

Financial Results for FY2015 Presentation Materials

May 13, 2016



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 preparation of this document. Actual business results may differ materially from those expressed or implied by such forward-looking statements due to various factors.

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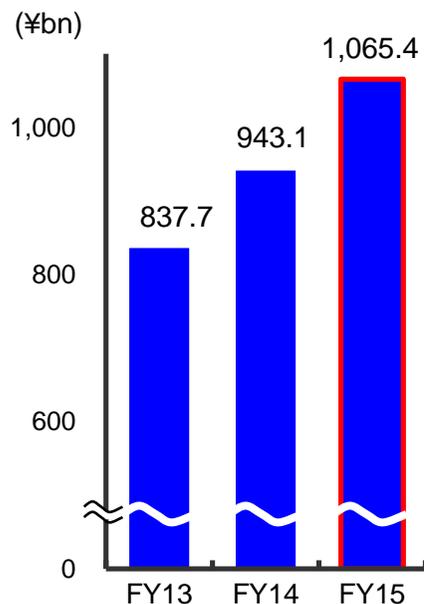
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FY2015 Results Highlights

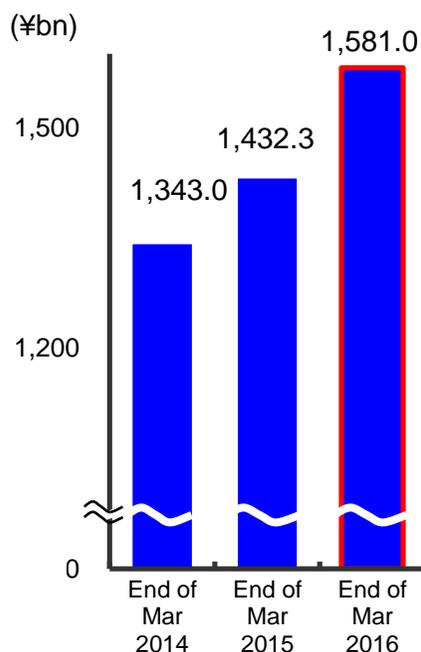
■ Promotion of Medium-term Management Plan's strategies produced steady profit growth

- Early achievement of plan's ¥1,500 billion goal for operating assets
- Gross profit before write-offs and funding costs increased on enhancement of core earnings power
- Achieved net income target, posting record profit for 3rd straight year

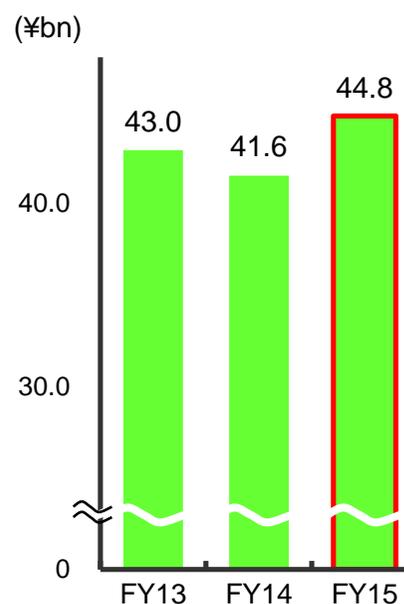
Contract execution volume



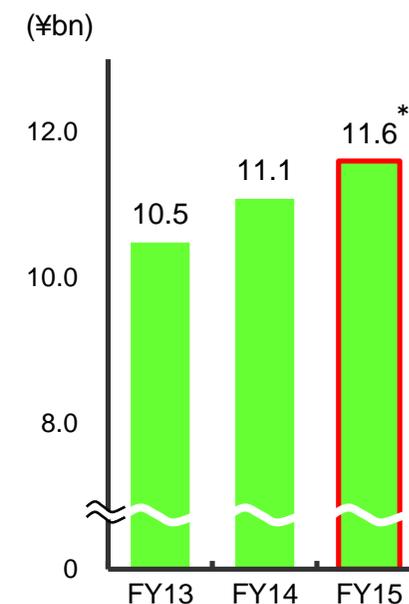
Operating assets



Gross profit before write-offs, funding costs



Net income

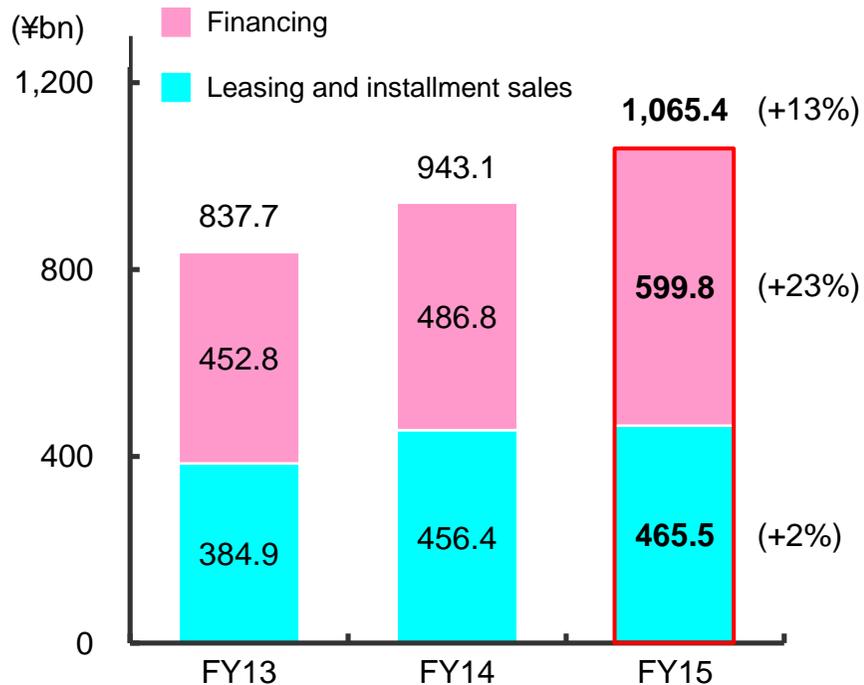


* Net Income Attributable to Owners of the Parent is shown.

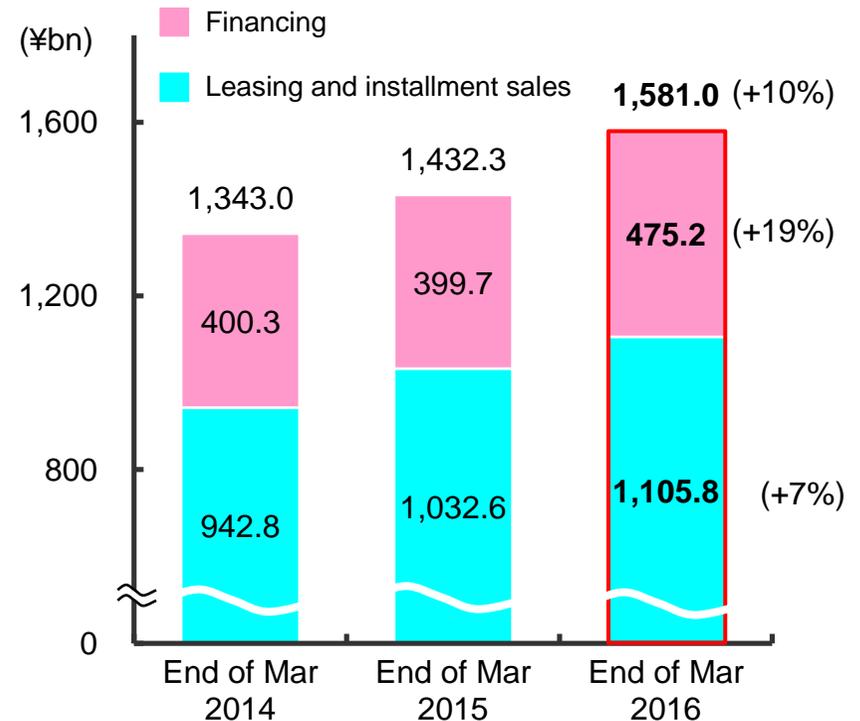
I . Business Performance Overview

- Achieved double-digit growth in contract execution volume and operating assets
- Achieved growth in these two key indicators in both segments
 - Leasing and installment sales: contract execution volume up ¥9.1bn, operating assets up ¥73.2bn
 - Financings: contract execution volume up ¥113.0bn, operating assets up ¥75.5bn

Contract execution volume



Operating assets

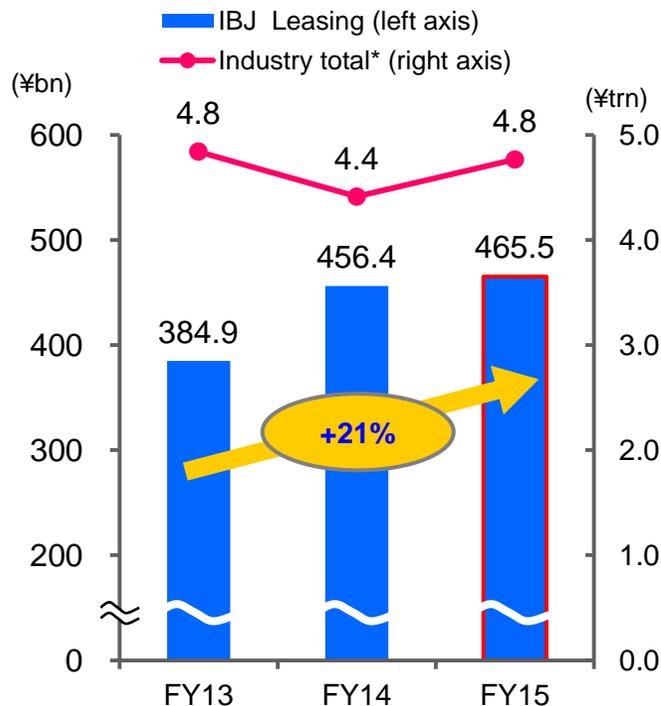


Leasing and Installment Sales

Contract execution volume rose to record high for second straight year

- Steady expansion in volume for almost all equipment types
- Information and communications up sharply on capital investment by major telecom company
- Construction's decline reflects fallback to normal levels after last-minute demand

Contract Execution Volume Trend



* FY15 based on Japan Leasing Association preliminary figures

Contract Execution Volume by Equipment Type

(¥bn)	FY13	FY14	FY15	Change (%)	% change for entire industry*
Industrial and factory	82.6	117.9	110.3	-7.6 (-7%)	(+21%)
Information and communications	93.2	73.1	93.8	+20.7 (+28%)	(+4%)
Transport	34.4	42.9	47.1	+4.2 (+10%)	(+1%)
Construction	57.4	54.7	39.1	-15.6 (-29%)	(-1%)
Medical	36.9	30.3	30.2	-0.1 (-1%)	(+11%)
Commerce and services	31.2	35.8	36.3	+0.5 (+1%)	(-2%)
Office equipment	15.2	10.0	10.2	+0.2 (+1%)	(-2%)
Other	33.9	91.5	98.6	+7.1 (+8%)	(+36%)
Real estate lease	10.8	66.7	74.6	+7.9 (+12%)	
Total	384.9	456.4	465.5	+9.1 (+2%)	(+8%)

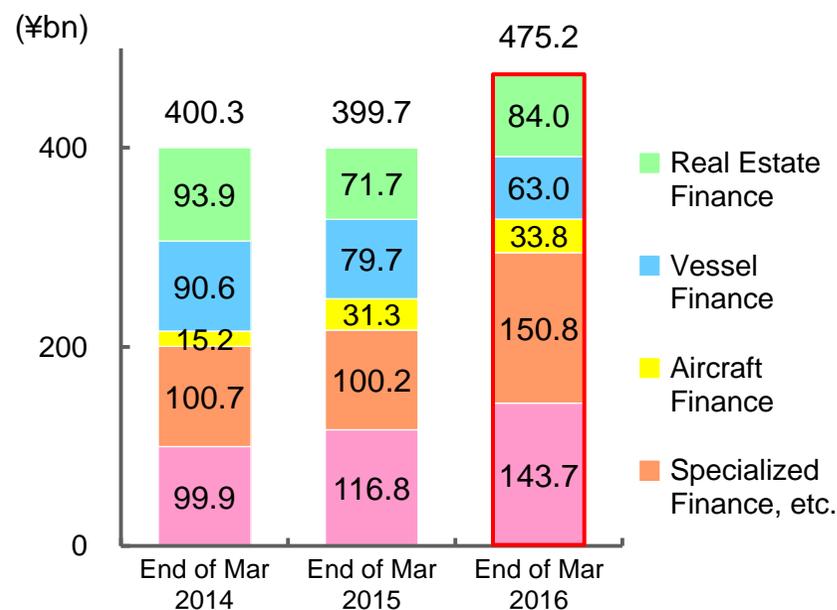
* Percentage year-on-year change based on "FY2015 Leasing Capital Investment Statistics [by Equipment Type]" announced by the Japan Leasing Association (preliminary figures)

- Contract execution volume up 23% y-o-y as responses to diverse needs helped capture highly profitable deals**
 - Specialized Finance: aggressively responded to financing needs dictated by corporate capital policies
 - Aircraft Finance: increased operating assets by flipping large prepayment
 - Real Estate Finance: increased contract volume by responding to diverse needs

Contract execution volume

(¥bn)	FY13	FY14	FY15	Change (%)
Factoring	345.7	389.0	437.2	+48.2 (+12%)
Specialized Finance, etc.	56.2	43.8	82.3	+38.5 (+88%)
Aircraft Finance	7.7	16.6	17.7	+1.1 (+7%)
Real Estate Finance	25.6	21.5	47.4	+25.9 (+120%)
Vessel Finance	17.6	15.9	15.2	-0.7 (-4%)
Total	452.8	486.8	599.8	+113.0 (+23%)

Operating assets



Note : Real Estate Finance above includes REIT-related transactions

Developments in Focus Areas (1)

Building business with domestic demand-oriented industries

- Expanding customer base by promoting comprehensive proposal-based marketing that meets diverse needs

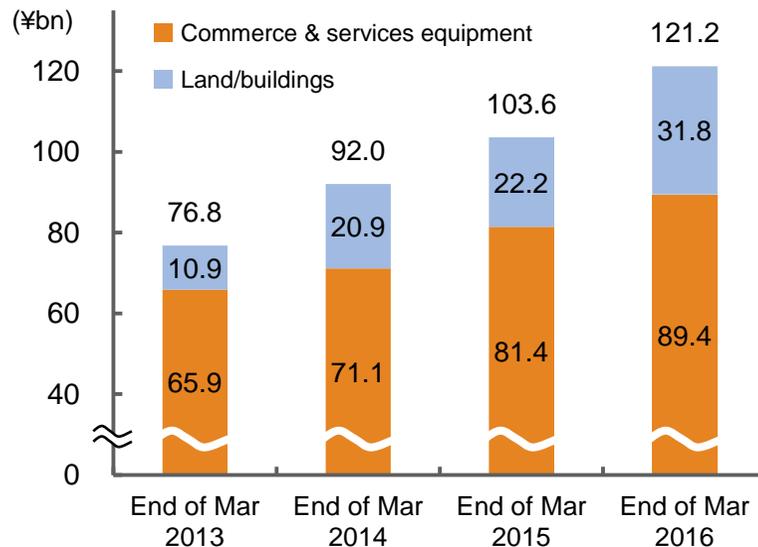
- Increased real estate leases (land, buildings) by strengthening ties with developers of large retail projects

Real estate-related business

- Restructured asset portfolio to more profitable asset composition, with due consideration for risk-return

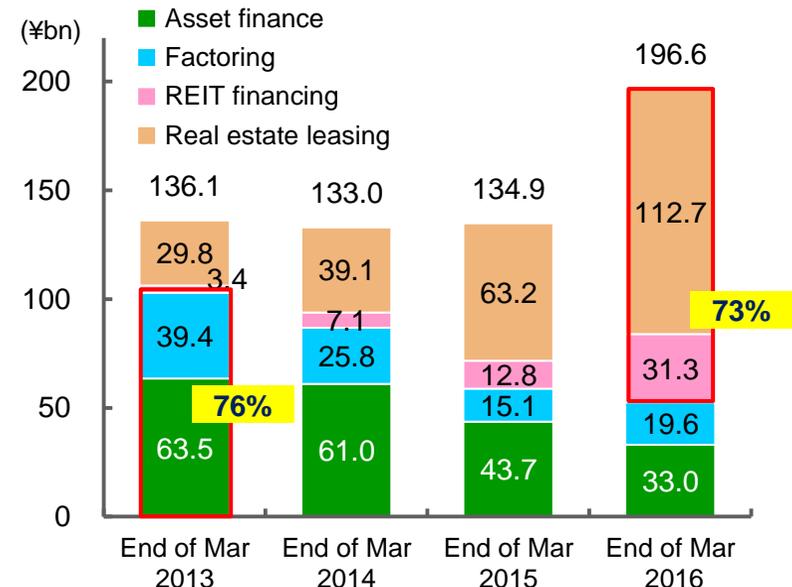
- Increased REIT-related transactions, including bridge loans

Distribution/retail industry related operating assets



Note : Operating assets above refers to leasing & installment sales to commerce & services industry plus real estate leases to distribution/foods/retail industries

Real estate-related business transaction volume

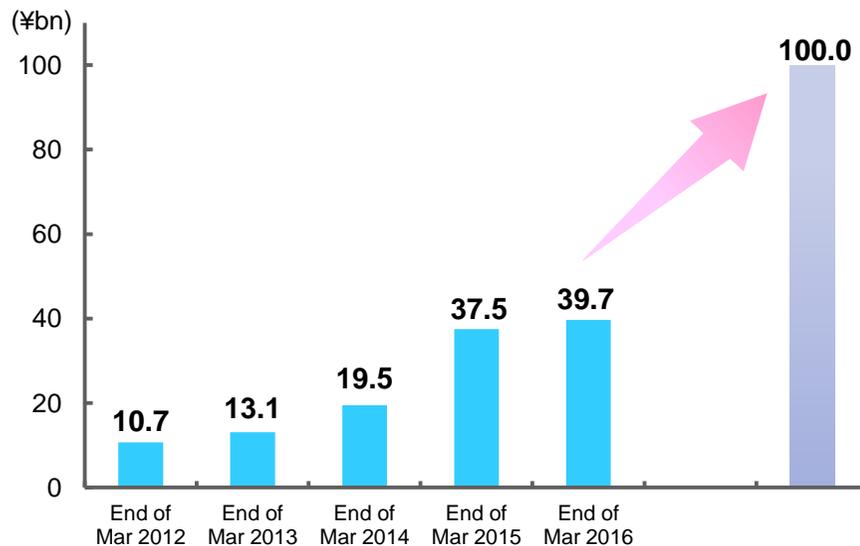


Note : Asset finance above does not include REIT-related transactions

Developments in Focus Areas (2)

- **4th Medium-term Management Plan positions aircraft-related business as growth sector**
 - Accumulating superior assets with focus on aircraft-backed collateral loans to leading airlines
- **As a new initiative, established joint venture with Aircastle in US to specialize in aircraft operating leases**
 - Aircastle Limited: major aircraft leasing company listed on New York Stock Exchange
 - Broadening the business domain in order to expand operating assets and further improve earnings power

Aircraft-related business assets



Note: Assets above include aircraft leases

IBJ Air Leasing



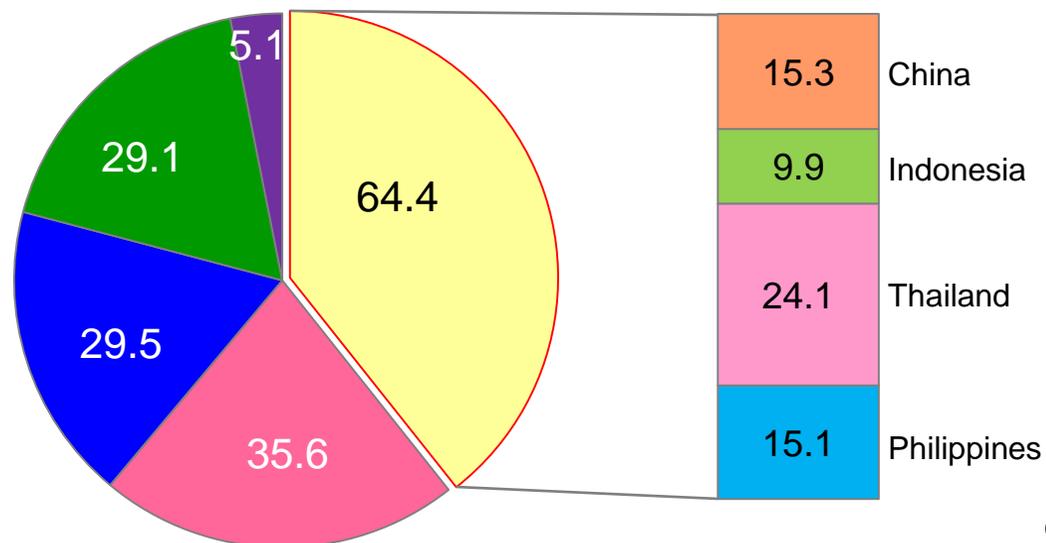
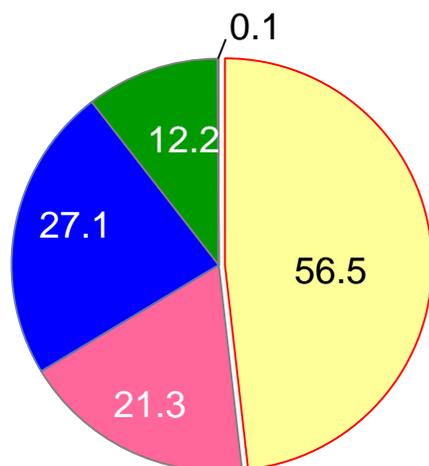
- Focus on accumulating superior assets with firm grip on risk-return
- Promoting new developments targeted at medium-and long-term broadening of overseas business base
 - Continuing to develop business with select, blue-chip, non-Japanese companies
 - Meeting sales financing needs of companies in energy and medical fields
 - Full-fledged entry into corporate fleet automobile leasing in Thailand

Overseas-related assets

At End of March 2014:
¥117.2 billion

At End of March 2016:
¥163.7 billion

- IBJL Group overseas offices
- Cross-border, etc
- Vessels
- Aircraft
- Marketable securities



II. Financial Results Overview

- Gross profit before write-offs and funding costs increased ¥3.2 bn y-o-y on a quantitative and qualitative increase in operating assets
- After a ¥1.3 bn provision for credit costs, operating and ordinary income were broadly flat y-o-y
- Net income exceeded plan and reached an all-time high

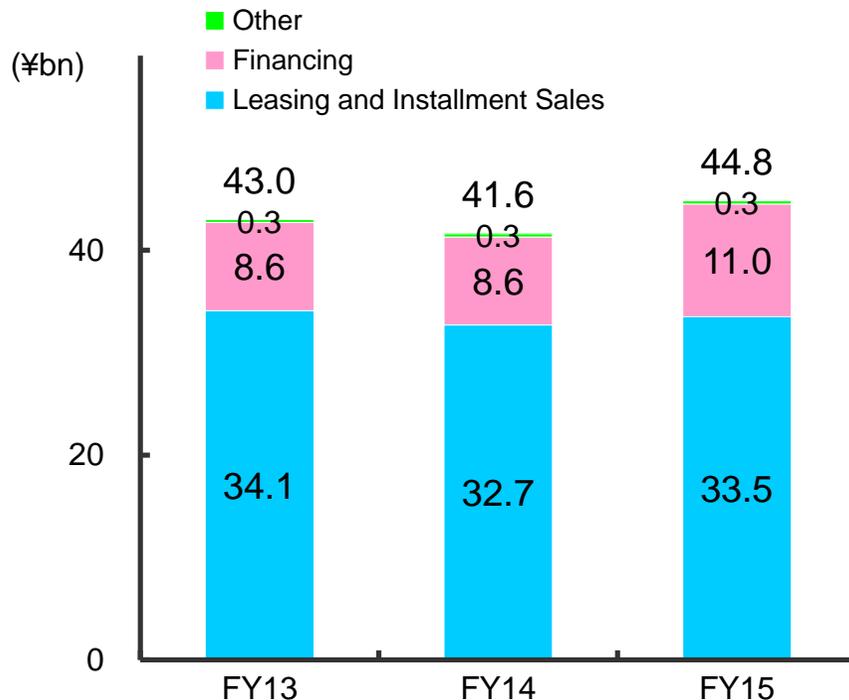
(¥bn)	FY13	FY14 (A)	FY15 (B)	Change (B)−(A)	%Change (B)/(A)
Revenues	354.8	353.7	364.2	+10.5	+3%
Gross profit before write-offs, funding costs	43.0	41.6	44.8	+3.2	+8%
(Funding costs)	(6.4)	(6.3)	(6.4)	(+0.1)	(+0%)
Gross profit	36.6	35.3	38.4	+3.1	+9%
(General expenses)	(19.0)	(19.2)	(19.5)	(+0.3)	(+2%)
Operating income	16.7	17.9	17.6	-0.3	-2%
Ordinary income	17.4	19.0	18.6	-0.4	-2%
(Credit costs)	(0.8)	(-2.0)	(1.3)	(+3.3)	(—)
Net Extraordinary Gains (Losses)	0.1	-0.1	0.4	+0.5	—
Net income	10.5	11.1	11.6*	+0.5	+4%

* Net Income Attributable to Owners of the Parent is shown.

■ Gross profit before write-offs and funding costs increased at Leasing and Installment Sales and Financing segments

- Profit on Leasing and Installment Sales up ¥0.8bn y-o-y on increase in operating assets
- Financing profit up ¥2.4bn y-o-y on steady increase in highly-profitable deals

Gross profit before write-offs, funding costs



Yield

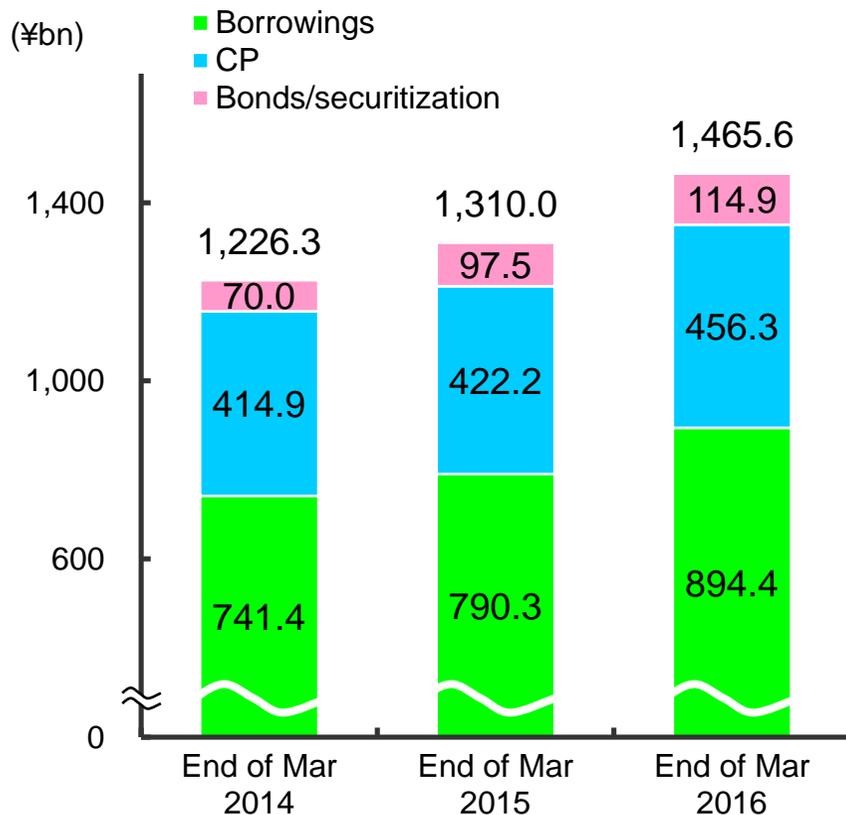
	FY13	FY14	FY15	Change
Gross profit margin before write-offs and funding costs	3.30%	3.00%	2.97%	-0.03pt
CoF Ratio	0.49%	0.46%	0.42%	-0.04pt
Gross Profit Margin	2.81%	2.54%	2.55%	+0.01pt
Operating assets (average balance, ¥bn)	1,303.1	1,387.7	1,506.7	+119.0

Note : Gross profit margin before write-offs and funding costs
 =Gross profit before write-offs and funding costs/ Average balance of operating assets
 CoF ratio = Cost of funding / Average balance of operating assets
 Gross profit margin = Gross profit / Average balance of operating assets

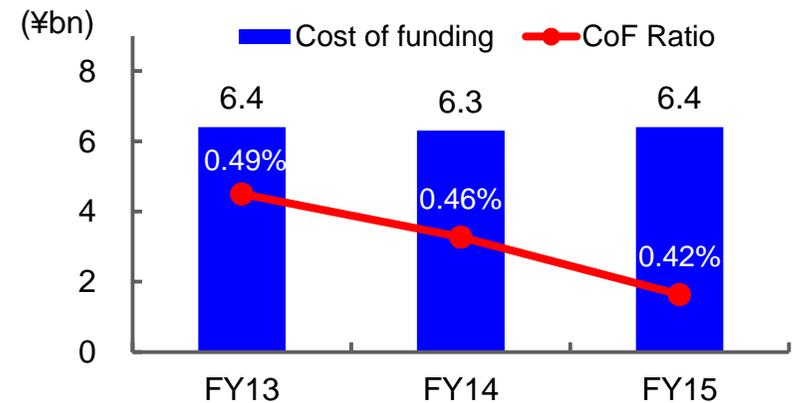
Interest-bearing Debt and Net Assets

- Interest-bearing debt rose in tandem with increase in operating assets
- Aggressive use of market-based funding, via CP and bond issuance, lowered Cost of funding (CoF) ratio

Interest-bearing debt



Funding costs(%)



Note : CoF ratio = Cost of funding / Average balance of operating assets

Net assets / Equity ratio

(¥bn)	End of Mar 2013	End of Mar 2014	End of Mar 2015	End of Mar 2016
Net assets	84.9	109.8	123.3	132.8
Equity ratio	5.9%	7.2%	7.6%	7.4%

III. FY2016 Business Plan

■ Strategic initiatives to achieve goals of Medium-term Management Plan including net income target and lay foundation for sustained growth

- Enhance earnings power of core businesses, especially leasing/installment sales
- Improve quality/size of specialty finance portfolio to secure stable earnings platform
- Promote moves into highly-profitable businesses while firmly controlling risk

Basic strategy for the Fourth Medium-term Management Plan(FY14-FY16)

Theme: Challenging for renewed growth

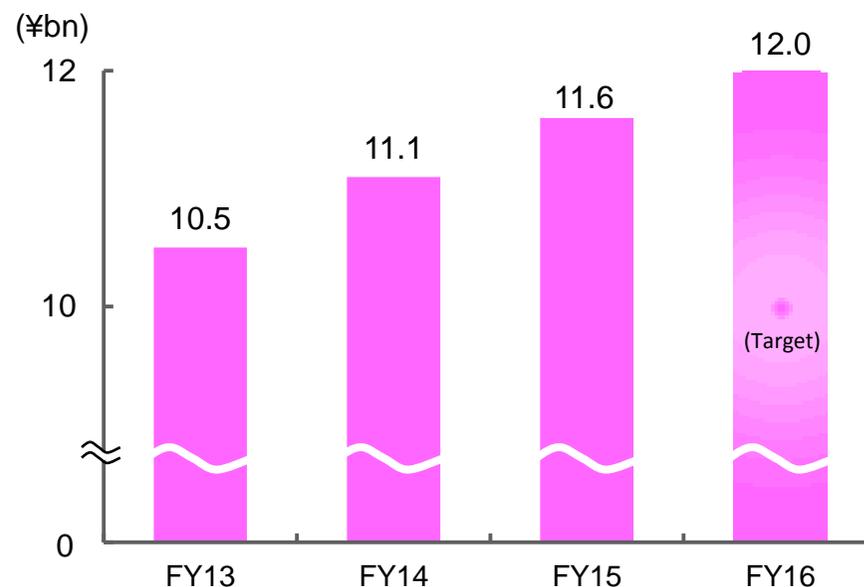
Business Strategies

Enhancement of core businesses

Improvement of special finance portfolio

Bolstering and expansion of offshore businesses

Net income target for plan's final year



Earnings Forecasts and Dividends

- Japan's economy is expected to return to recovery track but faces downside risks from weak consumer spending, slowdowns in overseas economies, and strong yen's downward pressure on exports
- Expecting profit growth at each level in FY16, and a 4th straight year of record net income
- Plan to raise full-year dividend by ¥2/share, for 15th straight increase in annual dividend

(¥bn)	FY2015 (Results) (A)	FY2016 (Forecast) (B)	Change (B) – (A)	% Change (B)/(A)
Revenues	364.2	350.0	-14.2	-4%
Operating income	17.6	18.0	+0.4	+2%
Ordinary income	18.6	18.7	+0.1	+1%
Net income *	11.6	12.0	+0.4	+3%

Annual dividend	¥60	¥62	+¥2
Interim dividend	¥30	¥30	—
Year-end dividend	(Plan) ¥30	¥32	+¥2

* Net Income Attributable to Owners of the Parent is shown

Dividend payout ratio	22.0%	22.0%
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Appendix

Company Profile

Company Name: IBJ Leasing Company, Limited

Address: 1-2-6 Toranomom, Minato-ku, Tokyo 105-0001

Representative: Setsu Onishi, President and CEO

Establishment: December 1, 1969

Listing: Tokyo Stock Exchange, 1st Section (Code:8425)

Capital Stock: ¥17.9 billion (Outstanding shares: 42,649 thousand)

Employees: 1,072 (consolidated, as of March 31, 2016)

Business Sites: 14 in Japan (Tokyo, Osaka, Nagoya, others)
6 overseas (5 in Asia, 1 in Europe)

Key Group Companies:

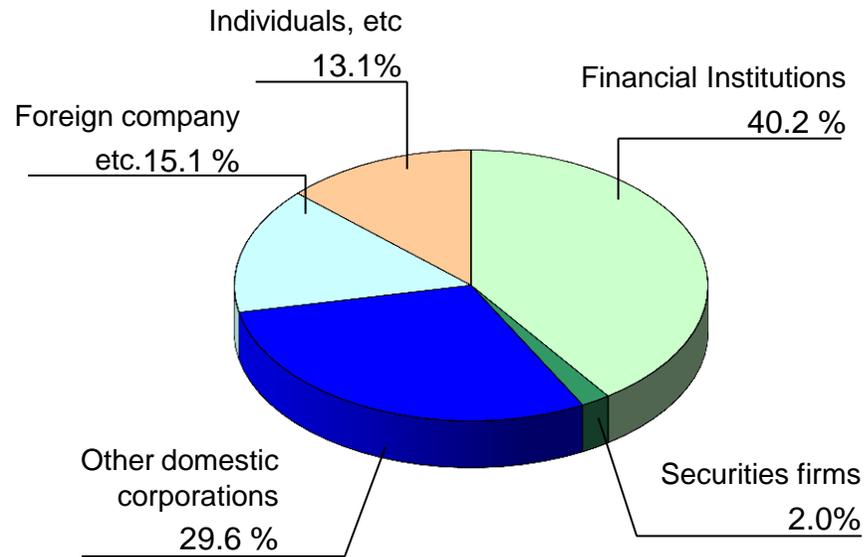
IBJL-TOSHIBA Leasing Company, Limited, Dai-ichi Leasing Co., Ltd.,
Universal Leasing Co.,Ltd., IBJ Auto Lease Company, Limited,
KL Lease & Estate Co., Ltd. (building leases),
KL & Co., Ltd. (used property purchase/sales)

Shareholders(As of March 31, 2016)

○ Outstanding Shares: 42,649 thousand

○ Shareholders 34,355

○ Shareholder Distribution (Holding ratio)



Note: Shareholding ratio is the percentage of total outstanding shares

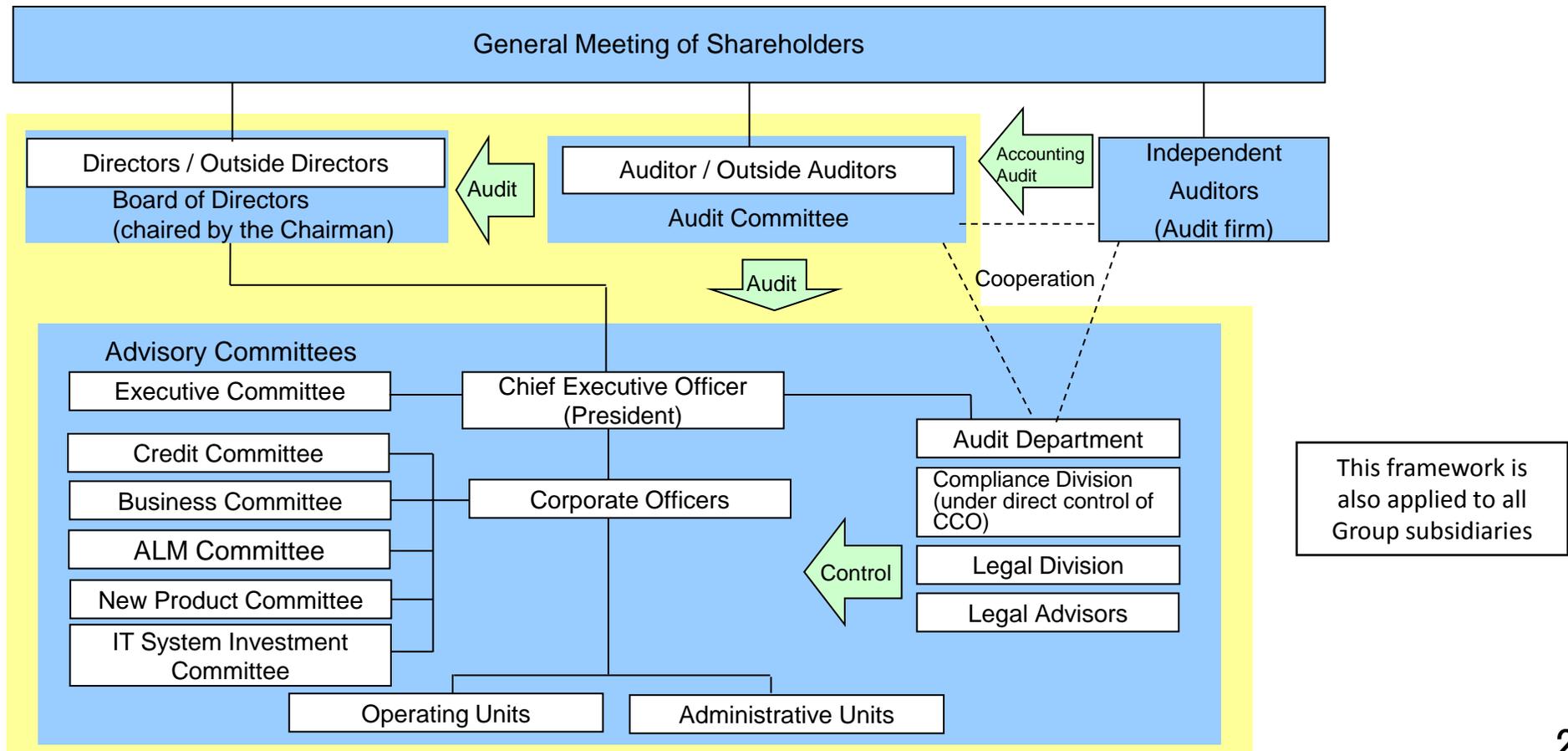
○ Largest shareholders

Shareholders	Shares held (thousand)	Ratio (%)
The Dai-ichi Life Insurance Company, Limited	2,930	6.87
NISSAN MOTOR.,LTD. Retirement Benefit Trust Account, with the trustee being Mizuho Trust & Banking Co.,Ltd. And re-trustee Trust & Custody Services Bank, Ltd.	1,750	4.10
Mizuho Bank, Ltd.	1,626	3.81
UNIZO Holdings Company, Limited	1,546	3.62
Japan Trustee Services Bank, Ltd.(Trust Account)	1,331	3.12
Meiji Yasuda Life Insurance Company	1,251	2.93
DOWA HOLDINGS CO., LTD.	1,120	2.62
RBC ISB S/A DUB NON RESIDENT /TREATY RATE UCITS-CLIENTS ACCOUNT	1,075	2.52
NIPPON STEEL KOWA REAL ESTATE CO., LTD.	975	2.28
The Kyoritu Co., Ltd.	949	2.22
Japan Trustee Services Bank, Ltd.(TOSHIBA CORPORATION Retirement Benefit Trust Account re-entrusted by the Mitsui Sumitomo Trust & Banking Co.,Ltd.)	900	2.11

IBJL Group Internal Control System

- IBJL Group has established and continues to effectively and appropriately operate an internal control system that ensures proper conduct of business operations
- Management structure: 8 directors (incl. 2 outside directors), 4 auditors (incl. 3 outside auditors)
 - * 2 outside directors and 3 outside auditor are independent executives in accordance with the rules of the Tokyo Stock Exchange

【Corporate Governance Structure】



Consolidated B/S (Assets)

(¥bn)

	Mar.31, 2012	Mar.31, 2013	Mar.31, 2014	Mar.31, 2015 (A)	Mar.31, 2016 (B)	Change (B) – (A)	Change (B)/(A)
Current Assets	1,229.1	1,265.6	1,356.0	1,434.4	1,554.0	+119.6	+8.3%
Cash and Cash equivalents	41.3	30.5	37.7	38.7	49.4	+10.7	+27.6%
Lease receivable	704.2	728.9	753.8	812.0	842.0	+30.0	+3.7%
Installment sales receivable	112.6	114.3	133.8	154.4	147.8	-6.6	-4.3%
Operational Loans	295.0	320.1	359.5	361.1	377.9	+16.8	+4.7%
Operational investment securities	48.9	48.8	40.7	38.6	97.3	+58.7	+151.8%
Marketable Securities	0.1	-	0.1	-	0.1	+0.1	-
Allowance for doubtful receivables	-7.7	-4.4	-2.3	-1.0	-0.9	+0.1	+14.3%
Property & Equipment	103.9	106.7	106.2	117.3	164.7	+47.4	+40.4%
Leased assets	50.9	51.3	55.7	66.7	116.4	+49.7	+74.5%
Investment securities	16.8	20.7	24.3	28.6	26.3	-2.3	-8.0%
Doubtful operating receivables	19.2	18.5	11.4	8.9	10.4	+1.5	+16.2%
Allowance for doubtful receivables	-3.3	-3.2	-2.3	-2.1	-3.4	-1.3	-58.1%
Total Assets	1,333.0	1,372.2	1,462.2	1,551.7	1,718.7	+167.0	+10.8%

Operating Assets	1,211.3	1,263.1	1,343.0	1,432.3	1,581.0	+148.7	+10.4%
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Consolidated B/S(Liabilities and Net worth)

(¥bn)

	Mar.31, 2012	Mar.31, 2013	Mar.31, 2014	Mar.31, 2015 (A)	Mar.31, 2016 (B)	Change (B) – (A)	Change (B)/(A)
Current Liabilities	900.9	979.9	1,019.0	1,044.3	1,119.2	+74.9	+7.2%
Short-term borrowings	172.9	233.5	295.4	336.5	364.4	+27.9	+8.3%
Current portion of corporate bond	-	-	-	10.0	20.0	+10.0	+100.0%
Current portion of long-term debt	203.0	195.5	158.1	131.1	132.4	+1.3	+1.0%
Commercial Paper	373.1	410.2	414.9	422.2	456.3	+34.1	+8.1%
Lease Payable	19.2	14.1	11.3	8.8	8.9	+0.1	+0.3%
Long-term Liabilities	357.3	307.5	333.4	384.1	466.7	+82.6	+21.5%
Long-term debt	345.7	286.1	287.8	322.7	397.6	+74.9	+23.2%
Corporate bond	-	10.0	30.0	40.0	40.0	-	-
Total Liabilities	1,258.2	1,287.3	1,352.3	1,428.4	1,585.9	+157.5	+11.0%
Net assets	74.7	84.9	109.8	123.3	132.8	+9.5	+7.7%
Shareholder`s equity	71.2	78.4	100.5	109.3	118.5	+9.2	+8.4%
Accumulated other comprehensive income	-0.5	1.9	4.3	8.6	8.6	+0.0	+0.1%
Non-controlling interests	4.0	4.6	5.0	5.4	5.8	+0.4	+6.4%
Total	1,333.0	1,372.2	1,462.2	1,551.7	1,718.7	+167.0	+10.8%
Interest-bearing debt	1,133.5	1,176.5	1,226.3	1,310.0	1,465.6	+155.6	+11.9%
Equity ratio	5.3%	5.9%	7.2%	7.6%	7.4%	-0.2%	

Consolidated statements of income

(¥bn)

	FY11	FY12	FY13	FY14 (A)	FY15 (B)	Change (B) – (A)	Change (B)/(A)
Revenues	270.1	352.5	354.8	353.7	364.2	+10.5	+3.0%
Gross profit before write-offs and funding costs	36.6	44.3	43.0	41.6	44.8	+3.2	+7.7%
Funding costs	5.3	6.6	6.4	6.3	6.4	+0.1	+0.4%
Gross profit	31.3	37.7	36.6	35.3	38.4	+3.1	+9.0%
SGA expenses	20.6	23.0	19.9	17.3	20.9	+3.6	+20.5%
Personnel, facilities costs	14.5	19.0	18.9	19.1	19.5	+0.4	+1.7%
Operating income	10.7	14.7	16.7	17.9	17.6	-0.3	-2.1%
Other income	0.9	1.3	1.3	1.6	1.4	-0.2	-8.3%
Other expenses	0.5	0.6	0.6	0.5	0.4	-0.1	-18.7%
Ordinary income	11.1	15.4	17.4	19.0	18.6	-0.4	-2.1%
Extraordinary income	0.0	0.0	0.1	0.0	0.4	+0.4	+786.9%
Extraordinary loss	1.6	0.0	0.0	0.1	0.1	-0.0	-55.2%
Income before income taxes	9.5	15.4	17.5	18.9	19.0	+0.1	+0.3%
Income taxes	5.1	5.8	6.5	7.3	6.8	-0.5	-7.0%
Net Income Attributable to Owners of the Parent	4.3	8.9	10.5	11.1	11.6	+0.5	+4.2%
Credit costs	6.0	3.9	0.8	-2.0	1.3	+3.3	-

Consolidated statement of comprehensive income

(¥bn)

	FY11	FY12	FY13	FY14 (A)	FY15 (B)	Change (B) – (A)	Change (B)/(A)
Net income *	4.4	9.6	11.0	11.6	12.1	+0.5	+4.9%
Unrealized gain on available-for-sale securities	-0.0	1.6	0.9	2.8	1.6	-1.2	-41.1%
Deferred loss on derivatives under hedge accounting	-0.0	-0.1	0.3	0.1	-0.4	-0.5	-
Foreign currency translation adjustments	-0.1	0.7	1.0	0.9	-0.5	-1.4	-
Remeasurements of defined benefit plans, net of tax	-	-	-	0.3	-0.6	-0.9	-
Share of other comprehensive income of associated companies	-0.0	0.1	0.2	0.2	-0.2	-0.4	-
Total other comprehensive income	-0.2	2.4	2.4	4.2	-0.1	-4.3	-
Total comprehensive income	4.2	11.9	13.4	15.8	12.1	-3.7	-23.6%

* In FY11~FY14 Net income before minority interests is shown.

Gross profit before write-offs and funding costs by segment

(¥bn)

	FY11	FY12	FY13	FY14 (A)	FY15 (B)	Change (B) – (A)	Change (B)/(A)
Revenues	270.1	352.5	354.8	353.7	364.2	+10.5	+3.0%
Leasing	249.6	327.5	316.2	318.6	337.4	+18.8	+5.9%
Installment sales	11.6	15.4	25.9	25.2	14.6	-10.6	-42.0%
Loans	6.5	7.2	7.0	7.5	7.8	+0.3	+2.9%
Other	2.8	3.2	6.6	3.2	5.3	+2.1	+63.4%
Elimination/Corporate	-0.5	-0.8	-0.8	-0.9	-0.9	-0.0	-1.1%
Cost of sales	233.5	308.2	311.8	312.1	319.4	+7.3	+2.3%
Leasing	223.2	294.0	284.8	288.4	306.5	+18.1	+6.3%
Installment sales	9.2	12.6	23.2	22.8	12.1	-10.7	-46.9%
Loans	0.3	0.3	0.3	0.4	0.3	-0.1	-26.6%
Other	1.0	1.6	3.8	0.9	0.9	-0.0	-4.3%
Elimination/Corporate	-0.2	-0.3	-0.3	-0.4	-0.4	+0.0	+2.9%
Gross profit before write-offs and funding costs	36.6	44.3	43.0	41.6	44.8	+3.2	+7.7%
Leasing	26.4	33.5	31.4	30.3	31.0	+0.7	+2.4%
Installment sales	2.5	2.8	2.7	2.4	2.5	+0.1	+3.5%
Loans	6.1	6.9	6.6	7.1	7.4	+0.3	+4.7%
Other	1.9	1.6	2.8	2.3	4.4	+2.1	+91.2%
Elimination/Corporate	-0.3	-0.5	-0.5	-0.5	-0.5	-0.0	-4.6%
Funding costs	5.3	6.6	6.4	6.3	6.4	+0.1	+0.4%
Gross profit	31.3	37.7	36.6	35.3	38.4	+3.1	+9.0%