

Overview

First-Quarter Results for FY2014

August 7, 2014

 **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

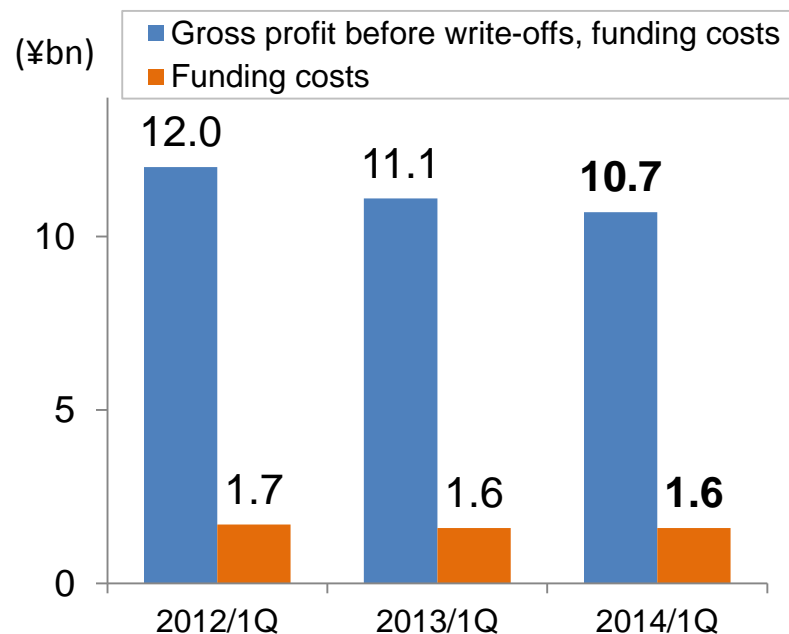
- Gross profit declined, despite the absorption of the drop in yield due to the aggressive accumulation of operating assets
- 1Q credit cost reversal was ¥0.4 billion, marking a y-o-y contraction in the reversal amount as a result of the large reversal in 1Q of the previous year
- Profit at all levels were on pace to reach full-year forecasts

Consolidated P/L (¥bn)	FY12 1Q	FY13 1Q (A)	FY14 1Q (B)	Change (B)-(A)	Percentage Change (B)/(A)	FY14 Forecast <% progress>
Revenues	86.7	86.8	84.6	-2.2	-3%	<24%> 355.0
Gross profit before write-offs, funding costs	12.0	11.1	10.7	-0.4	-4%	—
(Funding costs)	(1.7)	(1.6)	(1.6)	(0)	(+2%)	—
Gross profit	10.2	9.6	9.1	-0.5	-5%	—
(General expenses)	(4.9)	(4.8)	(4.9)	(+0.1)	(+2%)	—
Operating income	1.8	5.8	4.6	-1.2	-22%	<27%> 16.7
Ordinary income	2.0	6.0	4.8	-1.2	-20%	<27%> 17.4
(Ordinary income before write-offs)	(5.5)	(4.9)	(4.4)	(-0.5)	(-11%)	—
(Credit costs)	(3.5)	(-1.0)	(-0.4)	(+0.6)	(+63%)	—
Net income	0.9	3.6	2.9	-0.7	-18%	<27%> 11.0
Operating Assets	1,227.1	1,257.2	1,326.9	+69.7	+6%	—

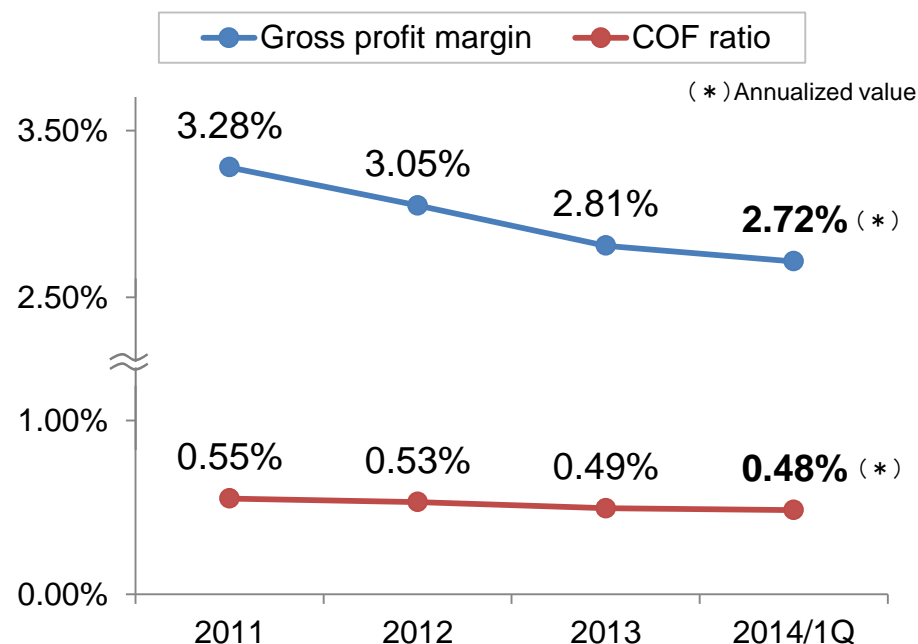
P/L Overview

- The increase in the volume of operating assets absorbed the decline in yields, leading to a narrowing of the decline in gross profit before write-offs and funding costs
- Funding costs maintained a flat trajectory due to the decline in the CoF ratio
- The flow base spread continued to improve, resulting in a narrowing of the drop in gross profit margin

Gross profit before write-offs, funding costs



Yield

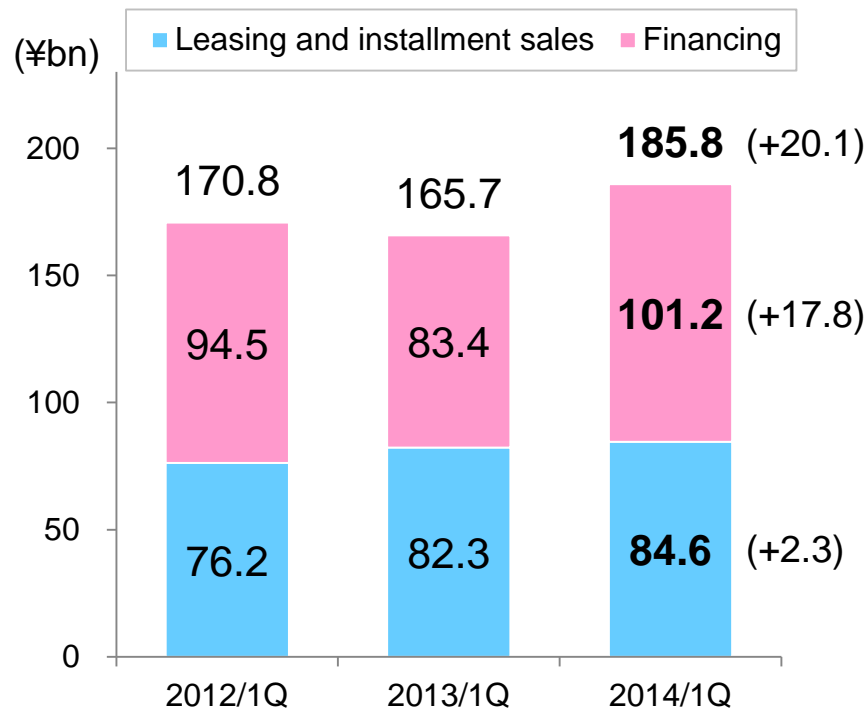


(Note) Gross profit margin = Gross profit / operating assets (average of beginning and end balances)
 Funding cost ratio = Funding costs / operating assets (average of beginning and end balances)

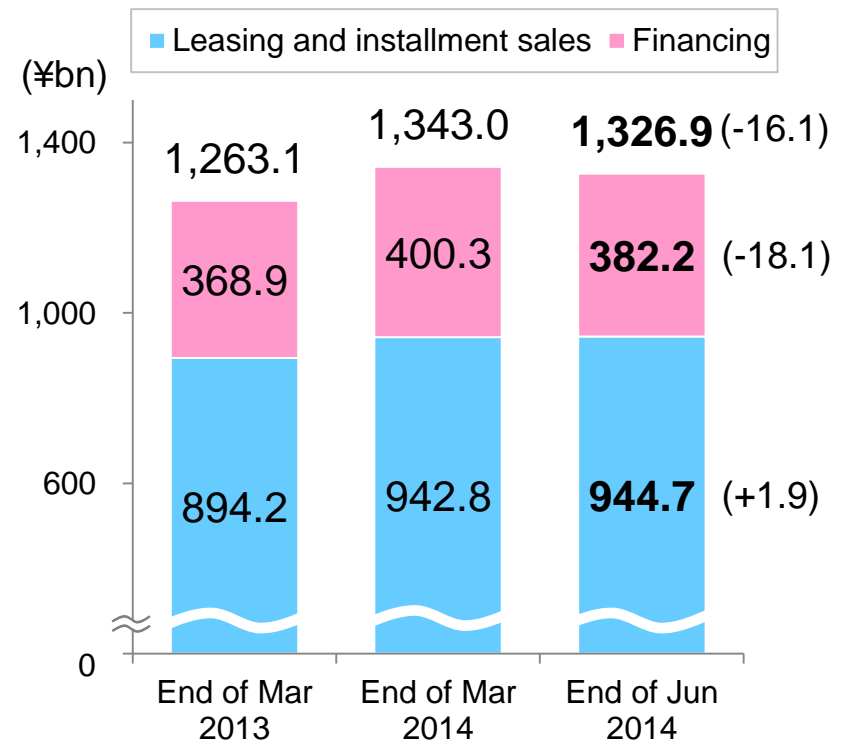
Sales

- Contract execution volume increased 12% y-o-y
 - Leasing and installment sales increased 3% y-o-y, while financing grew 21% y-o-y
- The balance of operating assets slightly dropped 1% y-o-y due to the decline in financing

Contract execution volume



Operating assets



Leasing and Installment Sales

- We aggressively captured domestic-related demand, which is a growth sector, and contract execution volume increased 3% y-o-y
 - The significant increase in business with companies in the distribution, retail, and logistics sectors covered the fading of last year's large projects
 - The overall impact of the consumption tax rate hike was limited

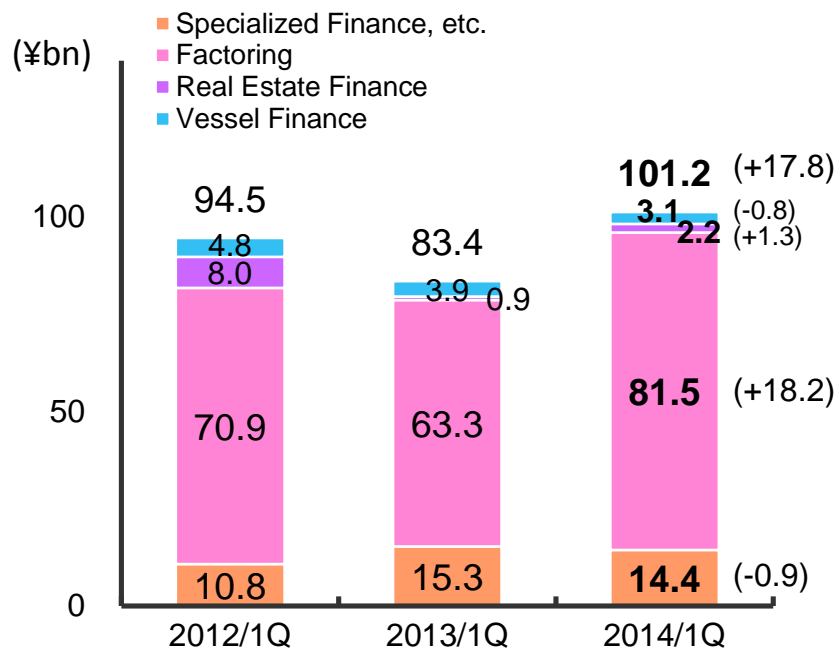
Contract Execution Volume by Equipment Type

(¥bn)	FY12/1Q	FY13/1Q	FY14/1Q	Change(%)
Industrial and factory	21.9	19.2	15.3	- 3.9 (-20%)
Information and communications	15.1	27.1	10.2	-16.9 (-62%)
Transport	9.0	6.6	8.6	+2.0 (+31%)
Construction	7.2	8.3	10.2	+1.9 (+23%)
Medical	5.2	5.4	3.8	-1.6 (-30%)
Commerce and services	7.7	6.1	8.6	+2.5 (+40%)
Office equipment	3.0	3.0	2.3	-0.7 (-24%)
Other	7.1	6.6	25.7	+19.1 (+288%)
Total	76.2	82.3	84.6	+2.3 (+3%)

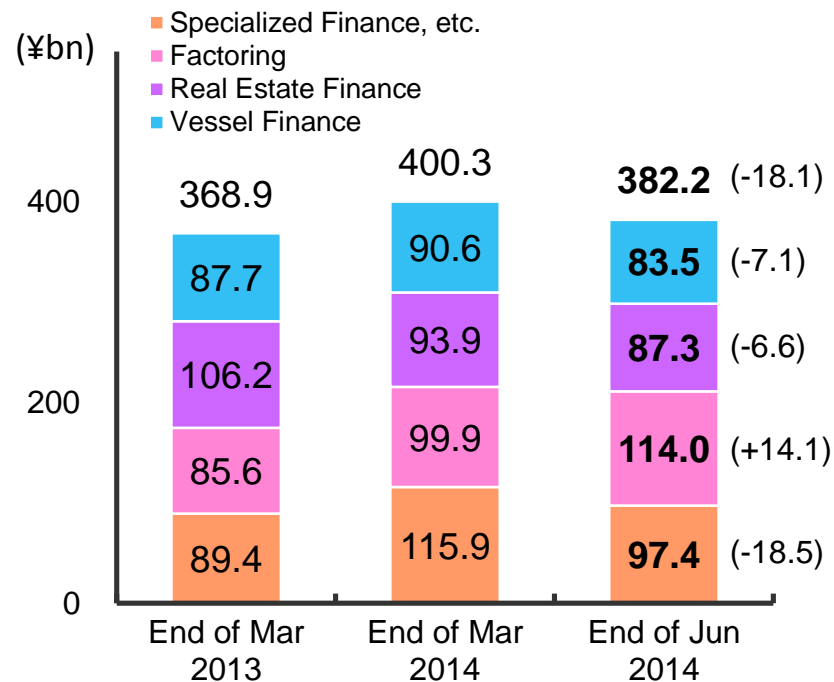
Financing

- Factoring increased along with both contract execution volume and the balance of operating assets
- The balance of operating assets was down 5% versus March 31, 2014
 - Specialized Finance, etc., declined due to the payoff of large projects, while aircraft financing increased
 - Real Estate Finance saw a decline in short-term business loans associated with property sales

Contract Execution Volume



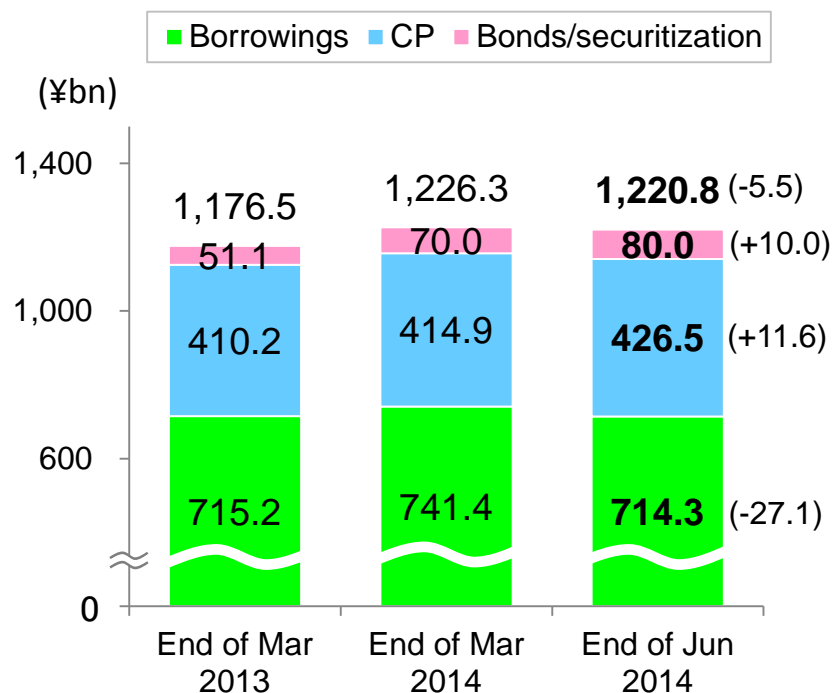
Operating Assets



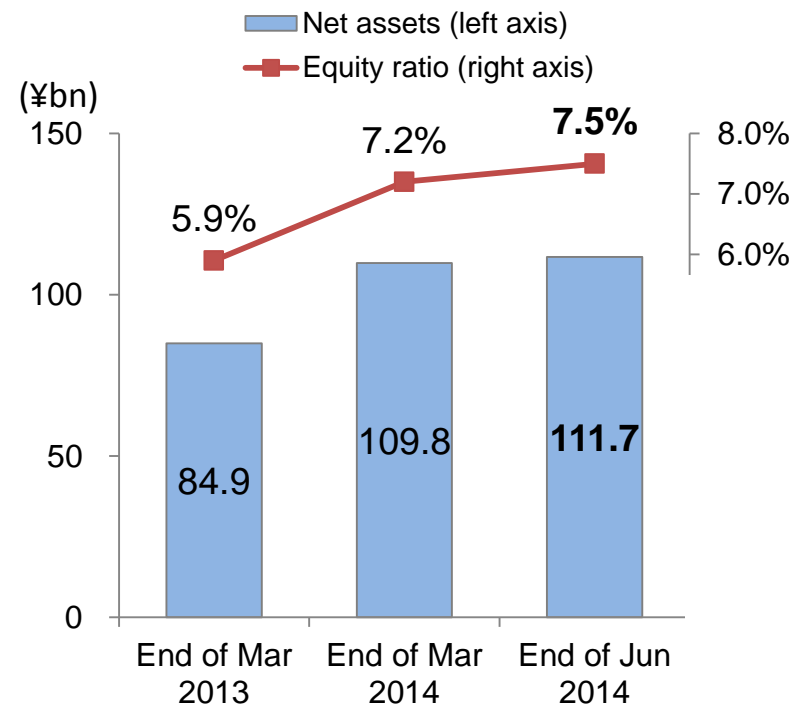
Interest-bearing Debt and Net Assets

- Secured high-quality funds with the issuance of CP and corporate bonds, etc., maintaining a flat funding cost trajectory
 - Issued 4th issuance of corporate bonds totaling ¥10 billion in May (5-Year bonds, Coupon: 0.36%)
- Net assets increased ¥1.9 billion versus March 31, 2014, to ¥111.7 billion, due to the accumulation of net income and other factors

Interest-bearing debt



Net assets / Equity ratio



Full Year Forecast

- Forecasting a full-year increase in net income despite expectations for considerable credit costs at time of forecast
 - On pace to achieve full-year forecasts following 1Q results
- Plan to pay an annual dividend of ¥56 per share in FY2014, a ¥2 per share rise and the 13th straight year of increase

(¥bn)	FY2013 (Results) (A)	FY2014 (Forecast) (B)		Change (B)-(A)	Percentage change (B)/(A)	
		1Q	Progress rate			
Revenues	354.8	355.0	84.6	24%	+0.2	+0%
Operating income	16.7	16.7	4.6	27%	0	+0%
Ordinary income	17.4	17.4	4.8	27%	0	+0%
Net income	10.5	11.0	2.9	27%	+0.5	+4%

Annual dividend	¥54	¥56	+¥2
Interim dividend	¥26	(Plan) ¥28	+¥2
Year-end dividend	¥28	(Plan) ¥28	—