 (+70%)	
Total	166.4	173.9	212.2	+38.3 (+22%)	(+15%)

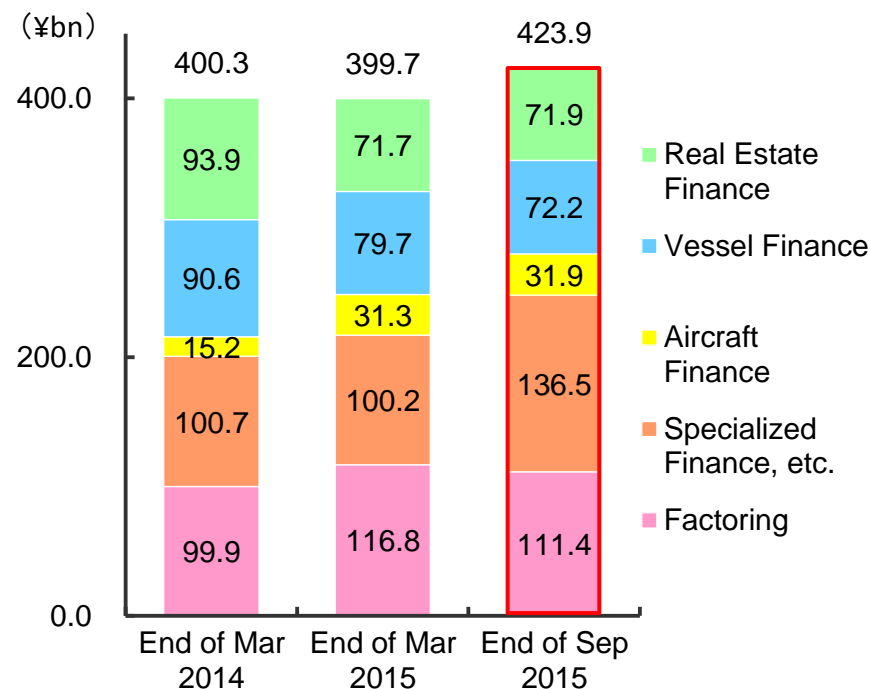
* Source: IBJ Leasing, based on the data published by Japan Leasing Association

- **Contract execution volume grew in all fields as a result of our focus on capturing diverse financing needs**
 - Factoring contract execution volume was firm as we continued to respond to the needs of large companies
 - We positioned Specialized Finance and Aircraft Finance as key areas, and expanded our business
 - Real Estate Finance included bridge loans for a major real estate company as we focused efforts on a more select customer group
- **Overall Financing operating assets increased 6% compared to the end of the previous fiscal year**

Contract execution volume

(¥bn)	FY13 1H	FY14 1H	FY15 1H	Change (%)
Factoring	153.4	171.5	198.2	+26.7 (+16%)
Specialized Finance, etc.	20.5	20.2	48.6	+28.4 (+141%)
Aircraft Finance	3.7	7.0	12.1	+5.1 (+73%)
Real Estate Finance	7.5	5.8	14.0	+8.2 (+139%)
Vessel Finance	7.5	4.4	6.5	+2.1 (+49%)
Total	192.5	208.9	279.4	+70.5 (+34%)

Operating assets



■ **Gross profit before write-offs and funding costs rebounded higher due to the accumulation of superior operating assets**

- In Leasing and Installment Sales, assets were increased while suppressing the drop in spreads, thereby keeping profit on par with the previous year
- In Financing, profit increased ¥0.5 billion y-o-y due to the accumulation of highly-profitable deals

Yield

	FY13	FY14	FY15 1H	Change (%)
Gross profit margin before write-offs and funding costs	3.30%	3.00%	2.92%	-0.08pt
CoF Ratio	0.49%	0.46%	0.44%	-0.02pt
Gross Profit Margin	2.81%	2.54%	2.48%	-0.06pt

	FY13	FY14	FY15 1H	Change
Operating assets (average balance, ¥bn)	1,303.1	1,387.7	1,465.1	+77.4

Note) FY15/1H 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)

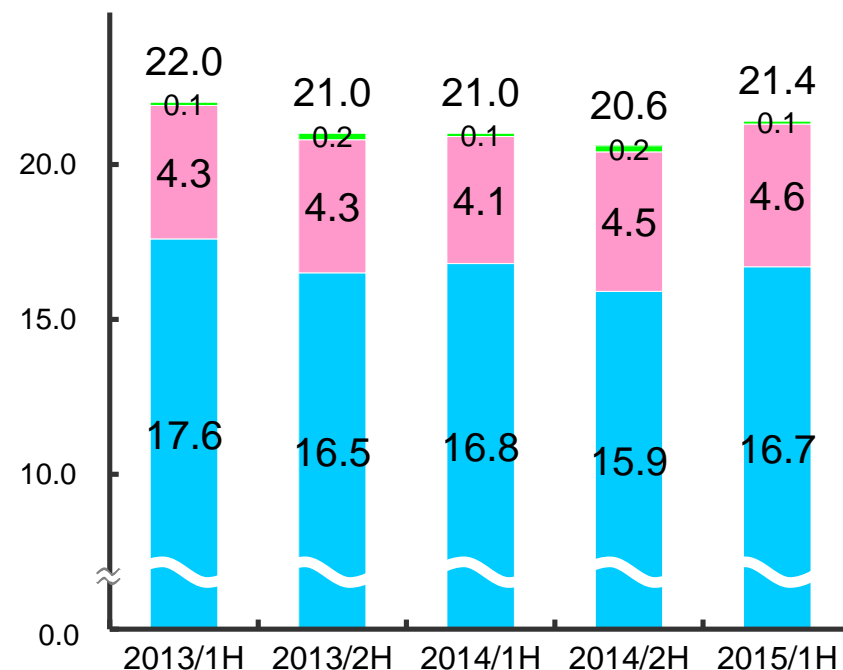
CoF ratio = Cost of funding / Operating assets (average balance)

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

Gross profit before write-offs, funding costs

(¥bn)

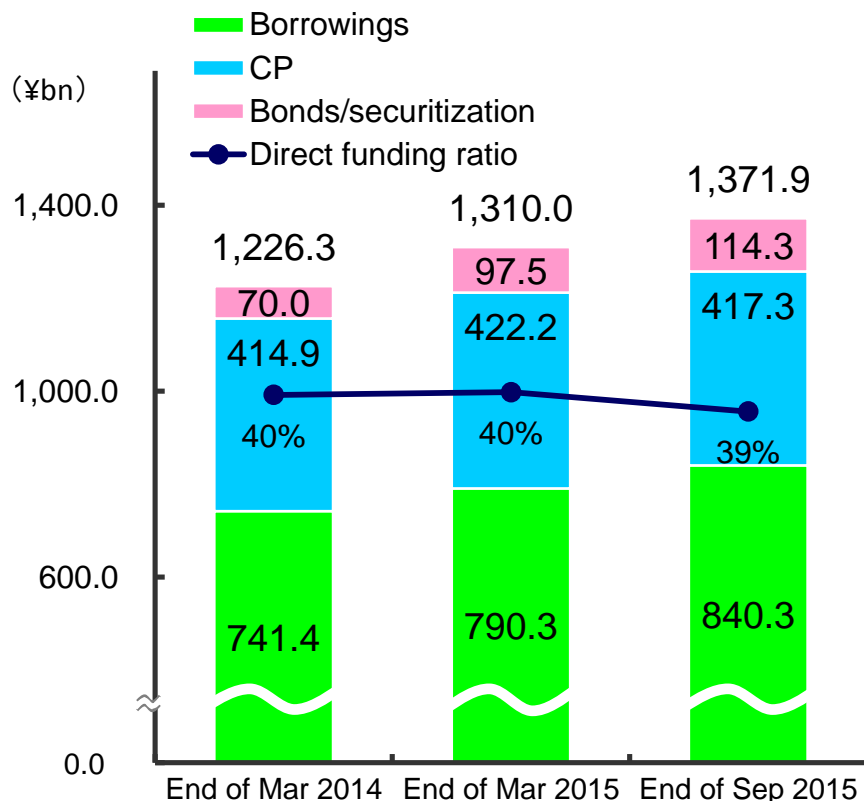
■ Leasing and Installment Sales ■ Financing ■ Other



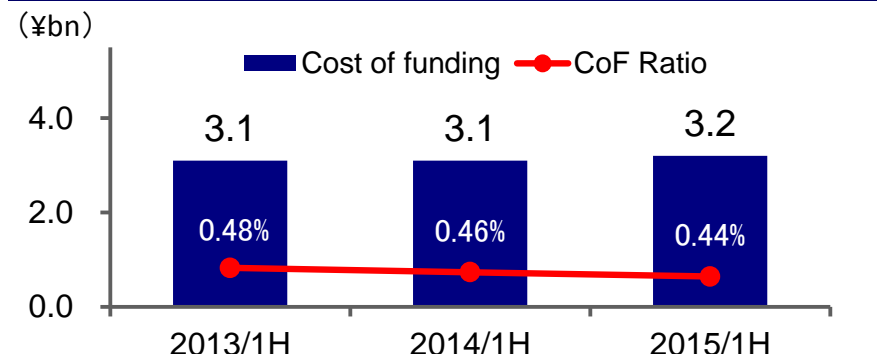
Interest-bearing Debt and Net Assets

- Funding costs were again low
- The CP issuance limit was increased by ¥50 billion in response to the growth in operating assets
 - IBJ Leasing: ¥350 billion ⇒ ¥400 billion; IBJL-TOSHIBA Leasing: ¥150 billion

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 Sep 2015
Net assets	84.9	109.8	123.3	129.9
Equity ratio	5.9%	7.2%	7.6%	7.7%

Earnings forecasts and dividends

- Having made good progress toward full-year targets in the first half, we will accelerate implementation of basic strategies in the second half to achieve our goals
- We passed a resolution to pay an interim dividend of ¥30 per share. Adding this to the year-end dividend of ¥30 per share (planned), we plan to pay 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)
		1H	Progress rate			
Revenues	353.7	355.0	166.2	47%	+1.3	+0%
Operating income	17.9	16.9	8.3	49%	-1.0	-6%
Ordinary income	19.0	17.6	8.8	50%	-1.4	-7%
Net income ※	11.1	11.5	5.9	51%	+0.4	+3%

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

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

Dividend payout ratio	21.4%	22.3%
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