

Overview
Results for FY2012



IBJ Leasing Co., Ltd.

(Securities Code: 8425)

May 9, 2013

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

I. Highlights

-Steady earnings structure improvement on enhanced core earnings power-

【FY2012 Overview】

○Double-digit profit rise on steady increase in core earnings power and lower credit costs

— **Operating income: ¥14.7bn (+37%); Ordinary income: ¥15.4bn (+38%); Net income: ¥8.9bn (+108%)**

— **Operating income before write-offs: ¥18.7bn (+12%); Ordinary income before write-offs: ¥19.3bn (+13%)**

【FY2013 Forecast】

○Focus on final stage of 3rd medium-term management plan and on solidifying base for sustainable earnings growth

— **Targets: Operating income: ¥15.5bn; Ordinary income: ¥16.6bn; Net income: ¥10.0bn**

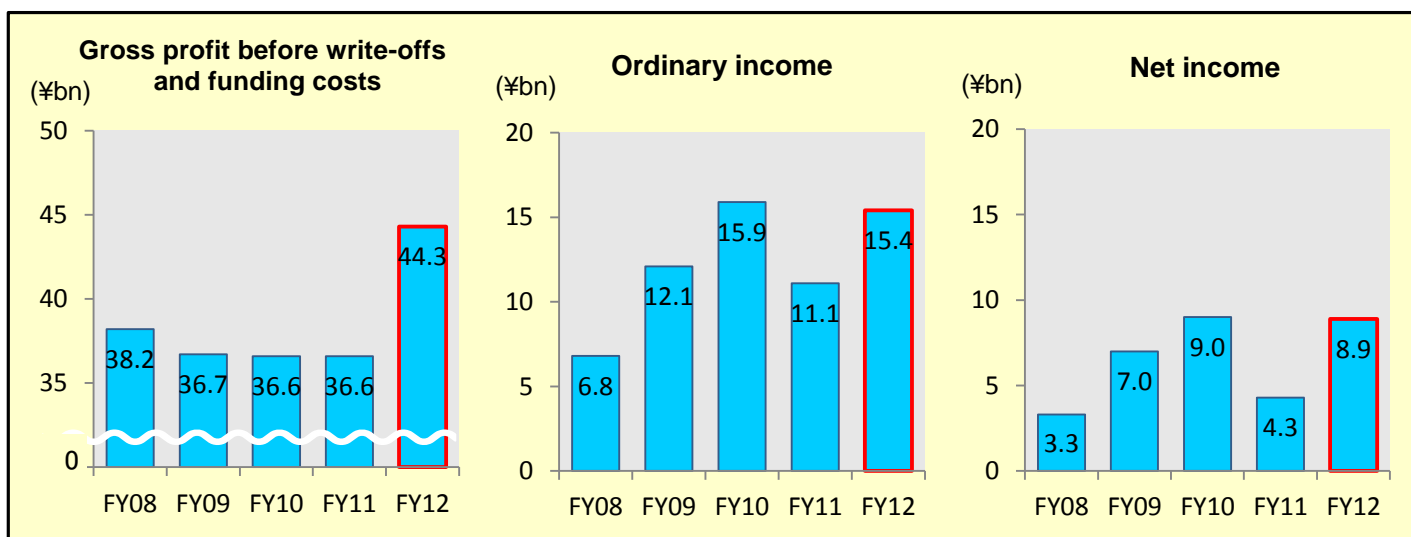
【Annual Dividend】

○FY2012 dividend ¥50 per share (+¥2), 11th straight YoY increase; Planned increase for FY2013

【Financial Performance】

(¥bn)

	FY10	FY11 (A)	FY12 (B)	Change (B-A)	Percentage change	FY13 forecast
Revenues	256.1	270.1	352.5	+82.4	+30.5%	330.0
Gross profit	31.1	31.3	37.7	+6.4	+20.4%	—
Operating income	15.4	10.7	14.7	+4.0	+37.2%	15.5
Ordinary income	15.9	11.1	15.4	+4.3	+38.1%	16.6
(Credit costs)	(2.3)	(6.0)	(3.9)	(-2.1)	(-34.8%)	—
Net income	9.0	4.3	8.9	+4.6	+107.6%	10.0
Gross profit before write-offs and funding costs	36.6	36.6	44.3	+7.7	+21.0%	—
Operating income before write-offs	17.7	16.7	18.7	+2.0	+11.8%	—
Ordinary income before write-offs	18.2	17.1	19.3	+2.2	+12.6%	—
Dividends p/share	¥46	¥48	¥50	+¥2	—%	¥52



II. P/L Overview

【Overview】

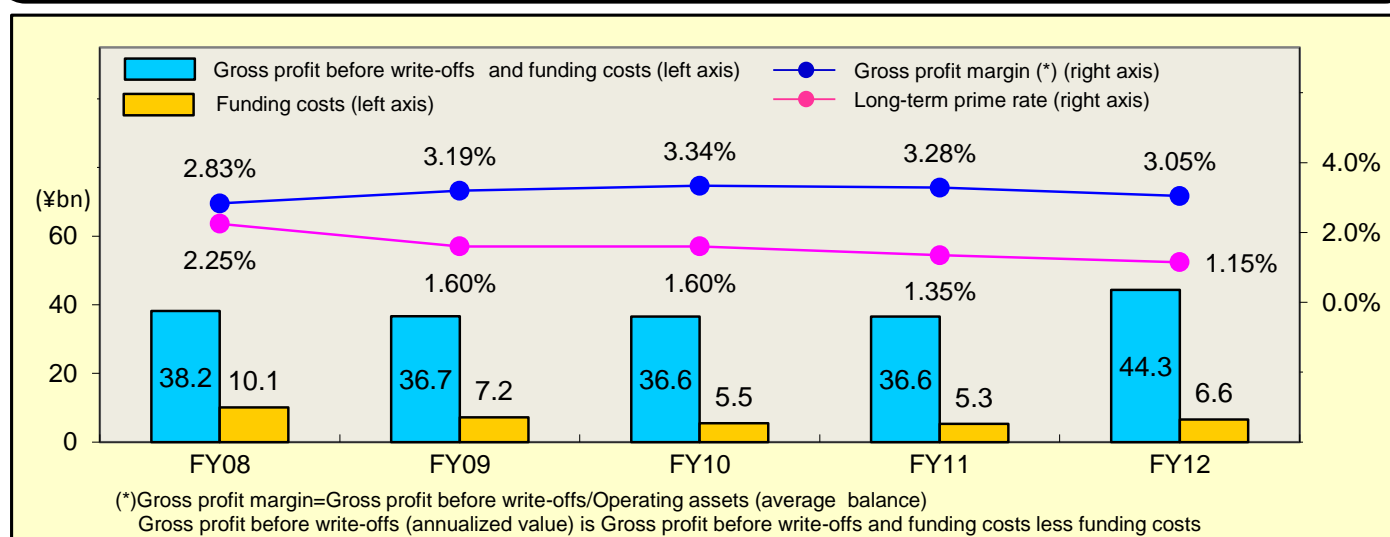
- Profit at all levels recovered as increases in other costs were absorbed by a rise in core earnings and lower credit costs
- Funding costs: Rise in absolute terms due to acquisitions, but low overall due to lower funding interest rates
- General expenses: Additional costs from 2 acquired companies
- Credit costs: Increase due mostly to expenses on a particular real estate project in 1Q (¥3.2bn)

(¥bn)

	FY10	FY11 (A)	FY12 (B)	Change (B-A)	Percentage Change
Operating revenue	256.1	270.1	352.5	+82.4	+30.5%
Gross profit before write-offs, funding costs	36.6	36.6	44.3	+7.7	+21.0%
Funding costs	5.5	5.3	6.6	+1.3	+24.8%
Gross profit	31.1	31.3	37.7	+6.4	+20.4%
General expenses (sales expenses)	13.3	14.5	19.0	+4.5	+30.4%
Credit costs (sales expenses)	2.3	6.0	4.0	-2.0	-33.5%
Operating income	15.4	10.7	14.7	+4.0	+37.2%
Ordinary income	15.9	11.1	15.4	+4.3	+38.1%
(Ordinary income before write-offs)	(18.2)	(17.1)	(19.3)	(+2.2)	(+12.6%)
(Credit costs)	(2.3)	(6.0)	(3.9)	(-2.1)	(-34.8%)
Net income	9.0	4.3	8.9	+4.6	+107.6%

【Gross Profit Margin】

Amid low interest rates, gross profit margin decreased to 3.05% due to impact of lower yield following operating asset replacement



III. Financial Position

【Assets】

- Operating assets increased by ¥51.8bn (+4.3%) versus March 31, 2012 to ¥1,263.1bn
- Leasing and installment sales assets totaled ¥894.2bn (+¥26.8bn) and financing assets totaled ¥368.9bn (+¥25.0bn)

(¥bn)

	End of Mar 2011	End of Mar 2012 (A)	End of Mar 2013 (B)	Change (B-A)	Percentage Change
Leasing and installment sales	640.7	867.4	894.2	+26.8	+3.1%
(of which Leasing)	(546.2)	(755.1)	(780.2)	(+25.1)	(+3.3%)
Financing	287.9	343.9	368.9	+25.0	+7.3%
(of which Loans)	(241.9)	(295.0)	(320.1)	(+25.1)	(+8.5%)
Operating Assets	928.6	1,211.3	1,263.1	+51.8	+4.3%
Total Assets	1,028.0	1,333.0	1,372.2	+39.2	+2.9%

【Liabilities and Net Worth】

- Interest-bearing debt increased ¥43.0bn (+3.8%) versus Mar. 31, 2012 to ¥1,176.5bn
- Reviewed the composition of funding and actively utilized CP so as to continue to take advantage of low interest rates
- In order to further diversify borrowing sources, from this year we began issuing corporate bonds: (3-Year Bonds: ¥10bn, Coupon: 0.34%)
- Net assets increased ¥10.2bn versus Mar. 31, 2012 to ¥84.9bn due to net income booking, etc.
- Equity ratio increased 0.6% versus Mar. 31, 2012 to 5.9%.

(¥bn)

	End of Mar 2011	End of Mar 2012 (A)	End of Mar 2013 (B)	Change (B-A)	Percentage Change
Long/Short- term borrowings	517.3	721.6	715.2	-6.4	-0.9%
Market funding	360.3	411.9	461.3	+49.4	+12.0%
(of which CP)	(327.3)	(373.1)	(410.2)	(+37.1)	(+9.9%)
(of which corporate bonds)	(-)	(-)	(10.0)	(+10.0)	(-)
Interest-bearing debt	877.6	1,133.5	1,176.5	+43.0	+3.8%
Net assets	69.4	74.7	84.9	+10.2	+13.6%
(of which equity)	(68.7)	(71.2)	(78.4)	(+7.2)	(+10.1%)
Equity ratio	6.7%	5.3%	5.9%	+0.6%	-

IV. Sales

【Contract Execution Volume】

- Contract execution volume rose ¥378.3bn to ¥804.3bn on increases in leasing and installment sales and financing
- Contract execution volume with large companies was robust, increasing ¥512.1bn

(¥bn)

	FY10	FY11 (A)	FY12 (B)	Change (B-A)	Percentage Change
Leasing and installment sales	221.6	236.5	372.4	+135.9	+57.5%
Leasing	186.8	192.3	307.6	+115.3	+59.9%
Installment sales	34.8	44.2	64.8	+20.6	+46.7%
Financing	136.7	189.4	431.8	+242.4	+128.0%
Loans	121.1	167.2	411.3	+244.1	+146.1%
Investment securities	15.6	22.3	20.5	-1.8	-7.9%
Total	358.3	426.0	804.3	+378.3	+88.8%
(to large companies)	(195.1)	(235.5)	(512.1)	(+276.6)	(+117.4%)

For reference: Industry leasing volume for FY2012 was up 6.6% YoY (according to Japan Leasing Association data)

【Leasing and installment sales】

- Contract execution volume increased for all types of equipment, rising 58% YoY to ¥372.4bn
- Sharp rises in industrial and factory, information and communications, medical, and other sectors
- Industrial and Factory:** Steadily captured investment projects in electric- and auto-related industries
- Information and communications:** IBJL-Toshiba Leasing bolstered foundation, and captured large-scale renewal demand from large companies
- Medical:** Sales tie-up with Siemens and full-year contribution from Toshiba Medical Finance
- Other:** Captured large projects for leasing of real estate and commercial facility electric equipment, etc.

<Contract Execution Volume by Equipment Type>

(¥bn)

	FY10	FY11 (A)	FY12 (B)	Change (B-A)	Percentage change
Industrial and factory	62.1	38.4	109.1	+70.7	+184.0%
Information and communications	43.4	57.6	83.4	+25.8	+44.6%
Transport	29.0	33.5	41.8	+8.3	+24.6%
Construction	27.5	37.2	38.8	+1.6	+4.1%
Medical	9.2	19.7	33.5	+13.8	+69.9%
Commerce and services	24.1	21.7	24.1	+2.4	+10.8%
Clerical	8.8	8.6	12.2	+3.6	+41.6%
Other	17.5	19.7	29.7	+10.0	+50.8%
Total	221.6	236.5	372.4	+135.9	+57.5%

V. FY2013 Business Operation

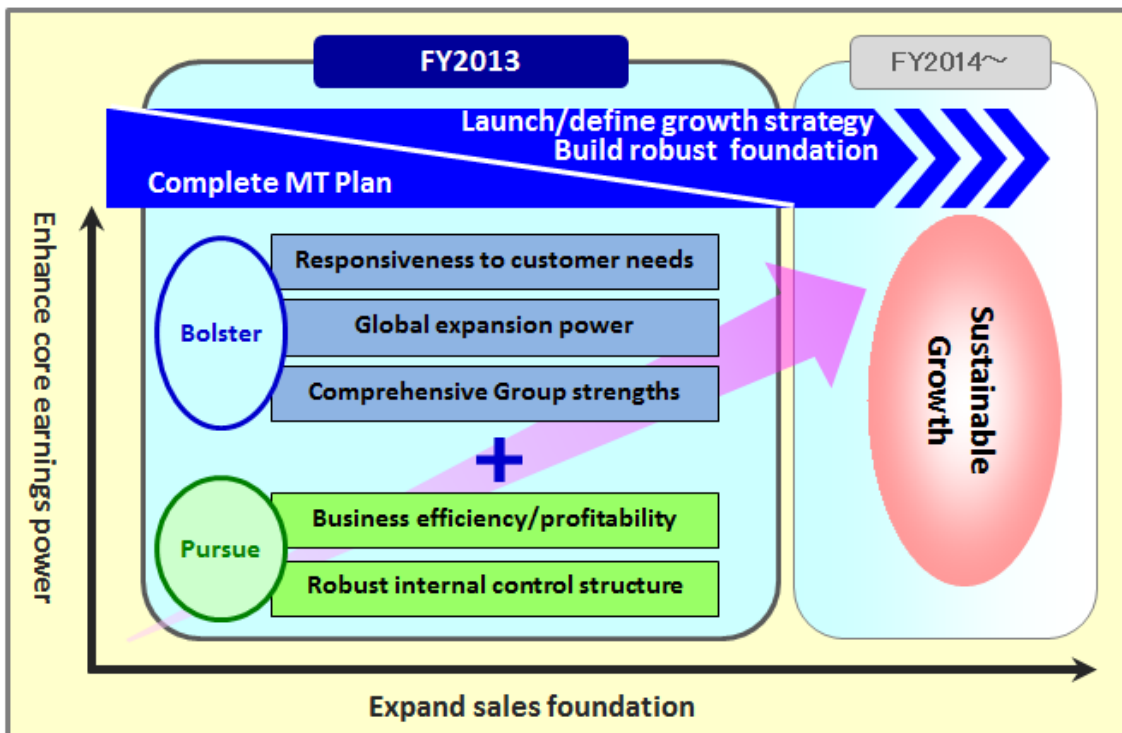
【FY2013 Positioning】

- Final stage of 3rd Medium-term Management Plan (FY2011~FY2013)
- Year to solidify foundation for sustainable growth from FY2014 onward

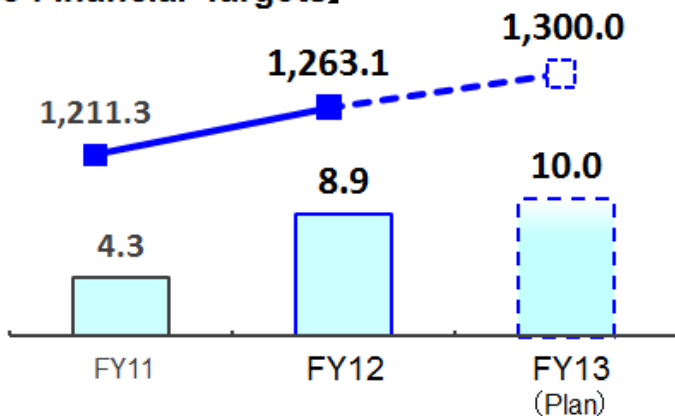
【Business Operation Policy】

- Further expand the sales foundation and enhance core earnings power by adapting to the market environment
 - Bolster responsiveness to customer needs, global expansion power, and comprehensive Group strengths
 - Pursue business efficiency/profitability and a robust internal control structure

【FY13 Business Operation】



【FY13 Financial Targets】



MT Plan Targets

- Operating assets of ¥1,200.0bn
- Net income of ¥10.0bn
- ROE 10%+

VI. FY2013 Earnings Forecast

【Business Environment Analysis】

- Although economic conditions in Japan are improving owing to an upturn in overseas economies and correction of yen appreciation, but the prospect of sustained recovery in the real economy remains uncertain
- Stiff competition, including with other sectors in the industry, as low interest rates continue amid monetary easing

【FY2013 Earnings Forecast】

- Amid this severe environment, the IBJ Leasing Group will leverage its capabilities to achieve the targets of the medium-term management plan and build a stronger foundation for future growth
 - Operating income: ¥15.5bn; Ordinary income: ¥16.6bn; Net income: ¥10.0bn

【Dividend Forecast】

- Annual dividend (forecast): **¥52 per share** (+¥2 yen per share); **12th straight year of increase**
 - Interim dividend (forecast): **¥26 per share** (planned YoY increase of ¥2 per share)
 - Year-end dividend (forecast): **¥26 per share** (unchanged from FY2011)

Earnings Forecast

(¥bn)

	FY2012 (A)	FY2013 (E) (B)	Change (B - A)	Percentage change ((B / A) - 1)
Revenues	352.5	330.0	-22.5	-6.4%
Operating income	14.7	15.5	+0.8	+5.7%
Ordinary income	15.4	16.6	+1.2	+8.0%
Net income	8.9	10.0	+1.1	+12.1%

Per-share Dividend Forecast

	FY2008	FY2009	FY2010	FY2011	FY2012 (A)	FY2013 (B)	Change (B-A)
Interim dividend	¥20	¥20	¥22	¥24	¥24	¥26	+¥2
Year-end dividend	¥20	(*)¥24	¥24	¥24	¥26	¥26	—
Annual per-share dividend	¥40	(*)¥44	¥46	¥48	¥50	¥52	+¥2

Note: Includes ¥4 per share commemorative dividend to mark the 40th anniversary of establishment

For Reference: Full-year Consolidated P/L

(¥bn)

	FY2008	FY2009	FY2010	FY2011	FY2012
Gross profit before write-offs and funding costs	38.2	36.7	36.6	36.6	44.3
Funding costs	10.1	7.2	5.5	5.3	6.6
Gross profit	28.1	29.5	31.1	31.3	37.7
Operating income	6.8	11.3	15.4	10.7	14.7
Ordinary income	6.8	12.1	15.9	11.1	15.4
(Total credit costs)	(8.3)	(5.6)	(2.2)	(6.0)	(3.9)
Net income	3.3	7.0	9.0	4.3	8.9

