Overview
Results for FY2011

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

IBJ Leasing Group steps up to a new stage of business growth in both domestic and overseas markets

【FY11 Overall Results】

○ Profits declined due to a significant increase in credit costs (e.g. preventive measures for large bankrupt debtors and debtors at risk) and a booking of extraordinary losses as a result of one-time charges for acquisition
- Operating income: ¥10.7 billion, 31% decrease YoY; Net income: ¥4.3 billion, 52% decrease YoY

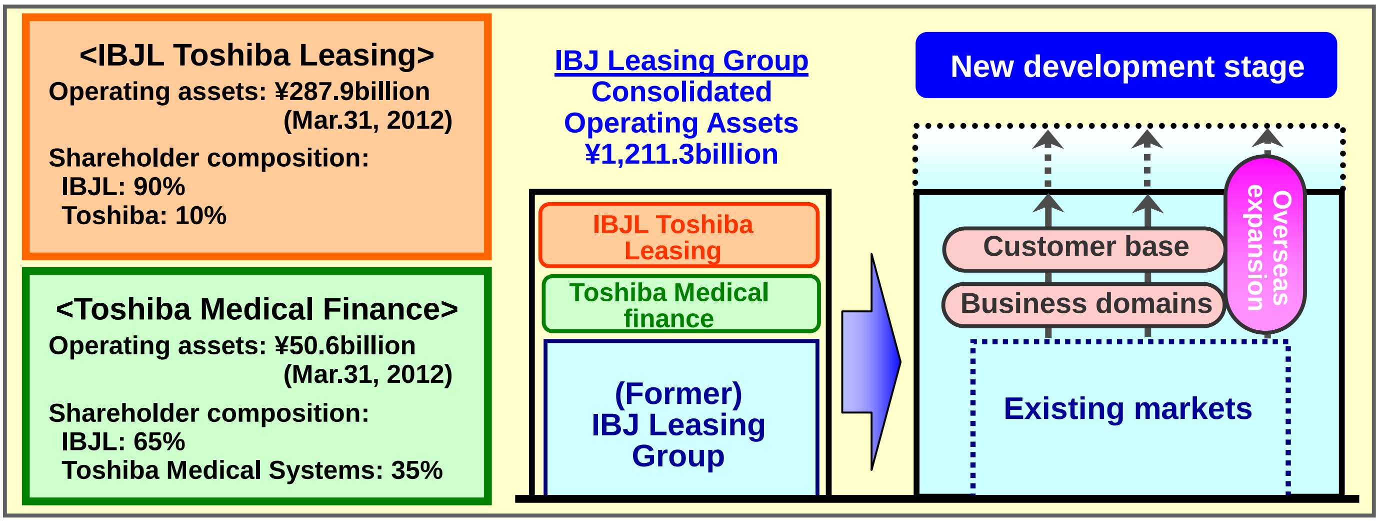
○ Acquisition of two financing companies of the Toshiba Group further expanded and improved the business foundation of IBJ Leasing Group for fresh growth.
- Contract Execution Volume: ¥426 billion, 19% increase YoY
- Outstanding Operating Assets: ¥1,211.3 bill, 30% increase YoY

【FY12 Forecast】

○ Although we anticipate a real boost to group synergies from the acquisition of the two newly acquired companies, our forecast for FY12 remains cautious in light of the current competitive business environment.
- Operating Income: ¥15 billion; Ordinary Income: ¥15.5 billion; Net Income: ¥9 billion

(¥bn)

	FY09	FY10 (A)	FY11(B)	Change (B-A)	Percentage Change ((B/A)-1)	FY12 Forecast
Revenues	**263.6**	**256.1**	**270.1**	**+14.0**	**+5.5%**	**350.0**
Gross profit	**29.5**	**31.1**	**31.3**	**+0.2**	**+0.7%**	**—**
Operating income	**11.3**	**15.4**	**10.7**	**-4.7**	**-30.8%**	**15.0**
(Credit costs)	(5.6)	(2.3)	(6.0)	(+3.7)	(+163.2%)	—
Ordinary income	**12.1**	**15.9**	**11.1**	**-4.8**	**-29.9%**	**15.5**
Net income	**7.0**	**9.0**	**4.3**	**-4.7**	**-52.4%**	**9.0**



II. P/L Overview

【Overview】

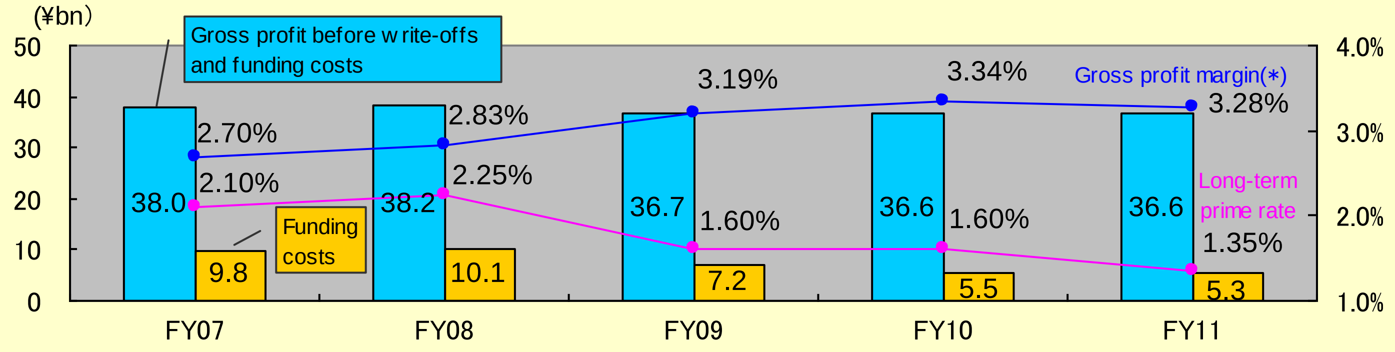
- While operating revenue remained unchanged, operating expenses significantly increased due to providing precautionary reserves.
  - -Operating revenue: ¥37.4 billion → ¥37.5 billion i.e. +¥0.1 billion
  - -Operating expenses: ¥21.6 billion → ¥26.4 billion i.e. +¥4.8 billion (Credit cost +¥3.7 billion)
- The main cause of the increase in general expenses was the addition of the expenses of the two acquired companies.
- Credit cost significantly increased due to the allowance set aside for large bankruptcies and precautionary reserves for debtors at risk.
- Extraordinary loss (loss on sale of investment securities) amounts to a one-time cost burden associated with the acquisitions.
- ¥0.8 billion reversal of deferred tax assets due to changes to the corporate tax law.

(¥bn)

	FY09	FY10 (A)	FY11 (B)	Change (B – A)	Percentage change ((B / A) – 1)
Operating revenue (a)	**38.7**	**37.4**	**37.5**	**+0.1**	**+0.1%**
Gross profit before write-offs and funding costs	36.7	36.6	36.6	+0.0	+0.1%
Interest and dividend income	1.3	0.2	0.3	+0.1	+11.9%
Equity in earnings of affiliates	0.5	0.5	0.1	-0.4	-89.3%
Return on investment	―	0.0	0.4	+0.4	―%
Operating expenses (b)	**26.6**	**21.6**	**26.4**	**+4.8**	**+22.2%**
Funding costs	7.2	5.5	5.3	-0.2	-3.2%
Interest expenses	0.9	0.4	0.3	-0.1	-23.3%
General expenses	12.6	13.3	14.5	+1.2	+9.2%
Credit costs	5.6	2.3	6.0	+3.7	+163.2%
Ordinary income (a – b)	**12.1**	**15.9**	**11.1**	**-4.8**	**-29.9%**
(Ordinary income before write-offs)	(17.7)	(18.2)	(17.1)	(-1.1)	(-5.7%)
Extraordinary income/loss	-0.1	-0.4	-1.6	-1.2	-260.1%
Net income	**7.0**	**9.0**	**4.3**	**-4.7**	**-52.4%**

【Gross profit margin】

Low interest rates continued, but gross profit margin slightly declined reflecting changes in the composition of operating assets from high to low interest. (-0.06%)



(*)Gross profit margin

= (Gross profit before write-offs and funding costs - funding costs) / Operating assets (average of beginning and ending balances)

III. Financial Position

【Assets】

〇Operating assets increased 30% (¥282.7 billion) versus previous fiscal year-end to ¥1,211.3 billion.

- **Equipment financing assets:** ¥867.4 billion (+ ¥226.7 billion)
  Financial assets: ¥343.9 (+ ¥56 billion)
- Share of Equipment financing assets in operating assets increased to 72%.

(¥bn)

	End of Mar 10	End of Mar 11 (A)	End of Mar 12 (B)	Change (B–A)	Percentage change
Equipment Financing	**661.0**	**640.7**	**867.4**	**+226.7**	**+35.4%**
Leasing	(553.5)	(546.2)	(755.1)	(+208.9)	(+38.3%)
Installment sales	(107.5)	(94.5)	(112.2)	(+17.7)	(+18.8%)
Financing	**274.2**	**287.9**	**343.9**	**+56.0**	**+19.4%**
Loans	(237.4)	(241.9)	(295.0)	(+53.1)	(+21.9%)
Operational investment securities	(36.8)	(46.0)	(48.9)	(+2.9)	(+6.2%)
Operating Assets	**935.2**	**928.6**	**1,211.3**	**+282.7**	**+30.4%**
Total Assets	**1,017.1**	**1,028.0**	**1,333.0**	**+305.0**	**+29.7%**

【Liabilities and Net Worth】

〇 Interest-bearing debt increased ¥255.9 billion to ¥1,133.5 billion after adding those of the two companies acquired.

- Maintained a stable financing base established on the broad-ranging relationship with megabanks, regional banks, etc.
- Continued to utilize commercial paper funding throughout the Group, taking advantage of low interest rates.
- IBJL Toshiba Leasing was given the same rating as the parent company, i.e.【Long-term: A; Short-term: J-1 (JCR)】

〇 Net assets increased ¥5.3 billion year-on-year to ¥74.7 billion.

- Equity ratio was 5.3% as a result of increase in assets from the acquisitions.

(¥bn)

	End of Mar 10	End of Mar 11 (A)	End of Mar 12 (B)	Change (B – A)	Percentage change ((B / A) – 1)
Long/Short-term borrowings	**513.4**	**517.3**	**721.6**	**+204.3**	**+39.5%**
Market funding	**355.2**	**360.3**	**411.9**	**+51.6**	**+14.3%**
(of which CP)	(302.7)	(327.3)	(373.1)	(+45.8)	(+14.0%)
Interest-bearing debt	**868.6**	**877.6**	**1,133.5**	**+255.9**	**+29.2%**
Net assets	**63.3**	**69.4**	**74.7**	**+5.3**	**+7.7%**
(of which equity)	(61.4)	(68.7)	(71.2)	(+2.5)	(+3.7%)
Equity ratio	**6. 1%**	**6. 7%**	**5. 3%**	**-1. 4%**	**–**

IV. Sales

【Contract Execution Volume】

- Execution volume for the entire Group increased 19% year on year to ¥426 billion, with net increases in both equipment financing and financing.
  — Contract Execution Volume for large companies also increased 21% to ¥235.5 billion.

(¥bn)

	FY09	FY10 (A)	FY11 (B)	Change (B – A)	Percentage change ((B / A) – 1)
Equipment financing	**216.2**	**221.6**	**236.5**	**+14.9**	**+6.7%**
Leasing	176.6	186.8	192.3	+5.5	+2.9%
Installment sales	39.5	34.8	44.2	+9.4	+27.1%
Financing	**123.6**	**136.7**	**189.4**	**+52.7**	**+38.6%**
Loans	108.7	121.1	167.2	+46.1	+38.0%
Investment securities	14.9	15.6	22.3	+6.7	+43.1%
Total	**339.8**	**358.3**	**426.0**	**+67.7**	**+18.9%**
(of which, for large companies)	(182.1)	(195.1)	(235.5)	(+40.4)	(+20.8%)

For reference: Leasing volume for the industry for FY2011 was up 0.9% versus FY2010 (according to preliminary data from the Japan Leasing Association)

【Equipment financing】

- Contract execution volume in equipment financing increased 6.7% year on year to ¥236.5 billion.
  - **Industrial and factory equipment**: Auto-related capital investment was sluggish due to the impact of yen appreciation, the earthquake disaster, etc.
  - **Transport equipment**: Captured the needs for large vehicles in disaster-stricken areas. Aircraft-related operating leasing also made a positive contribution.
  - **Construction equipment**: Growth in China slowed down, but domestic demand for renewals made a contribution.
  - **Information and communications equipment**: Captured the needs of companies for renewing communications facilities, and IBJL Toshiba Leasing made a contribution.
  - **Medical equipment:** In addition to sales tie-up with Siemens, Toshiba Medical Finance made a fresh

＜Contract Execution Volume by Equipment Type＞

(¥bn)

	FY09	FY10 (A)	FY11 (B)	Change (B – A)	Percentage change ((B / A) – 1)
Industrial and factory equipment	50.5	62.1	38.4	-23.7	-38.1%
Transport equipment	22.4	29.0	33.5	+4.5	+15.4%
Construction equipment	23.2	27.5	37.2	+9.7	+35.2%
Information and communications equipment	46.8	43.4	57.6	+14.2	+32.9%
Commerce and service equipment	24.5	24.1	21.7	-2.4	-9.6%
Medical equipment	8.2	9.2	19.7	+10.5	+113.2%
Other	40.6	26.3	28.3	+2.0	+7.5%
Total	**216.2**	**221.6**	**236.5**	**+14.9**	**+6.7%**

Ⅵ. FY2012 Earnings Forecast

【Analysis of Business Environment】

○ Our outlook is cautious, since it will take more time for an overall economic recovery due to the prolonged debt problem in Europe, concerns over economic slow-down in U.S. and Europe, appreciation of the yen, and rising crude oil prices, among other factors.

○ Number of bankruptcies of small and medium-sized companies is expected to gradually increase with the arrival of the due date of SME Financing Facilitation Act.

【Business Strategy】

○ **"Step up as a multimodal corporate financial services company"**

- All-out pursuit of group synergy effect through enhancement of consolidated management -

- Business development with an eye towards growth and profitability
- Enhancement and expansion of specialized financial domains
- Speeding up our efforts in new and growth fields
- Aggressive expansion in business targeting Japanese companies in China, Thailand, Indonesia, and other Asian countries

【Annual Earnings Forecast】

○ Although we anticipate a real boost to group synergies from the acquisition of the two newly acquired companies, our forecast for FY12 remains cautious in light of the current competitive business environment.

【Dividend Forecast】

○ Annual dividend: ¥50 per share (Interim: :¥24, Year-end: ¥26)

- Forecast an annual dividend per share of ¥50, a ¥2 increase YoY → 11th straight Increase

Earnings Forecast

(¥bn)

	FY2011 (A)	FY2012 (E) (B)	Change (B – A)	Percentage change ((B / A) – 1)
Revenues	270.1	350.0	+79.9	+29.6%
Operating income	10.7	15.0	+4.3	+40.3%
Ordinary income	11.1	15.5	+4.4	+39.3%
Net income	4.3	9.0	+4.7	+109.4%

Per-share Dividend Forecast

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

*Figures in parentheses represent our 40th anniversary commemorative dividend

For Reference: Full-year Consolidated P/L

(¥bn)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012(E)
Revenues	341.3	298.7	263.6	256.1	270.1	350.0
Gross profit before write-offs and funding costs	38.0	38.2	36.7	36.6	36.6	—
Funding costs	9.8	10.1	7.2	5.5	5.3	—
Gross profit	26.5	28.1	29.5	31.1	31.3	—
Operating income	11.5	6.8	11.3	15.4	10.7	15.0
(Total credit costs)	(3.6)	(8.5)	(5.6)	(2.3)	(6.0)	—
Ordinary income	12.2	6.8	12.1	15.9	11.1	15.5
Net income	7.8	3.3	7.0	9.0	4.3	9.0