Overview

First-Half Results for FY2011

IBJ Leasing Co., Ltd.

(Securities Code: 8425)

November 1, 2011

I. Highlights

【Overview of Results】

- In the first half of fiscal 2011, the decline in gross profit before write-offs and funding costs was offset by the drop in funding costs and credit costs. Operating income and all other consolidated profit line items increased.
  - Operating income: ¥8.6 billion (+3.7%); Ordinary income: ¥9.2 billion (+7.2%); Net income: ¥5.3 billion (+10.9%)
- Double-digit (12%-18%) steady increase of profit compared with 1H forecast

【Progress】

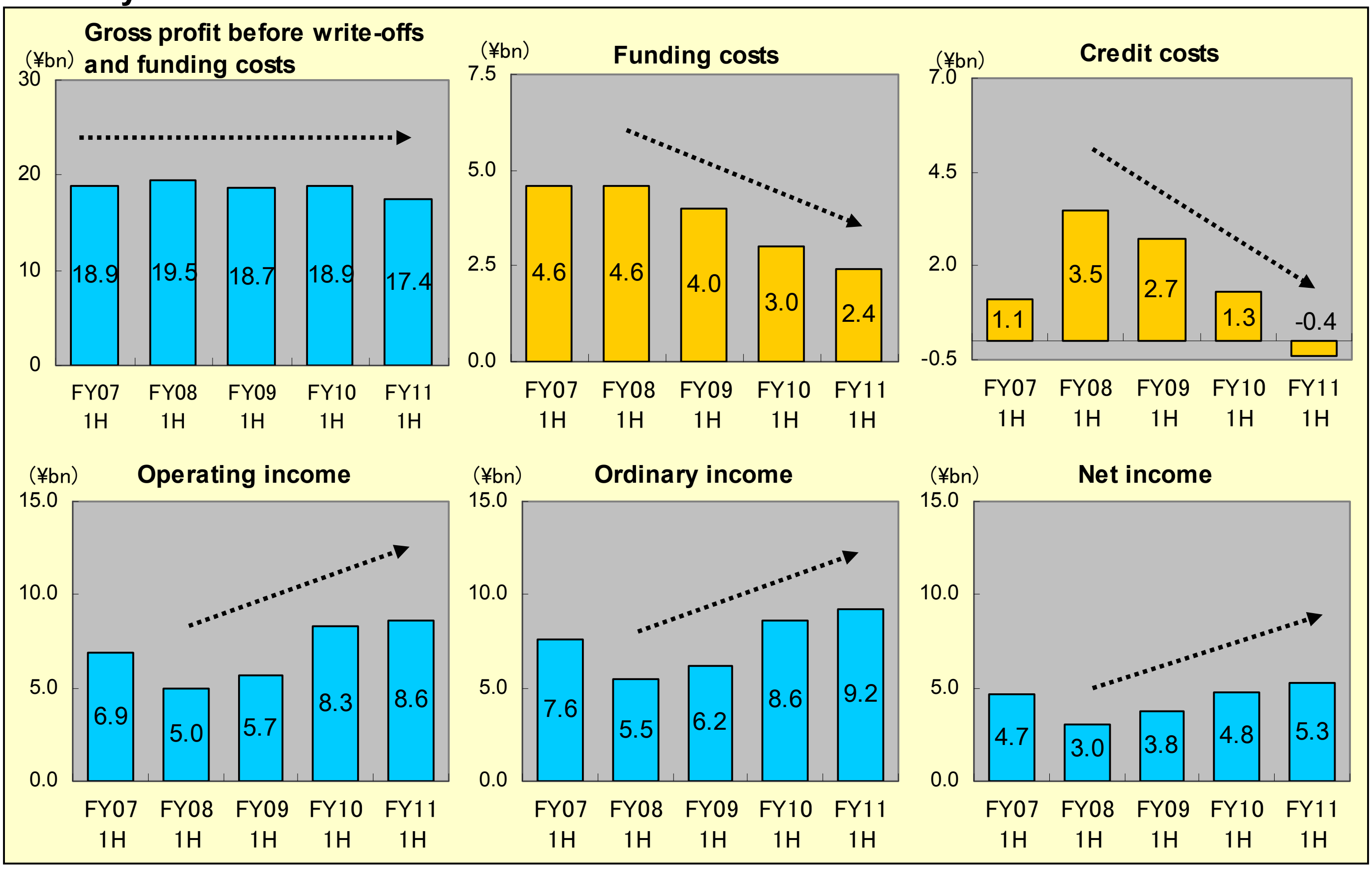
- Progress toward annual forecast was approximately 60% for each profit line item.

(JPY billion)

	2009/1H	2010/1H (A)	2011/1H (B)	1H forecast	Change (B−A)	Percentage change	Annual forecast
Revenues	134.2	128.6	128.9	130.0	+0.3	+0.2%	250.0
Gross profit	14.7	15.9	15.0	-	-0.9	-5.6%	-
Operating income	5.7	8.3	8.6	<112.2%> 7.7	+0.3	+3.7%	<57.6%> 15.0
(credit costs)	(2.7)	(1.3)	(-0.4)	(-)	(-1.7)	(-%)	(-)
Ordinary income	6.2	8.6	9.2	<118.5%> 7.8	+0.6	+7.2%	<61.6%> 15.0
Net income	3.8	4.8	5.3	<118.4%> 4.5	+0.5	+10.9%	<62.7%> 8.5

Note: < > denotes forecast execution ratio

Year-on-year Performance



II. P/L Overview

【Profit and Loss Overview】

○Decline in operating revenue (¥1.2 billion) was offset by the drop in operating expenses (¥1.9 billion

- Operating revenue declined ¥1.2 billion (¥19.4 billion (¥18.2 billion)
  (¥1.5 billion decline in gross profit before funding costs; ¥0.4 billion increase in return on investment)
- Operating expenses declined ¥1.9 billion (¥10.8 billion (¥8.9 billion)
  (¥1.7 billion decline in credit costs; ¥0.6 billion decline in funding costs)

○There was an excess reversal in credit costs due to thorough risk management and a decline in corporate bankruptcies.

- Write-offs in conjunction with the Great East Japan Earthquake in the current term were less than ¥100 million.

(JPY billion)

	2009/1H	2010/1H (A)	2011/1H (B)	Change (B—A)	Percentage Change
Operating revenue (a)	19.8	19.4	18.2	-1.2	-6.5%
Gross profit before write-offs and funding costs	18.7	18.9	17.4	-1.5	-8.0%
Interest and dividend income	0.6	0.1	0.2	+0.1	+15.7%
Equity in earnings of affiliates	0.2	0.2	0.0	-0.2	-93.4%
Return on investment	0.2	0.1	0.5	+0.4	+341.4%
Operating expenses (b)	13.6	10.8	8.9	-1.9	-17.4%
Funding costs	4.0	3.0	2.4	-0.6	-20.7%
Interest expenses	0.5	0.2	0.2	-0.0	-26.8%
General expenses	6.3	6.3	6.8	+0.5	+8.3%
Credit costs	2.7	1.3	-0.4	-1.7	-%
Ordinary income (a – b)	6.2	8.6	9.2	+0.6	+7.2%
Ordinary income before write-offs	9.0	9.9	8.8	-1.1	-11.1%
Net income	3.8	4.8	5.3	+0.5	+10.9%

【Gross Profit before Write-offs and Funding Costs】

While low interest rates continued, gross profit before write-offs and funding costs declined due to lower returns on newly contracted assets and intensified competition as well as redemption of high-yield assets for past fiscal years.

【Funding Cost】

Funding costs dropped further due to monetary easing. However, this was not enough to cover the decline in gross profit before write-offs and funding costs

Operating Asset Yields and Interest Rates on Funding

(JPY billion)

	2009/1H		2010/1H (A)		2011/1H (B)		Change (B—A)	
Gross profit before write-offs and funding costs	(4.03%)	**18.7**	(4.10%)	**18.9**	(3.78%)	**17.4**	(-0.32%)	**-1.5**
Funding costs	(0.86%)	**4.0**	(0.64%)	**3.0**	(0.51%)	**2.4**	(-0.13%)	**-0.6**
Gross profit	(3.16%)	**14.7**	(3.46%)	**15.9**	(3.27%)	**15.0**	(-0.19%)	**-0.9**

Figures in parentheses represent the yields on operating assets (average of figures for the beginning and end of the period)

III. Financial Position

【Assets】

○ Operating assets declined 1.6% versus fiscal year-end to ¥914.1 billion.
Equipment financing assets: Leasing and installment sales decreased as companies reduced/postponed capital investment.
Financing assets: Increased by factoring aimed at large companies and acquisition of operational investment securities (alternative to loan).

(JPY billion)

	End of Mar 10	End of Mar 11 (A)	End of Sept 11 (B)	Change (B–A)	Percentage change
Equipment Financing	**661.0**	**640.7**	**614.1**	**-26.6**	**-4.1%**
Leasing	(553.5)	(546.2)	(524.5)	(-21.7)	(-4.0%)
Installment sales	(107.5)	(94.5)	(89.6)	(-4.9)	(-5.2%)
Financing	**274.2**	**287.9**	**299.9**	**+12.0**	**+4.2%**
Loans	(237.4)	(241.9)	(245.0)	(+3.1)	(+1.3%)
Operational investment securities	(36.8)	(46.0)	(54.9)	(+8.9)	(+19.4%)
Operating Assets	**935.2**	**928.6**	**914.1**	**-14.5**	**-1.6%**
Total Assets	**1,017.1**	**1,028.0**	**1,008.7**	**-19.3**	**-1.9%**

【Liabilities and Capital】

○Interest-bearing debt declined as a whole
- Continued to utilize commercial paper funding, taking advantage of low interest rates

○Net assets amounted to ¥73.7 billion due to accretion of earnings during the period
- Equity ratio continued to rise, from 6.7% to 7.2%.

(JPY billion)

	End of Mar 10	End of Mar 11 (A)	End of Sept 11 (B)	Change (B–A)	Percentage change
Long/Short-term borrowings	**513.4**	**517.3**	**494.5**	**-22.8**	**-4.4%**
Market funding	**355.2**	**360.3**	**365.6**	**+5.3**	**+1.5%**
(of which CP)	(302.7)	(327.3)	(330.2)	(+2.9)	(+0.9%)
Interest-bearing debt	**868.6**	**877.6**	**860.1**	**-17.5**	**-2.0%**
Net assets	**63.3**	**69.4**	**73.7**	**+4.3**	**+6.2%**
(of which equity*)	(61.4)	(68.7)	(73.1)	(+4.4)	(+6.5%)
Equity ratio	**6.1%**	**6.7%**	**7.2%**	**+0.5%**	**—**

*Equity is the aggregate of common stock, capital surplus, and retained earnings minus treasury stock.

IV. Sales

【Contract Execution Volume】

○By focusing on capturing the needs of large companies and promoting consultative sales, we ensured the same level of contract execution volume year on year amid the downturn in domestic capital investment.

【Equipment financing】

○**Industrial and factory equipment:** Poor performance in equipments for automobile and semiconductor due to postponement of capital investment.

○**Construction equipment:** Our Chinese subsidiary captured the demand for construction machinery, while domestic rental construction equipment also made a contribution.

○**Information and communications equipment:** Captured the needs of companies for investing in information systems and renewing communications facilities.

○**Medical equipment:** Captured the needs of business partners through the tie-up with Siemens

【Overseas Development】

○**Subsidiary in China:** Focused on expanding the operating base in China through equity financing and opening Guangzhou branch (planned for December.)

○**Subsidiary in Thailand:** Direct impact of the flood was minor. Supported our business partners to improve their situation.

(JPY billion)

Contract execution volume	2009/1H	2010/1H (A)	2011/1H (B)	Change (B−A)	Percentage change
Equipment financing	**101.6**	**102.3**	**102.2**	**-0.1**	**-0.1%**
Leasing	83.0	86.3	84.8	-1.5	-1.8%
Installment sales	18.6	16.0	17.4	+1.4	+8.9%
Financing	**59.0**	**64.6**	**64.5**	**-0.1**	**-0.2%**
Loans	49.4	58.4	49.4	-9.0	-15.3%
Investment securities	9.6	6.2	15.0	+8.8	+141.2%
Total	**160.6**	**166.9**	**166.7**	**-0.2**	**-0.2%**
(of which, for large companies)	(82.0)	(87.2)	(93.9)	(+6.7)	(+7.6%)

For reference: Leasing volume for the industry for April - September 2011 was down 4.2% versus April - September 2010 (according to preliminary data from the Japan Leasing Association)

Contract Execution Volume by Equipment Type

(JPY billion)

	2009/1H	2010/1H (A)	2011/1H (B)	Change (B−A)	Percentage change
Industrial and factory equipment	28.4	23.4	15.0	-8.4	-35.8%
Transport equipment	11.4	14.2	15.8	+1.6	+11.3%
Construction equipment	11.2	11.7	15.3	+3.6	+30.7%
Information and communications equipment	23.1	21.6	25.6	+4.0	+18.7%
Commerce and service equipment	10.9	13.6	12.3	-1.3	-10.0%
Medical equipment	3.8	5.1	5.6	+0.5	+10.1%
Other	12.8	12.9	12.7	-0.2	-1.1%
Total	**101.6**	**102.3**	**102.2**	**-0.1**	**-0.1%**

V. Acquisition of Toshiba Finance’s Corporate Business

【Overview of Acquisition】

- Acquire the receiver company succeeding the corporate financial services business split off from Toshiba Finance
  - — Scale of operation as at the year ended March 2011: Toshiba Finance’s corporate business had assets of ¥354.6bn and an ordinary income of ¥3.1bn
  - — Shareholding after acquisition: IBJ Leasing, 90%; Toshiba, 10%
- At the same time, acquire a stake in Toshiba Medical Finance
  - — Shareholding after acquisition: IBJ Leasing, 65%; Toshiba Medical Systems, 35%

【Acquisition Schedule】

- **Contract signing:** September 20, 2011 (MOU signing),
  November 1, 2011 (Definitive Agreements signing)
- **Transfer of shares:** February 1, 2012 (planned)

【Name of the Acquiring Company (planned)】

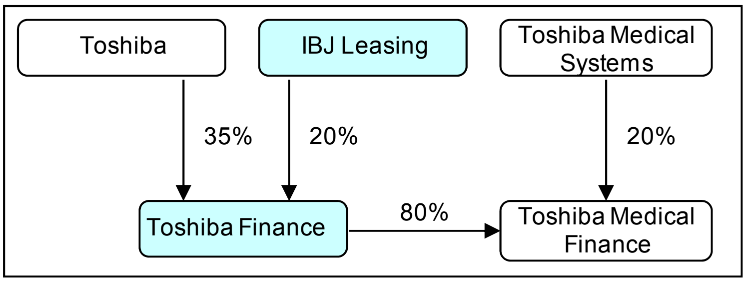
- IBJL Toshiba Leasing Co. Ltd.

【Purchase Value】

- Purchase value: IBJL Toshiba Leasing (¥13 billion); Toshiba Medical Finance (¥2.6 billion)

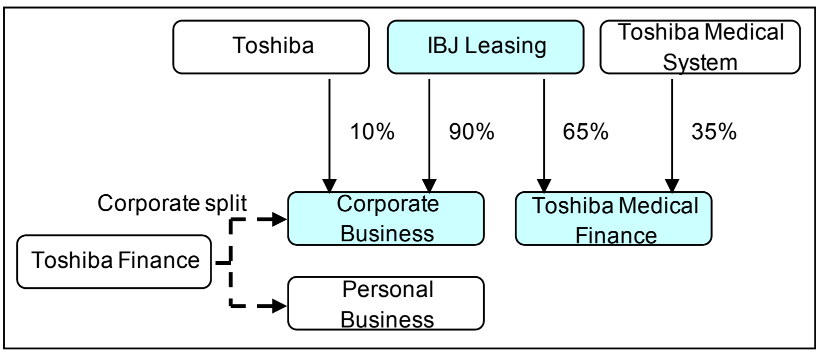
【Acquisition Scheme】

Current shareholding structure



(Note) The shares of Toshiba Finance held by the Company (20%) shall be sold to Toshiba on February 1, 2012.

Shareholding structure after acquisition



【Financial Results】

Toshiba Finance, Corporate Business

(JPY billion)

	2010/3	2011/3
Gross profit before funding costs	16.7	14.9
Ord. income	2.3	3.1
Net assets	—	15.1
Total assets	—	354.6

(Note) The above chart is based on figures for the entire corporate finance division of Toshiba Finance created for internal management purposes. The figures have not been audited by an independent accountant.

Toshiba Medical Finance

(JPY billion)

	2010/3	2011/3
Net sales	**28.5**	**26.6**
Ord. income	**0.4**	**0.3**
Net income	**0.2**	**0.1**
Net assets	**4.1**	**4.1**
Total assets	**62.5**	**55.0**

VI. Overview of business after acquisition

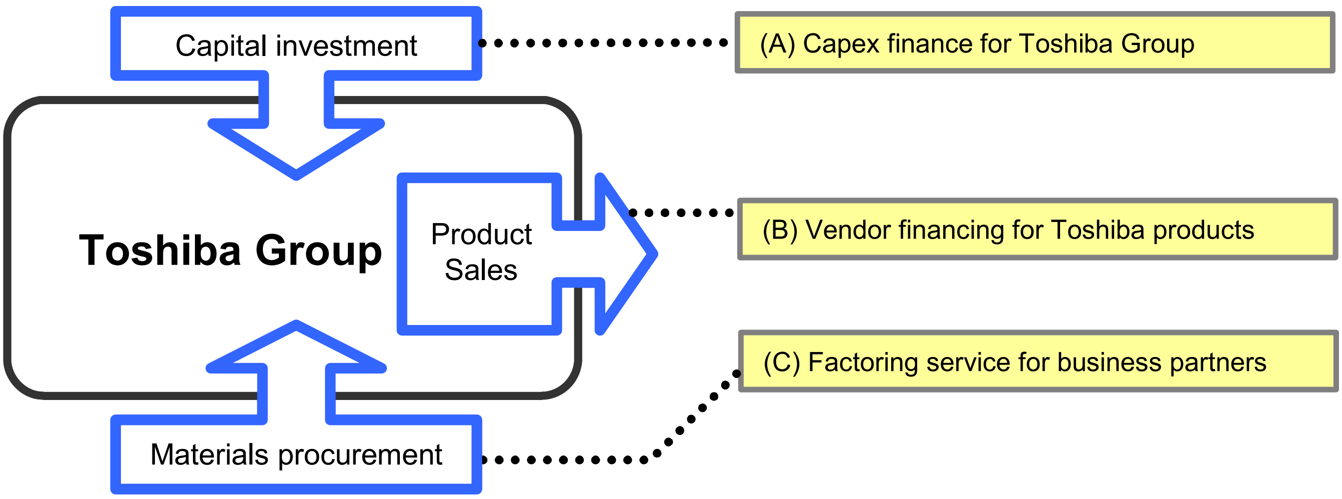
【Overview of the Acquiring Company's Businesses】

- ○ Markets for IBJL Group is expanded by utilizing broad customer base and business domain of Toshiba Group.
  - (A) Financing capital investment for Toshiba Group; (B) Vendor finance for Toshiba products; (C) Factoring service for business partners, and others.
- ○ Signed a business tie-up contract with Toshiba.
  - Actively work for expanding the acquiring company's operations through cooperation with Toshiba Group.

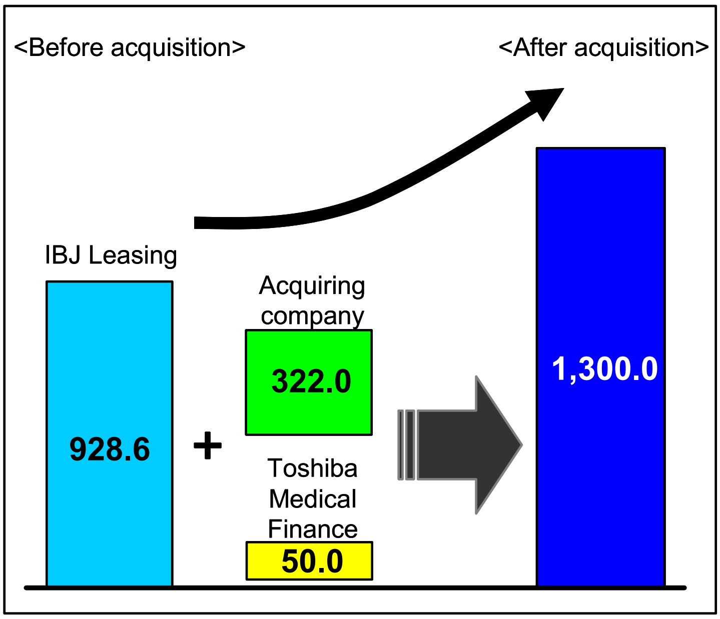
【IBJL Group's Scale of Business after Acquisition】

- ○ Consolidated operating Assets to ¥1,300 billion. (+40%) after acquisition.
  - Post-acquisition balance of equipment financing assets is ¥1,000 billion.

【Overview of business of the acquiring company】



【Consolidated operating assets (JPY billion)】



* Above is a conceptual illustration based on the figures as at the end of March 2011.

【Mergers and acquisitions in the past】

Investee	Market Served by Investee
Nissan Leasing	Nissan Motor Group and its business partners
Universal Leasing	Sankyu Group and its business partners
Dai-ichi Leasing	Dai-ichi Life Insurance and its business partners
Higashi-Nippon Leasing	Business partners of Higashi Nippon Bank based in Tokyo metropolitan area
Toho Lease*	Business partners of Toho Bank based in Tohoku region
Juhachi sogo Lease*	Business partners of 18Bank based in Kyushu region
IS Leasing	Vendor financing for medical equipments

* Affiliate accounted for under the equity method

VII. FY2011 Earnings Forecast

【Analysis of Business Environment】

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

【Business Strategy】

○Focus on continued development as a multimodal corporate financial services group as detailed in our Third Medium-Term Management Plan

- ・Accumulate quality operating assets that widely capture customers' needs with respect to equipment financing and financing.
- ・Promote business in growth areas, such as medical, the environment and energy
- ・Further develop business in China, Thailand, Indonesia, and other Asian countries
- ・Use M&A and enhanced Group management to expand the business base

○ Make every effort to establish a structure for stable business management of the acquiring company (IBJL Toshiba Leasing)

【Annual Earnings Forecast】

○ Although the results of 2Q settlement of accounts were positive and better than initially expected, the annual forecast is unchanged from the initial forecast due to the ad hoc expenditure required for M&A in the current period.

【Dividend Forecast】

○Interim dividend: Resolved ¥24 per share (+¥2 year-on-year as initially forecast).
○Annual dividend: Forecasted ¥48 (+¥2 on previous annual dividend) 10th successive yearly increase

Earnings Forecast for FY2011

(JPY billion)

	2011/3 Actual (A)	2012/3 Full year forecast(B)	1H result	Execution ratio	Change (B−A)	Percentage change
Revenues	256.1	250.0	128.9	51.5%	-6.1	-2.4%
Operating income	15.4	15.0	8.6	57.6%	-0.4	-2.9%
Ordinary income	15.9	15.0	9.2	61.6%	-0.9	-5.5%
Net income	9.0	8.5	5.3	62.7%	-0.5	-5.8%

Per-share Dividend Forecast

(JPY yen)

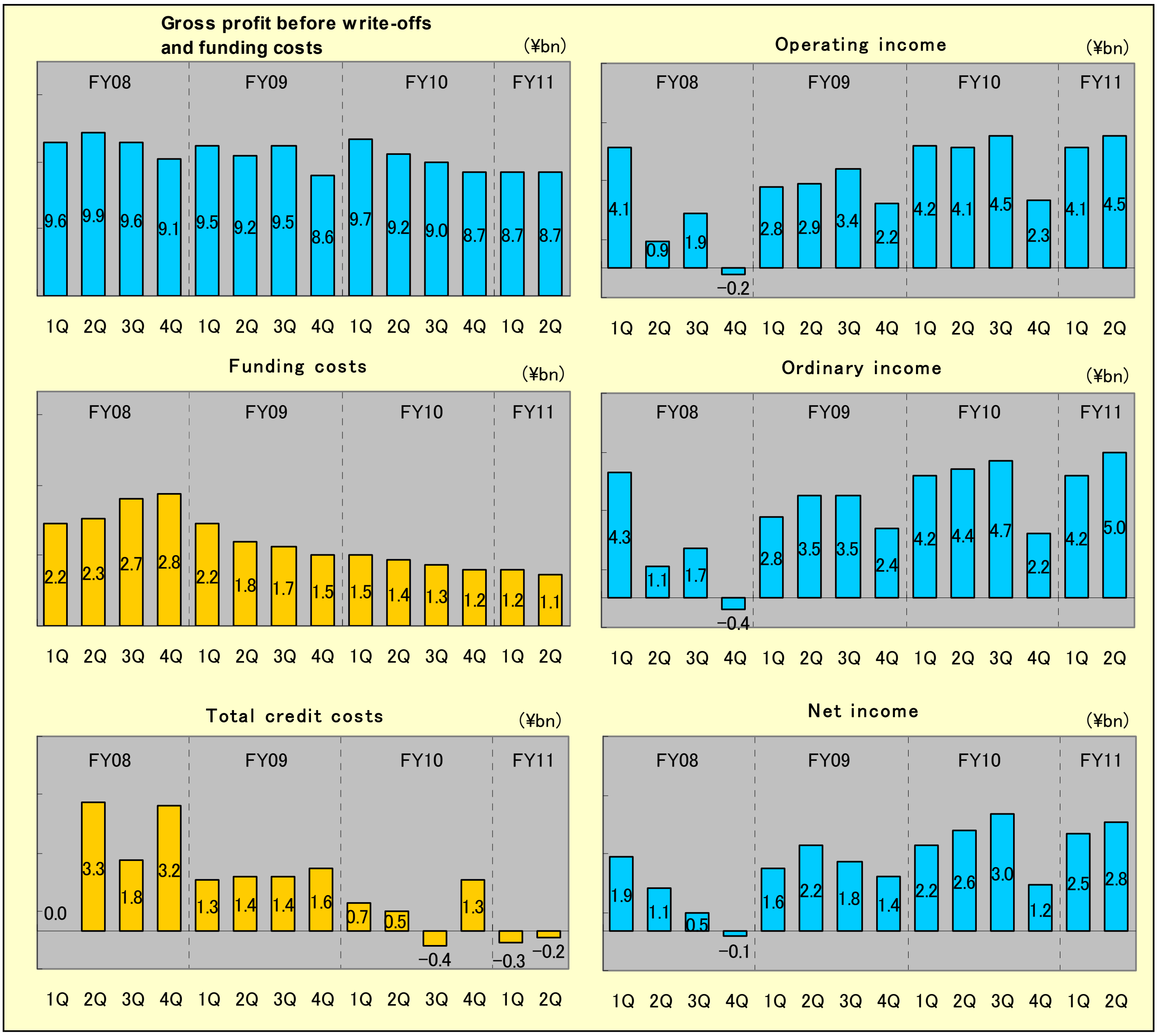
	FY08	FY09	FY10 (A)	FY11 (B)	Change (B−A)
Interim dividend	20	20	22	24	+2
Year-end dividend	20	(4) 24	24	24	—
Annual per-share dividend	40	(4) 44	46	48	+2

*Figures in parentheses represent our 40th anniversary commemorative dividend

For Reference: Quarterly

(JPY billion)

	FY08				FY09				FY10				FY11	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Gross profit before write-offs and funding costs	9.6	9.9	9.6	9.1	9.5	9.2	9.5	8.6	9.7	9.2	9.0	8.7	8.7	8.7
Funding costs	2.2	2.3	2.7	2.8	2.2	1.8	1.7	1.5	1.5	1.4	1.3	1.2	1.2	1.1
Gross profit	7.3	7.6	6.9	6.2	7.3	7.4	7.8	7.1	8.1	7.8	7.7	7.5	7.5	7.6
Operating income	4.1	0.9	1.9	-0.2	2.8	2.9	3.4	2.2	4.2	4.1	4.5	2.3	4.1	4.5
(Total credit costs)	(0.0)	(3.3)	(1.8)	(3.2)	(1.3)	(1.4)	(1.4)	(1.6)	(0.7)	(0.5)	(-0.4)	(1.3)	(-0.3)	(-0.2)
Ordinary income	4.3	1.1	1.7	-0.4	2.8	3.5	3.5	2.4	4.2	4.4	4.7	2.2	4.2	5.0
Net income	1.9	1.1	0.5	-0.1	1.6	2.2	1.8	1.4	2.2	2.6	3.0	1.2	2.5	2.8



For Reference: Semiannual Results

(JPY billion)

	FY06		FY07		FY08		FY09		FY10		FY11
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H
Gross profit before write-offs and funding costs	**17.3**	**17.5**	**18.9**	**19.2**	**19.5**	**18.7**	**18.7**	**18.1**	**18.9**	**17.6**	**17.4**
Funding costs	**3.7**	**3.9**	**4.6**	**5.3**	**4.6**	**5.5**	**4.0**	**3.2**	**3.0**	**2.5**	**2.4**
Gross profit	**13.3**	**13.2**	**13.9**	**12.6**	**14.9**	**13.2**	**14.7**	**14.8**	**15.9**	**15.2**	**15.0**
Operating income	**7.2**	**6.5**	**6.9**	**4.7**	**5.0**	**1.8**	**5.7**	**5.6**	**8.3**	**7.1**	**8.6**
(Total credit costs)	(0.3)	(0.3)	(1.1)	(2.5)	(3.3)	(5.0)	(2.7)	(2.9)	(1.3)	(0.9)	(-0.4)
Ordinary income	**7.6**	**6.9**	**7.6**	**4.5**	**5.5**	**1.3**	**6.2**	**5.9**	**8.6**	**7.3**	**9.2**
Net income	**5.3**	**3.7**	**4.7**	**3.1**	**3.0**	**0.3**	**3.8**	**3.2**	**4.8**	**4.2**	**5.3**