

Overview
First-Half Results for FY2012



IBJ Leasing Co., Ltd.

(Securities Code: 8425)

November 2, 2012

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

—Robust earnings structure improvement on improved core earnings power—

【FY2012 First-half Results Overview】

○Lower YoY profits due to large credit costs, but improvement in core earnings power along with benefits of recent acquisitions

- Significant increase in our core earnings power indicators (gross profit, operating income and ordinary income before write offs)

○Solid rebound in 2Q results, due to higher revenues and credit cost reversal

- FY2012 1Q Net income: **¥0.9bn** → FY2012 2Q net income: **¥3.4bn (+¥2.5bn)**

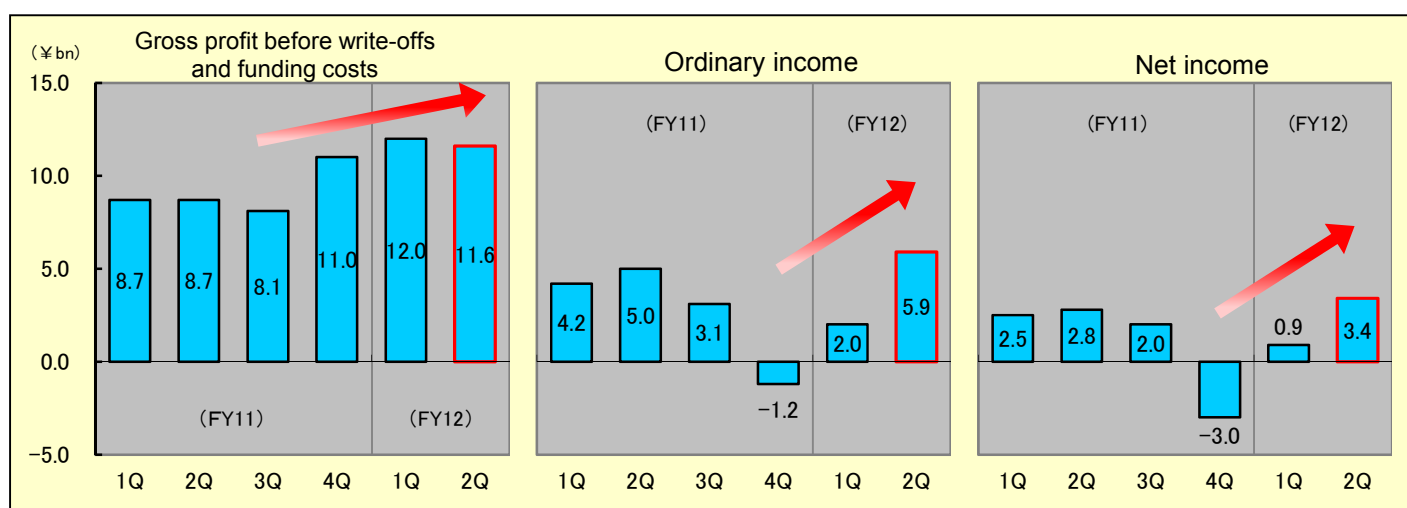
【First-half Sales Overview】

○1H Contract execution volume grew steadily in all areas, rising 2.4x YoY to **¥395.5bn**

【First-Half Financial Performance】

(¥bn)

	FY2010	FY2011			FY2012			Change ②-①	% Change ②÷①
	1st Half	1Q	2Q	1st Half①	1Q	2Q	1st Half②		
Revenues	128.6	66.0	62.9	128.9	86.7	92.1	178.8	+49.9	+38.7%
Gross profit	15.9	7.5	7.6	15.0	10.2	10.0	20.2	+5.2	+34.2%
Operating income	8.3	4.1	4.5	8.6	1.8	5.7	7.5	-1.1	-13.4%
(Credit costs)	(1.3)	(-0.3)	(-0.2)	(-0.4)	(3.5)	(0.2)	(3.4)	(+3.8)	(-%)
Ordinary income	8.6	4.2	5.0	9.2	2.0	5.9	8.0	-1.2	-14.0%
Net income	4.8	2.5	2.8	5.3	0.9	3.4	4.2	-1.1	-20.4%
Gross profit before write-offs and funding costs	18.9	8.7	8.7	17.4	12.0	11.6	23.6	+6.2	+35.5
Operating income before write-offs	9.6	3.9	4.3	8.2	5.3	5.6	10.8	+2.6	+32.2
Ordinary income before write-offs	9.9	4.0	4.8	8.8	5.5	5.8	11.3	+2.5	+28.1
Contract execution volume	166.9	66.7	100.0	166.7	170.8	224.7	395.5	228.8	+137.3%



II. P/L Overview

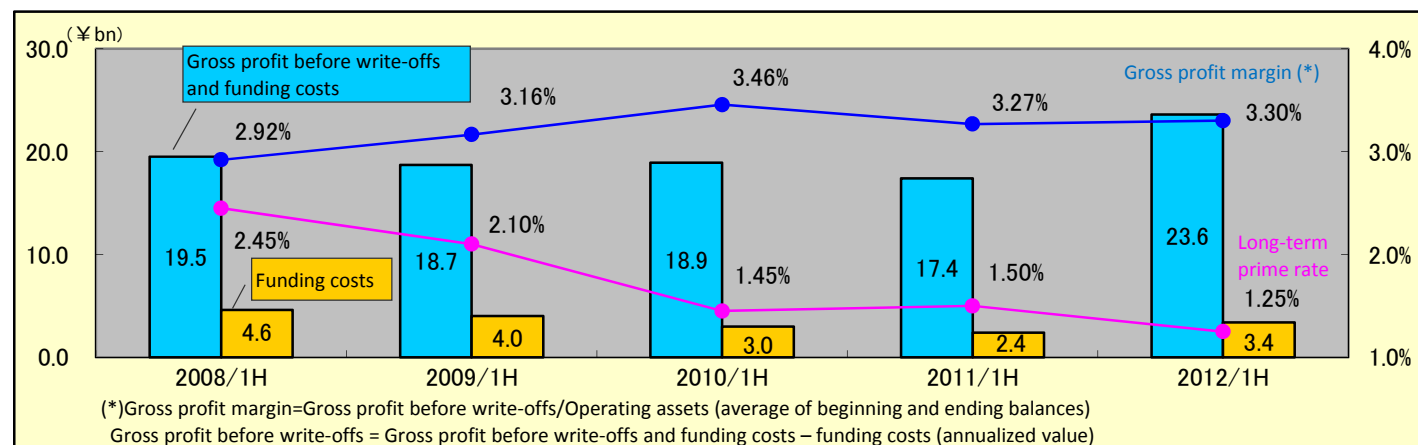
【Performance】

- Gross profit before write-offs and funding costs has risen further since 4Q FY2011, driven partly by benefits of acquisitions
 - Total funding costs increased temporarily due to the 2 company acquisitions, but have fallen since
 - Credit costs increased in 1Q FY2012 due to large allowance for doubtful receivables but rebounded in 2Q FY2012 thanks to a reversal
- As a result, 2Q ordinary income and net income showed a recovery

	FY2011						FY2012			Change ②-①
	1Q	2Q	1st Half ①	3Q	4Q	2nd Half	1Q	2Q	1st Half ②	
	Operating revenue (a)	8.9	9.3	18.2	8.3	11.0	19.3	12.3	11.9	
Gross profit before write-offs and funding costs	8.7	8.7	17.4	8.1	11.0	19.2	12.0	11.6	23.6	+6.2
Interest and dividend income	0.1	0.1	0.2	0	0.1	0.1	0.1	0.2	0.2	+0
Investment gains	0	0.5	0.5	0	-0.1	0	—	0	0	-0.5
Operating expenses (b)	4.7	4.3	8.9	5.2	12.2	17.4	10.3	6.0	16.3	+7.4
Funding costs	1.2	1.1	2.4	1.1	1.8	2.9	1.7	1.6	3.4	+1.0
Interest expenses	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.2	+0
General expenses	3.6	3.3	6.8	3.2	4.5	7.7	4.9	4.4	9.3	+2.5
Credit costs	-0.3	-0.2	-0.4	0.7	5.7	6.4	3.5	-0.2	3.3	+3.7
Ordinary income (a – b)	4.2	5.0	9.2	3.1	-1.2	1.9	2.0	5.9	8.0	-1.2
(Ordinary income before write-offs)	(4.0)	(4.8)	(8.8)	(3.8)	(4.5)	(8.3)	(5.5)	(5.8)	(11.3)	(+2.5)
Net income	2.5	2.8	5.3	2.0	-3.0	-1.0	0.9	3.4	4.2	-1.1

【Gross Profit Margin】

Amid low interest rates, gross profit margin remained essentially flat (+0.03%) as a result of acquisition benefits and our emphasis on improving profitability



III. Financial Position

【Assets】

- Operating assets increased by ¥26.1bn (+2.2%) versus Mar. 31, 2012 to ¥1,237.4bn
 - Equipment financing assets totaled ¥883.4bn (+¥16.0bn); Financing assets totaled ¥354.0bn (+¥10.1bn)

(¥bn)

	End of Mar 11	End of Mar 12 ①	End of Sep 12 ②	Change ②-①	% Change
Equipment Financing	640.7	867.4	883.4	+16.0	+1.8%
Leasing	(546.2)	(755.1)	(772.9)	(+17.8)	(+2.4%)
Installment sales	(94.5)	(112.2)	(110.5)	(-1.7)	(-1.6%)
Financing	287.9	343.9	354.0	+10.1	+2.9%
Loans	(241.9)	(295.0)	(305.9)	(+10.9)	(+3.7)
Operational investment securities	(46.0)	(48.9)	(48.1)	(-0.8)	(-1.6%)
Operating Assets	928.6	1,211.3	1,237.4	+26.1	+2.2%
Total Assets	1,028.0	1,333.0	1,356.6	+23.6	+1.8%

【Liabilities and Net Worth】

- Interest-bearing debt increased ¥31.6bn versus Mar. 31, 2012 to ¥1,165.1bn
 - Continue to take advantage of low interest rates and utilize CP at Group companies
- Net assets grew ¥3.2bn versus Mar. 31, 2012 to ¥77.9bn due to net income booking
 - Equity ratio increased 0.1% versus Mar. 31, 2012 to 5.4%

(¥bn)

	End of Mar 11	End of Mar 12 ①	End of Sep 12 ②	Change (B-A) ②-①	% Change
Long/Short-term borrowings	517.3	721.6	706.7	-14.9	-2.1%
Market funding	360.3	411.9	458.4	+46.5	+11.3%
(of which CP)	(327.3)	(373.1)	(416.8)	(+43.7)	(+11.7%)
Interest-bearing debt	877.6	1,133.5	1,165.1	+31.6	+2.8%
Net assets	69.4	74.7	77.9	+3.2	+4.3%
(of which equity)	(68.7)	(71.2)	(74.6)	(+3.4)	(+4.7%)
Equity ratio	6.7%	5.3%	5.4%	+0.1%	—

IV. Sales

【Contract Execution Volume】

- Large rise in both equipment financing and financing areas, as execution volume increased 2.4-fold versus the same period of the previous fiscal year to ¥395.5bn
 - Substantial rise in contracts with large companies, totaling ¥254.4bn (+160.6bn)

(¥bn)

	FY2010 1 st Half	FY2011 1 st Half①	FY2012 1 st Half②	Change ②—①	% Change
Equipment financing	102.3	102.2	189.8	+87.6	+85.6
Leasing	86.3	84.8	158.3	+73.5	+86.8%
Installment sales	16.0	17.4	31.4	+14.0	+80.1%
Financing	64.6	64.5	205.7	+141.2	+219.1%
Loans	58.4	49.4	201.4	+152.0	+307.6%
Investment securities	6.2	15.0	4.3	-10.7	-71.7%
Total	166.9	166.7	395.5	+228.8	+137.3%
(of which, for large companies)	(87.2)	(93.9)	(254.5)	(+160.6)	(+171.1%)

For reference: Leasing volume for the industry for April – September 2012 was up 10.0% versus April - September 2011 (according to data from the Japan Leasing Association)

【Equipment Financing】

- Contract execution volume in equipment financing increased for all types of equipment, rising 86% YoY to ¥189.8bn
 - **Industrial and factory:** Captured equipment investment projects in electric- and auto-related industries
 - **Transport:** Higher disaster recovery-related demand and benefits of eco-car subsidy program
 - **Construction:** Tackled recovery-related demand in Japan, mainly for rental equipment
 - **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 contributions from Toshiba Medical Finance

< Contract Execution Volume by Equipment Type >

(¥bn)

	FY2010 1 st Half	FY2011 1 st Half①	FY2012 1 st Half②	Change ②—①	% Change
Industrial and factory	23.4	15.0	59.1	+44.1	+293.9%
Transport	14.2	15.8	19.1	+3.3	+21.1%
Construction	11.7	15.3	17.9	+2.6	+16.9%
Information and communications	21.6	25.6	41.1	+15.5	+60.2%
Commerce and service	13.6	12.3	13.2	+0.9	+7.9%
Medical	5.1	5.6	15.1	+9.5	+171.7%
Other	12.9	12.7	24.2	+11.5	+90.7%
Total	102.3	102.2	189.8	+87.6	+85.6%

V. Full-Year Earnings Forecast

【Business Environment】

○Our outlook is cautious since full-scale economic recovery will take time due to protracted European debt problems, slowing growth in emerging economies, continued yen appreciation

【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
- In addition to stepping up efforts in medical area, expand into growth areas such as environment and energy.
- Bolster Asia sales in China, Thailand, Indonesia, etc.

【Full-Year Earnings Forecast】

○Despite 2Q rebound, full-year earning forecast is unchanged due to factors including the uncertain economic environment and severe business environment

【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 ②—①	% Change	
	result①	forecast②	1st Half Result			Progress
Revenues	270.1	350.0	178.8	51.1%	+79.9	+29.6%
Operating income	10.7	15.0	7.5	49.9%	+4.3	+40.3%
Ordinary income	11.1	15.5	8.0	51.3%	+4.4	+39.3%
Net income	4.3	9.0	4.2	47.1%	+4.7	+109.4%
Dividends per share	¥48	¥50	¥24		+¥2	

【Per-Share Dividend Forecast】

	FY2008	FY2009	FY2010	FY2011①	FY2012②	Change②-①
Interim	¥20	¥20	¥22	¥24	¥24	—
Year-end	¥20	(4) ¥24	¥24	¥24	¥26	+¥2
Annual	¥40	(4) ¥44	¥46	¥48	¥50	+¥2

Note: (4) includes a commemorative dividend to mark 40th anniversary of establishment

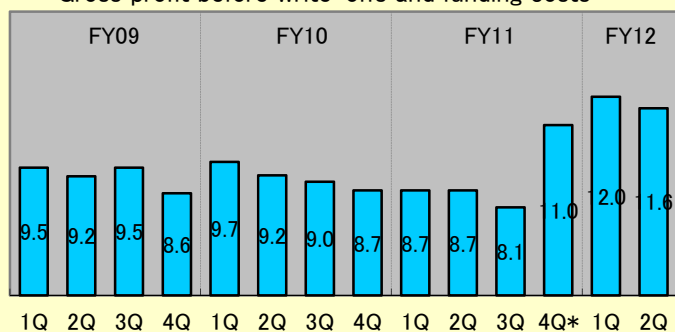
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(Reference) Quarterly Results

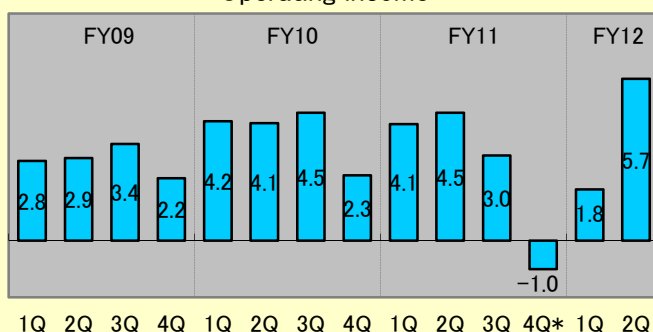
(¥bn)

	FY09				FY10				FY11				FY12	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
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
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
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
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
(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)
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
(Ordinary income before write-offs)	(4.1)	(4.9)	(4.8)	(3.9)	(4.9)	(5.0)	(4.3)	(3.6)	(4.0)	(4.8)	(3.8)	(4.5)	(5.5)	(5.8)
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

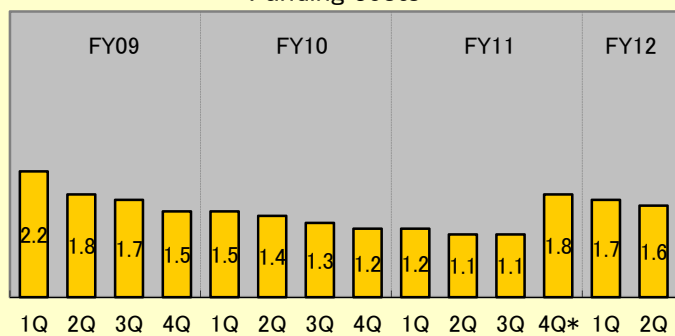
Gross profit before write-offs and funding costs (¥bn)



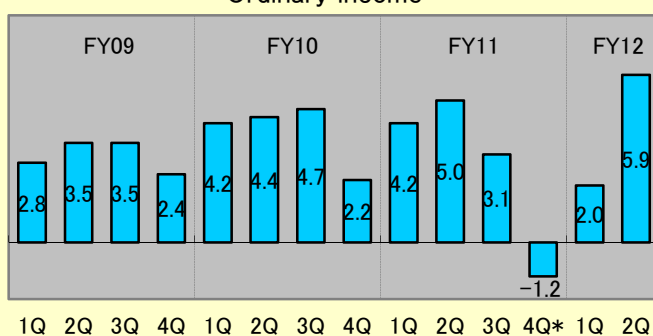
Operating income (¥bn)



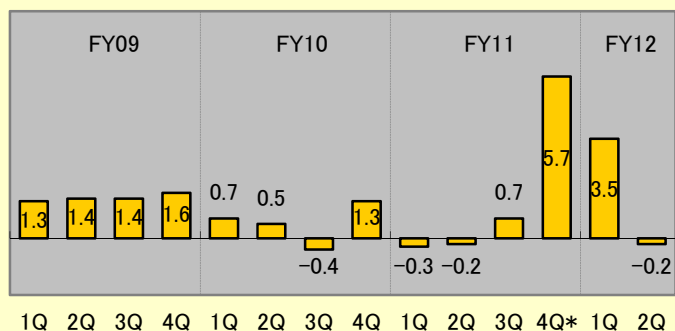
Funding costs (¥bn)



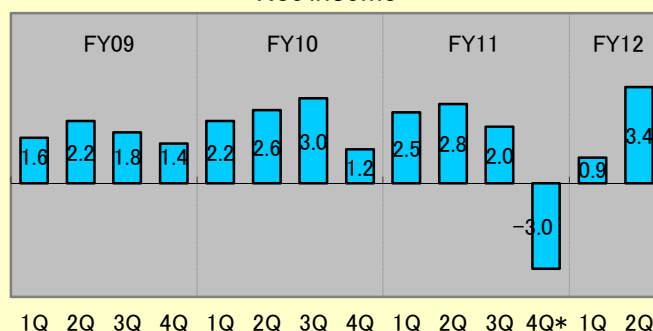
Ordinary income (¥bn)



Credit cost (¥bn)



Net income (¥bn)



(*) On February 1, 2012, IJL Toshiba Leasing and Toshiba Medical Finance were brought into the consolidated group.