

Overview

First-Quarter Results for FY2017

Aug 4, 2017



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 and subject to certain risks and uncertainties, and is not intended to guarantee that the company would achieve them. Actual business results may differ materially from those expressed or implied by such forward-looking statements due to various factors.

Leasing and Installment Sales

- Results exceeded the previous fiscal year across almost all equipment types, with a 4% increase overall.
 - In Information and Communications and Medical, volume increased by capturing large projects.
 - In Construction, vendor finance measures at the Chinese subsidiary showed growth.
 - In Real Estate, volume decreased as a large bridge lease targeting REITs was executed in the previous fiscal year.

Contract execution volume by equipment type

(¥bn)

	FY15 1Q	FY16 1Q	FY17 1Q	Change	(%)
Industrial and factory	18.2	24.7	24.6	-0.1	(-0%)
Information and communications	17.3	17.3	19.5	+2.2	(+13%)
Transport	10.7	9.9	11.8	+1.9	(+20%)
Construction	6.7	5.4	8.9	+3.5	(+63%)
Medical	6.7	3.3	4.8	+1.5	(+46%)
Commerce and services	7.8	7.2	7.2	+0.0	(+0%)
Office equipment	2.7	2.3	2.4	+0.1	(+6%)
Other	6.1	26.5	21.6	-4.9	(-19%)
Real estate	0.8	21.5	9.7	-11.8	(-55%)
Total	76.3	96.6	100.8	+4.2	(+4%)

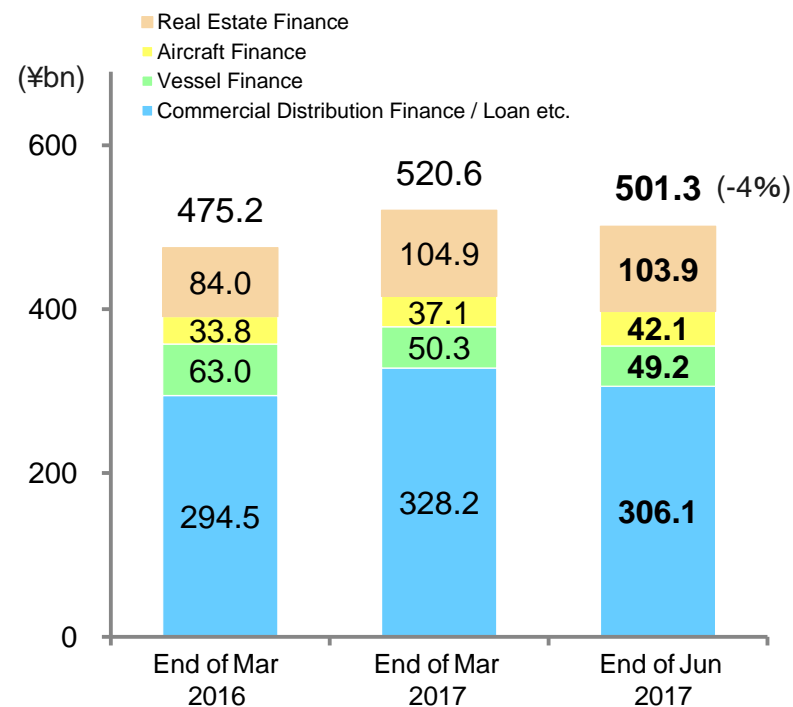
- Contract execution volume increased y-o-y and operating assets slightly decreased from the end of the previous fiscal year.
 - In Commercial Distribution Finance / Loan etc., contracts which captured customer needs and transactions with short contract periods increased.
 - In Aircraft Finance, both the execution volume and operating assets grew.

Contract execution volume

(¥bn)

	FY15 1Q	FY16 1Q	FY17 1Q	Change
Commercial Distribution Finance / Loan etc.	108.9	117.9	197.0	+79.1
Vessel Finance	2.5	4.1	3.2	-0.9
Aircraft Finance	6.6	3.8	5.8	+2.0
Real Estate Finance	7.6	32.5	4.0	-28.5
Total	125.6	158.3	210.0	+51.7

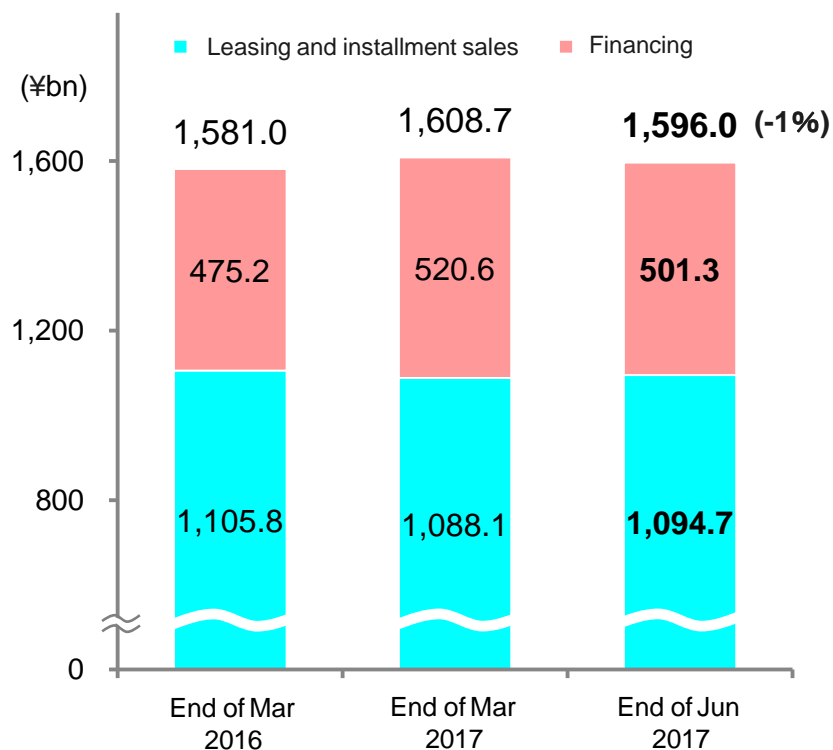
Operating assets



Operating Assets and Yield

- Operating assets remained steady from the end of the previous fiscal year.
- Both gross profit margin before write-offs and funding costs and gross profit margin improved y-o-y due to the accumulation of superior projects.

Operating assets



Yield

	FY16 1Q	FY17 1Q	Change
Gross profit margin before write-offs and funding costs	2.71%	2.79%	+0.08pt
Funding costs ratio	0.36%	0.42%	+0.06pt
Gross profit margin	2.35%	2.37%	+0.02pt

Notes) Each ratio is annualized.

Gross profit margin before write-offs and funding costs

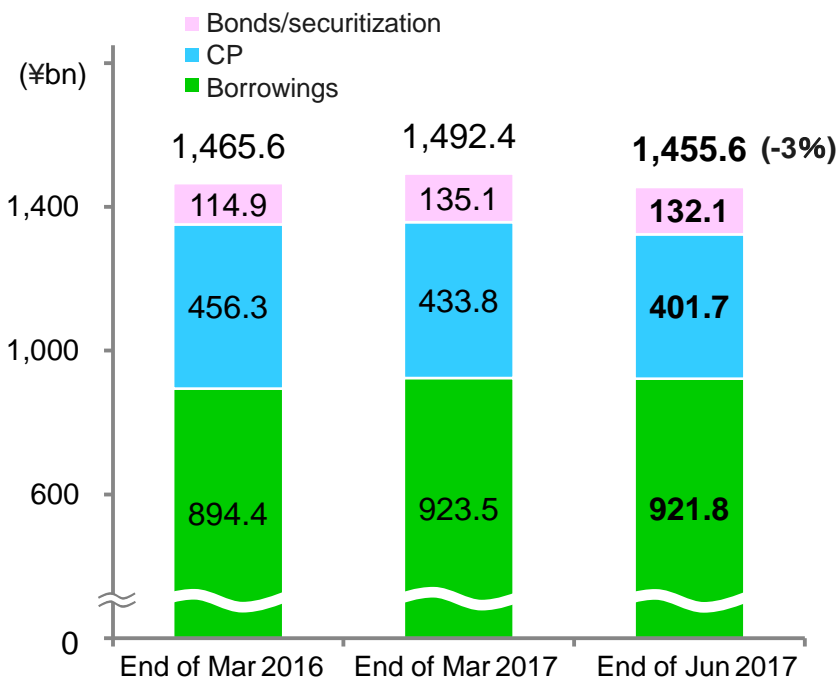
= Gross profit before write-offs and funding costs / Average balance of operating assets

Funding costs ratio = Funding costs / Average balance of operating assets

Gross profit margin = Gross profit / Average balance of operating assets

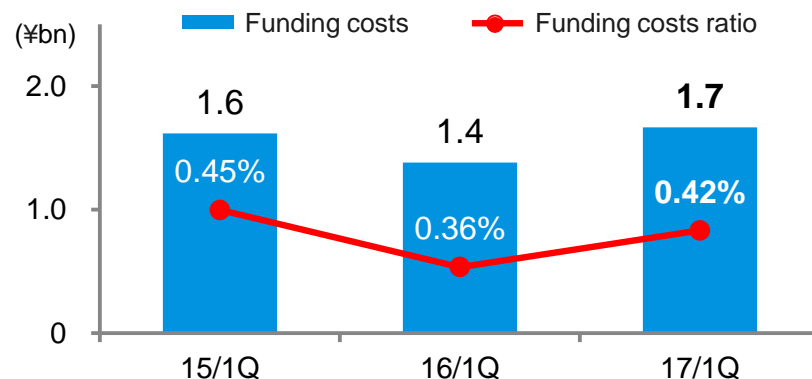
- Under a favorable funding environment, long-term funding was increased to improve financial stability, increasing the long-term ratio. Funding costs ratio increased mainly due to foreign currency borrowings for an increase in aircraft finance.
- Both net assets and equity ratio grew due to the accumulation of profit.

Interest-bearing debt



	End of Mar 2016	End of Mar 2017	End of Jun 2017
Long-term ratio	40%	46%	48%

Funding costs (%)



Note)
Funding costs ratio = Funding costs (annualized basis) / Average balance of operating assets

Net assets / equity ratio

	(¥bn)		
	End of Mar 2016	End of Mar 2017	End of Jun 2017
Net assets	132.8	141.8	144.0
Equity ratio	7.4%	7.8%	8.1%

Consolidated P/L

- Both gross profit before write-offs and funding costs and gross profit increased y-o-y.
 - Highly profitable assets such as aircraft and real estate contributed.
- Each profit item from operating income downward decreased slightly y-o-y, owing to large credit cost reversals in the previous fiscal year.

(¥bn)

Consolidated P/L	FY15 1Q	FY16 1Q	FY17 1Q	Change	% Change
Revenues	80.7	77.0	94.2	+17.2	+22%
Gross profit before write-offs and funding costs	10.6	10.5	11.2	+0.7	+7%
(Funding costs)	(1.6)	(1.4)	(1.7)	(+0.3)	(+21%)
Gross profit	9.0	9.1	9.5	+0.4	+4%
(Credit costs)	(-0.1)	(-0.9)	(-0.2)	(+0.7)	(-)
Operating income	4.1	4.9	4.7	-0.2	-4%
Ordinary income	4.3	5.3	5.0	-0.3	-6%
(Ordinary income before write-offs)	(4.3)	(4.4)	(4.8)	(+0.4)	(+9%)
Net income attributable to owners of the parent	2.7	3.6	3.4	-0.2	-7%

Earnings Forecasts and Dividends

- ❑ Net income attributable to owners of the parent is equivalent to 26% of the Company's annual plan.
- ❑ Plan to raise annual dividend for the 16th straight year in FY2017: A ¥2 increase to ¥66/share.

(¥bn)

	FY2016 (Results) (A)	FY2017 (Forecast) (B)		Change (B)-(A)	% Change (B)/(A)	
		1Q	Progress rate			
Revenues	429.4	400.0	94.2	24%	-29.4	-7%
Operating income	18.0	18.3	4.7	26%	+0.3	+2%
Ordinary income	18.8	19.0	5.0	26%	+0.2	+1%
Net income attributable to owners of the parent	12.4	13.0	3.4	26%	+0.6	+5%

Annual dividend	¥64	¥66	+¥2
Interim dividend	¥30	¥32	+¥2
Year-end dividend	¥34	¥34	±¥0

Dividend payout ratio	22.0%	21.7%
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