

Overview
Third-Quarter Results for FY2012



IBJ Leasing Co., Ltd.

(Securities Code: 8425)

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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 1-3Q Results Overview】

○ Slight YoY decline in operating, ordinary and net income due to major credit costs in 1Q, but steady increase in core earnings power based on stable contributions from two acquired companies^(*)

- **Operating income: ¥11.3bn (- 3.5%); Ordinary income ¥11.8bn (- 4.2%); Net income: ¥6.9bn (- 6.3%)**

- **Operating income before write-offs: ¥14.7bn (+22.7%); Ordinary income before write-offs: ¥15.1bn(+20.1%)**

(*) IJBL-Toshiba Leasing and Toshiba Medical Finance

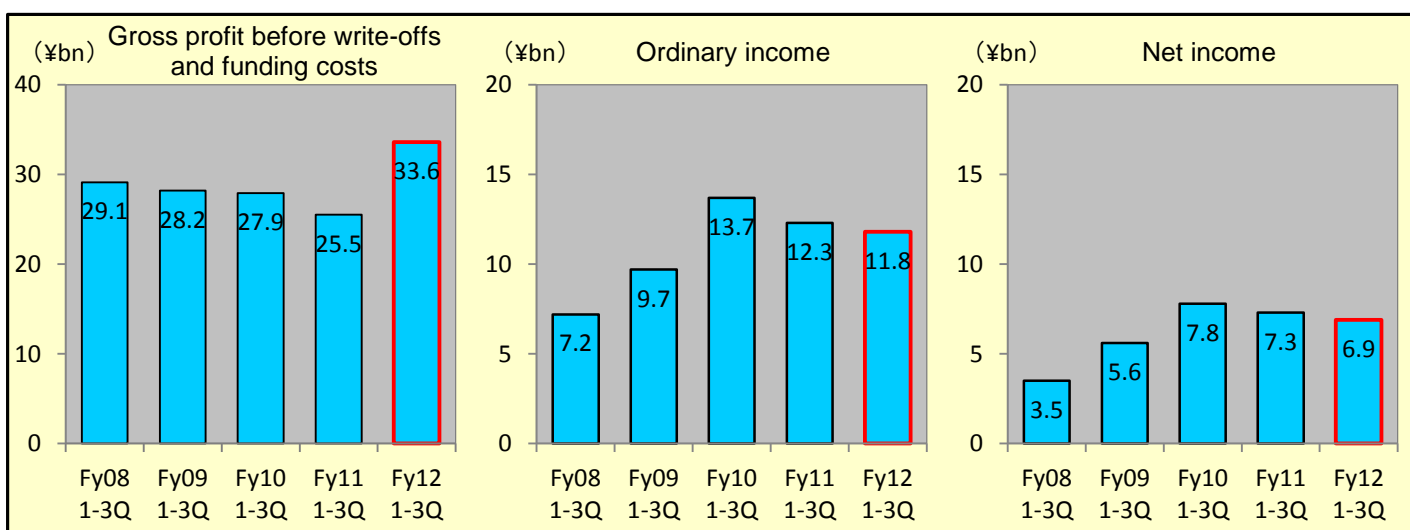
【FY2012 Progress on Achieving Forecasts】

○ Achievement ratios are above 75% of full-year forecasts for operating, ordinary and net income

【 Financial Performance】

(¥bn)

	FY10/1-3Q	FY11/1-3Q	FY12/1-3Q	Change	Percentage	Annual	FY2012 Full Year
		(A)	(B)	(B-A)	change	forecast	Achievement Ratio (9/12=75%)
Revenues	192.1	187.1	261.7	+74.6	+39.8%	350.0	74.8%
Gross profit	23.6	22.0	28.7	+6.7	+30.1%	—	—
Operating income	13.2	11.7	11.3	-0.4	-3.5%	15.0	75.1%
Ordinary income	13.7	12.3	11.8	-0.5	-4.2%	15.5	76.1%
(Credit costs)	(0.9)	(0.3)	(3.3)	(+3.0)	(-%)	—	—
Net income	7.8	7.3	6.9	-0.4	-6.3%	9.0	76.3%
Gross profit before write-offs and funding costs	27.9	25.5	33.6	+8.1	+31.6%	—	—
Operating income before write-offs	14.1	11.9	14.7	+2.8	+22.7%	—	—
Ordinary income before write-offs	14.6	12.6	15.1	+2.5	+20.1%	—	—
Contract execution volume	257.3	246.2	585.2	+339.0	+137.6%	—	—



II. P/L Overview

【Performance Through 3Q】

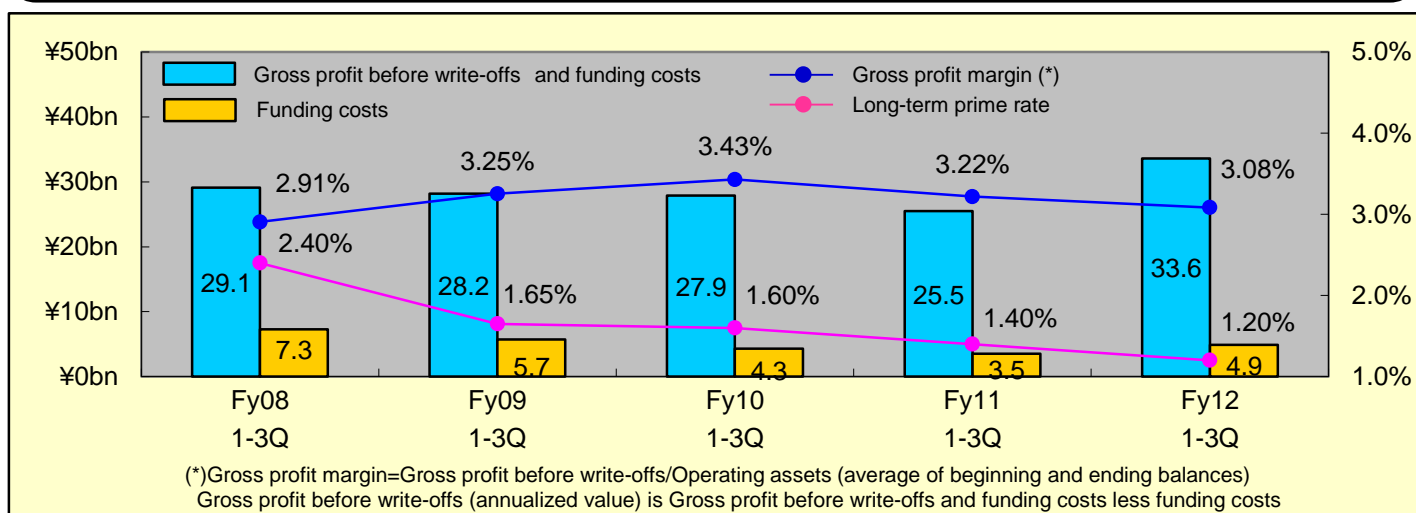
- Gross profit before write-offs and funding costs increased 32% YoY to ¥33.6bn, partly driven by benefits of acquisitions.
 - Total funding costs increased in absolute terms due to the acquisitions, but the borrowing rate remained low.
 - General expenses increased by ¥3.9bn, mostly from the 2 acquired companies.
 - Credit costs fell slightly from the 1Q level (¥3.5bn) to ¥3.3bn for the nine-month period, due to a reversal during the period.
- **Ordinary income before write-offs increased 20% to ¥15.1bn. Ordinary income after write-offs declined 4% to ¥11.8bn.**

(¥bn)

	FY10/1-3Q	FY11/1-3Q (A)	FY12/1-3Q (B)	Change (B-A)	Percentage change
Operating revenue (a)	28.7	26.4	34.5	+8.1	+30.3%
Gross profit before write-offs and funding costs	27.9	25.5	33.6	+8.1	+31.6%
Interest and dividend income	0.2	0.2	0.2	+0	—%
Investment gains	0.5	0.1	0.2	+0.1	—%
Operating expenses (b)	15.1	14.1	22.7	+8.6	+60.4%
Funding costs	4.3	3.5	4.9	+1.4	+41.1%
Interest expenses	0.3	0.2	0.3	+0.1	—%
General expenses	9.5	10.1	14.0	+3.9	+38.8%
Credit costs	0.9	0.3	3.3	+3.0	—%
Ordinary income (a - b)	13.7	12.3	11.8	-0.5	-4.2%
(Ordinary income before write-offs)	(14.6)	(12.6)	(15.1)	(+2.5)	(+20.1%)
Net income	7.8	7.3	6.9	-0.4	-6.3%

【Gross Profit Margin】

Amid low interest rates, gross profit margin decreased slightly as a result of the impact of the acquisitions and a shift in emphasis to improve profitability



III. Financial Position

【Assets】

- Operating assets increased by ¥56.6bn (+4.7%) versus March 31, 2012 to ¥1,267.9bn
- Equipment financing assets totaled ¥896.1bn (+¥28.7bn); Financing assets totaled ¥371.8bn (+¥27.9bn).

(¥bn)

	End of Mar 11	End of Mar 12 (A)	End of Dec 12 (B)	Change (B-A)	Percentage change
Equipment Financing	640.7	867.4	896.1	+28.7	+3.3%
Leasing	(546.2)	(755.1)	(783.5)	(+28.4)	(+3.7%)
Installment sales	(94.5)	(112.2)	(112.7)	(+0.5)	(+0.4%)
Financing	287.9	343.9	371.8	+27.9	+8.1%
Loans	(241.9)	(295.0)	(327.8)	(+32.8)	(+11.1%)
Operational investment securities	(46.0)	(48.9)	(44.0)	(-4.9)	(-9.9%)
Operating Assets	928.6	1,211.3	1,267.9	+56.6	+4.7%
Total Assets	1,028.0	1,333.0	1,369.2	+36.2	+2.7%

【Liabilities and Net Worth】

- Interest-bearing debt increased ¥40.0bn (+3.5%) versus Mar. 31, 2012 to ¥1,173.5bn
- Continue to take advantage of low interest rates and actively utilize CP at Group companies
- In order to further diversify borrowing sources, from this year we issued corporate bonds (3 Year Bonds: ¥10bn, Coupon: 0.34%)
- Net assets increased ¥6.2bn versus Mar. 31, 2012 to ¥80.9bn due to net income booking
- Equity ratio increased 0.3% versus Mar. 31, 2012 to 5.6%.

(¥bn)

	End of Mar 11	End of Mar 12 (A)	End of Dec 12 (B)	Change (B-A)	Percentage change
Long/Short-term borrowings	517.3	721.6	701.9	-19.7	-2.7%
Market funding	360.3	411.9	471.6	+59.7	+14.5%
(of which CP)	(327.3)	(373.1)	(420.3)	(+47.2)	(+12.7%)
(of which corporate bonds)	(—)	(—)	(10.0)	(+10.0)	(—%)
Interest-bearing debt	877.6	1,133.5	1,173.5	+40.0	+3.5%
Net assets	69.4	74.7	80.9	+6.2	+8.2%
(of which equity)	(68.7)	(71.2)	(76.4)	(+5.2)	(+7.2%)
Equity ratio	6.7%	5.3%	5.6%	+0.3%	—

IV. Sales

【Contract Execution Volume】

- Large increase in equipment and financing areas, as execution volume rose ¥339.0bn to ¥585.2bn
- Contract execution volume with large companies increased ¥254.7bn to ¥377.7bn

(¥bn)

	FY10/1-3Q	FY11/1-3Q (A)	FY12/1-3Q (B)	Change (B-A)	Percentage change
Equipment financing	160.8	155.2	283.8	+128.6	+82.8%
Leasing	135.9	128.5	237.9	+109.4	+85.1%
Installment sales	24.9	26.7	45.8	+19.1	+71.8%
Financing	96.5	91.0	301.4	+210.4	+231.0%
Loans	90.0	74.4	290.9	+216.5	+291.3%
Investment securities	6.5	16.7	10.4	-6.3	-37.5%
Total (of which, for large companies)	257.3 (133.1)	246.2 (123.0)	585.2 (377.7)	+339.0 (+254.7)	+137.6% (+207.2%)

For reference: Industry leasing volume for April - December 2012 was up 7.6% YoY (according to Japan Leasing Association data)

【Equipment Financing】

- Contract execution volume in equipment financing increased for all types of equipment, rising 83% YoY to ¥283.8bn
- **Industrial and Factory:** Steadily captured investment projects in electric- and auto-related industries.
- **Transport:** Higher disaster recovery-related demand and benefits from eco-car subsidy program.
- **Construction:** Tackled recovery-related demand in Japan, mainly for rental equipment, which covered the decline in China.
- **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

<Contract Execution Volume by Equipment Type>

(¥bn)

	FY10/1-3Q	FY11/1-3Q (A)	FY12/1-3Q (B)	Change (B-A)	Percentage change
Industrial and factory	43.4	25.3	91.8	+66.5	+263.6%
Transport	20.4	23.4	31.9	+8.5	+36.5%
Construction	20.8	26.4	29.5	+3.1	+11.7%
Information and communications	30.4	36.5	58.5	+22.0	+60.2%
Commerce and service	19.1	17.1	19.1	+2.0	+12.0%
Medical	7.5	8.5	20.4	+11.9	+139.7%
Other	19.3	18.0	32.5	+14.5	+80.3%
Total	160.8	155.2	283.8	+128.6	+82.8%

V. Full-Year Earnings

【Business Environment】

○Although hopes for an economic recovery are increasing due to factors such as the temporary averting of the US fiscal cliff, the correction to the yen appreciation and stock price declines as well as further monetary easing, economic uncertainty remains deeply rooted.

【Business Strategy】

○Strive for sustainable growth as a “multimodal corporate financial service group”

- ・Business development leveraging customer base and consultative sales
- ・Build superior asset portfolio by serving broad customer needs for equipment and financing
- ・Promote growth areas, expanding into environment and energy as well as medical
- ・Bolster Asia sales in China, Thailand, Indonesia, etc.

【Full-Year Earnings Forecast】

○The full-year earnings forecast is unchanged in light of the progress made through 3Q in achieving FY2012 projections for operating, ordinary and net income.

【Dividend Forecast】

- Interim dividend (announced): ¥24 per share, unchanged from FY2011 interim dividend
- Year-end dividend (forecast): ¥26 per share, up ¥2 from FY2011
- Annual dividend (forecast): ¥50 per share, up ¥2 from FY2011 and 11th straight year of increase

【Full-Year Earnings and Dividend Forecast】

(¥bn)

	FY2011	FY2012		Change (B-A)	Percentage change	
	Result(A)	Forecast(B)	(Progress)			1-3Q Result
Revenues	270.1	350.0	(74.8%)	261.7	+79.9	+29.6%
Operating Income	10.7	15.0	(75.1%)	11.3	+4.3	+40.3%
Ordinary Income	11.1	15.5	(76.1%)	11.8	+4.4	+39.3%
Net income	4.3	9.0	(76.3%)	6.9	+4.7	+109.4%
Dividends per share	¥48	¥50	(Interim dividend paid)	¥24	+¥2	

【Per-Share Dividend Forecast】

	FY2008	FY2009	FY2010	FY2011 (A)	FY2012 (B)	Change (B-A)
Interim	¥20	¥20	¥22	¥24	¥24	-
Year-end	¥20	(4)¥24	¥24	¥24	¥26	+¥2
Annual	¥40	(4)¥44	¥46	¥48	¥50	+¥2

Note: Figures in brackets represent a commemorative dividend to mark the 40th anniversary of establishment

(Reference) Quarterly Results

(¥bn)

	FY09				FY10				FY11				FY12		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Gross profit before write-offs and funding costs	9.5	9.2	9.5	8.6	9.7	9.2	9.0	8.7	8.7	8.7	8.1	11.0	12.0	11.6	10.0
Funding costs	2.2	1.8	1.7	1.5	1.5	1.4	1.3	1.2	1.2	1.1	1.1	1.8	1.7	1.6	1.6
Gross profit	7.3	7.4	7.8	7.1	8.1	7.8	7.7	7.5	7.5	7.6	7.0	9.3	10.2	10.0	8.5
Operating income	2.8	2.9	3.4	2.2	4.2	4.1	4.5	2.3	4.1	4.5	3.0	-1.0	1.8	5.7	3.8
Ordinary income	2.8	3.5	3.5	2.4	4.2	4.4	4.7	2.2	4.2	5.0	3.1	-1.2	2.0	5.9	3.8
(Credit costs)	(1.3)	(1.4)	(1.4)	(1.6)	(0.7)	(0.5)	(-0.4)	(1.3)	(-0.3)	(-0.2)	(0.7)	(5.7)	(3.5)	(-0.2)	(0)
Net income	1.6	2.2	1.8	1.4	2.2	2.6	3.0	1.2	2.5	2.8	2.0	-3.0	0.9	3.4	2.6

