

FY2015 First-Half Financial Results Presentation Materials

November 6, 2015



IBJ Leasing Co., Ltd.

(Securities Code: 8425)

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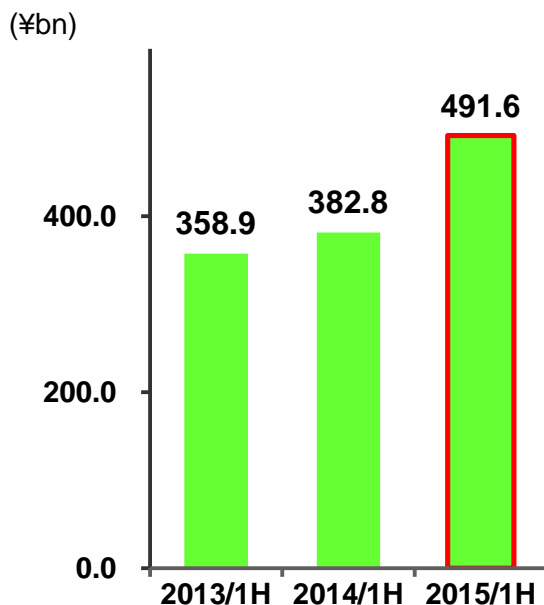
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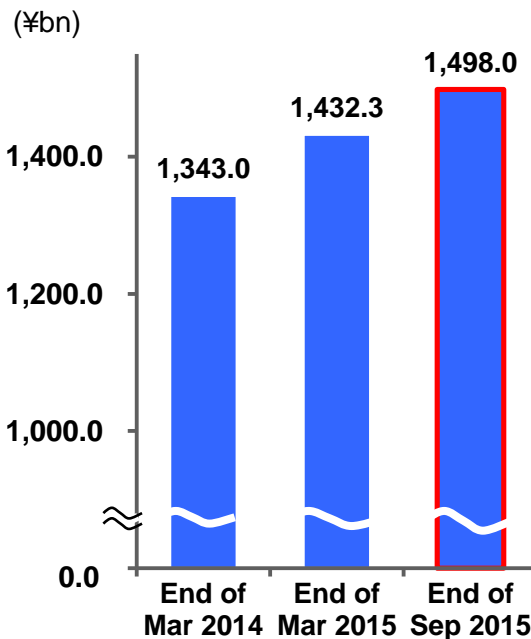
FY2015 First-Half Results Highlights

- Contract execution volume expanded sharply as we steadily implemented our basic strategies
- Operating assets also expanded, nearly reaching our medium-term plan's target of ¥1,500 billion a year early
- Gross profit before write-offs & funding costs rebounded on the accumulation of superior operating assets

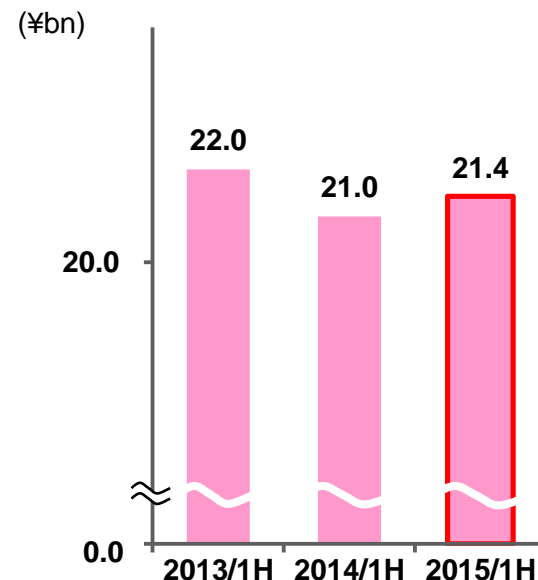
Contract execution volume



Operating assets



Gross profit before write-offs, funding costs



I . Business Performance Overview

Theme

“Challenging for renewed growth”

Business Strategies

Enhancement of core businesses

Improvement of special finance portfolio

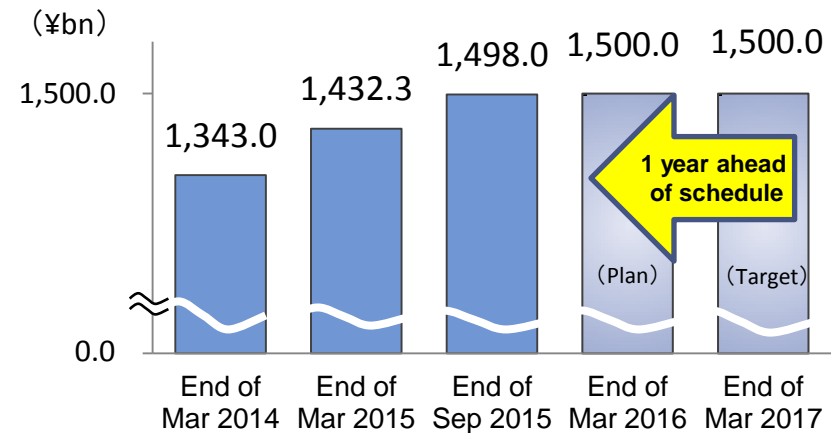
Bolstering and expansion of offshore businesses

Numerical targets

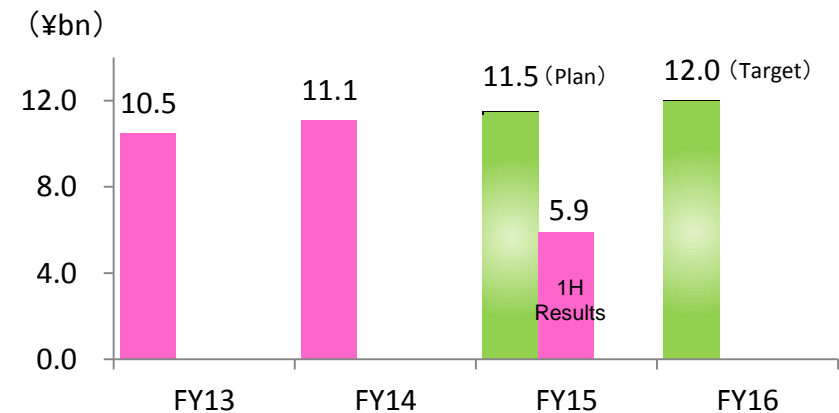
- Operating Assets: ¥1,500.0 billion
- Net income : ¥12.0 billion

Numerical targets

Operating Assets

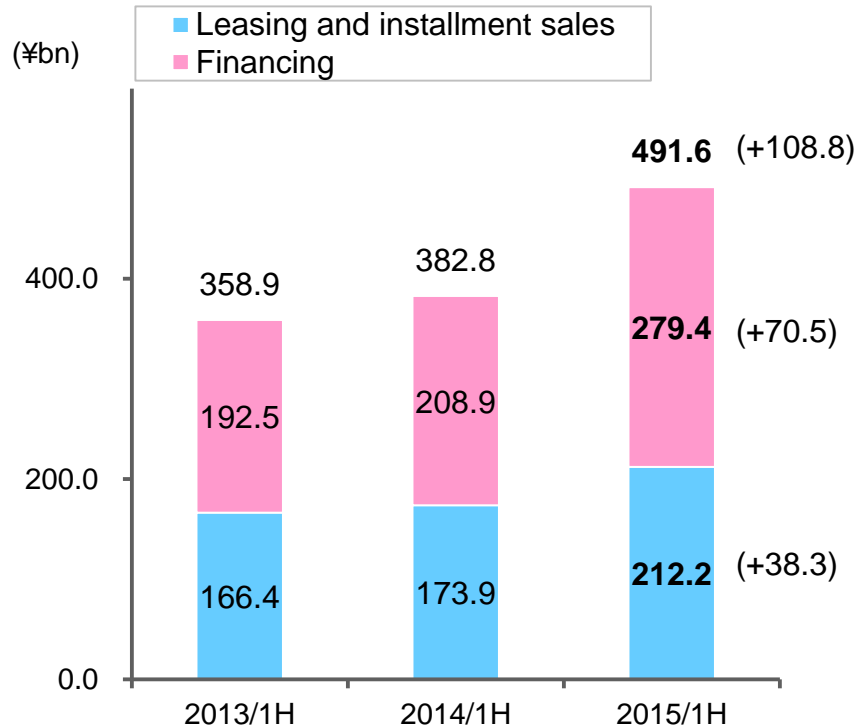


Net income

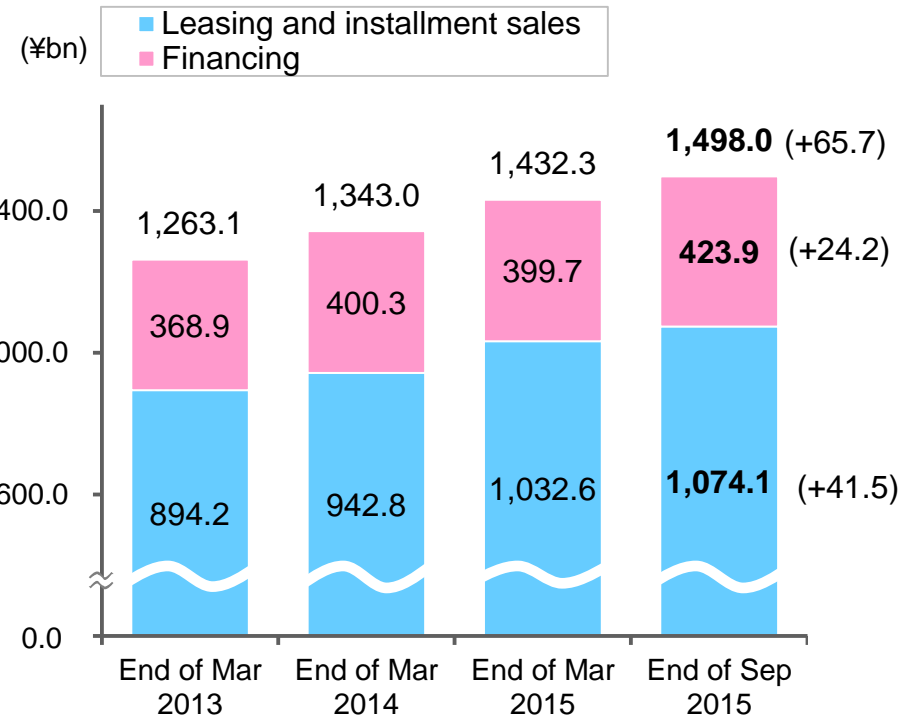


- **Contract execution volume expanded 28% y-o-y overall as Leasing and installment sales and Financings both increased**
 - Leasing and installment sales : +22%, Financing: +34%
- **Operating assets increased 5% compared to the end of the previous fiscal year, nearly achieving the full-year target of ¥1.5 trillion in the first half alone**

Contract execution volume



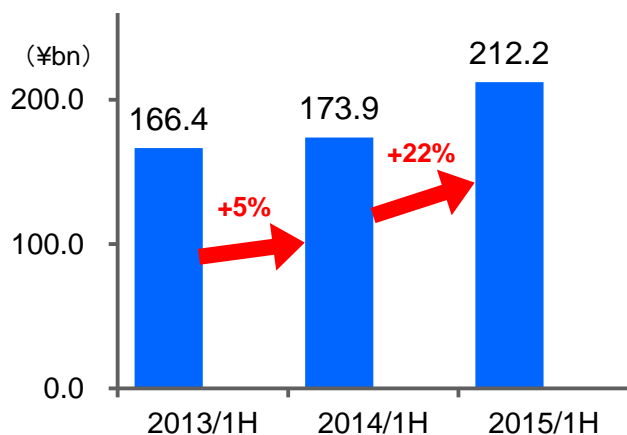
Operating assets



Leasing and Installment Sales

- **Contract execution volume increased steadily 22% y-o-y, same as the previous year**
 - In Industrial and factory equipment, contract execution volume increased 54% y-o-y, as we continued to work on large companies' capital investment projects
 - In Information and communications, there was an increase as we captured capital investment by large telecommunications companies
 - In Real estate leases, there was growth as we handled large bridge loans targeting REITs

Contract Execution Volume



Note) leasing capital investment for entire industry (¥bn)

2013/1H		2014/1H		2015/1H	
Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
2,229.6	-13%	1,949.8	-13%	2,247.9	+15%

Contract Execution Volume by Equipment Type

(¥bn)	FY13 1H	FY14 1H	FY15 1H	Change (%)	% change for entire industry*
Industrial and factory	31.1	33.5	51.5	+18.0 (+54%)	(+45%)
Information and communications	48.0	27.3	35.8	+8.5 (+31%)	(+11%)
Transport	16.5	20.5	22.4	+1.9 (+9%)	(+7%)
Construction	21.2	25.9	17.2	-8.7 (-34%)	(-4%)
Medical	13.0	11.4	14.8	+3.4 (+29%)	(+27%)
Commerce and services	13.8	17.4	18.4	+1.0 (+6%)	(+3%)
Office equipment	6.6	5.0	5.4	+0.4 (+6%)	(+0%)
Other	16.2	32.8	46.7	+13.9 (+43%)	(+42%)
Real estate lease	4.8	20.5	34.8	+14.3 (+70%)	
Total	166.4	173.9	212.2	+38.3 (+22%)	(+15%)

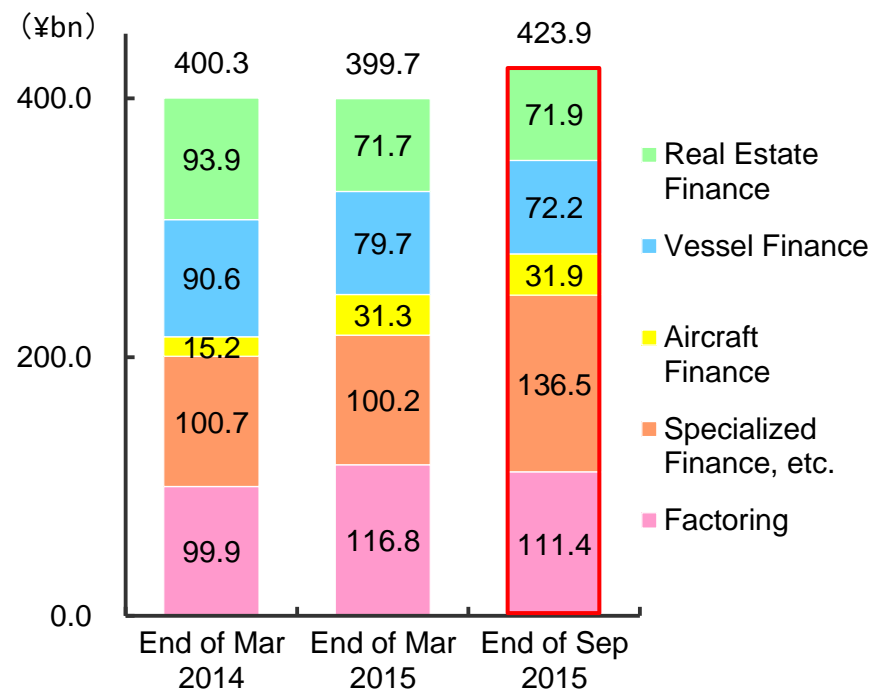
* Source: IBJ Leasing, based on the data published by Japan Leasing Association

- **Contract execution volume grew in all fields as a result of our focus on capturing diverse financing needs**
 - Factoring contract execution volume was firm as we continued to respond to the needs of large companies
 - We positioned Specialized Finance and Aircraft Finance as key areas, and expanded our business
 - Real Estate Finance included bridge loans for a major real estate company as we focused efforts on a more select customer group
- **Overall Financing operating assets increased 6% compared to the end of the previous fiscal year**

Contract execution volume

(¥bn)	FY13 1H	FY14 1H	FY15 1H	Change (%)
Factoring	153.4	171.5	198.2	+26.7 (+16%)
Specialized Finance, etc.	20.5	20.2	48.6	+28.4 (+141%)
Aircraft Finance	3.7	7.0	12.1	+5.1 (+73%)
Real Estate Finance	7.5	5.8	14.0	+8.2 (+139%)
Vessel Finance	7.5	4.4	6.5	+2.1 (+49%)
Total	192.5	208.9	279.4	+70.5 (+34%)

Operating assets



Core Businesses Overview

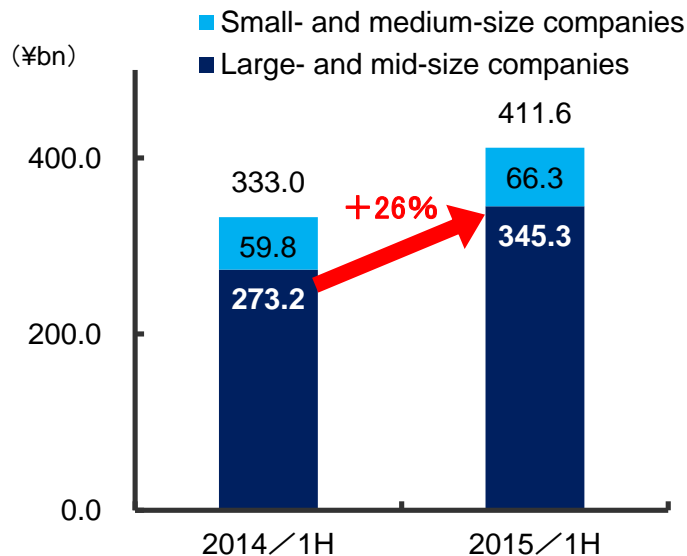
【 Customer Base Expansion 】

- We anticipated the changes in the environment surrounding our customers, and proactively carried out consultative sales to address management issues
 - We captured various needs, centered on large- and medium-sized companies which have been our strength over the years

【 Distribution and Retail 】

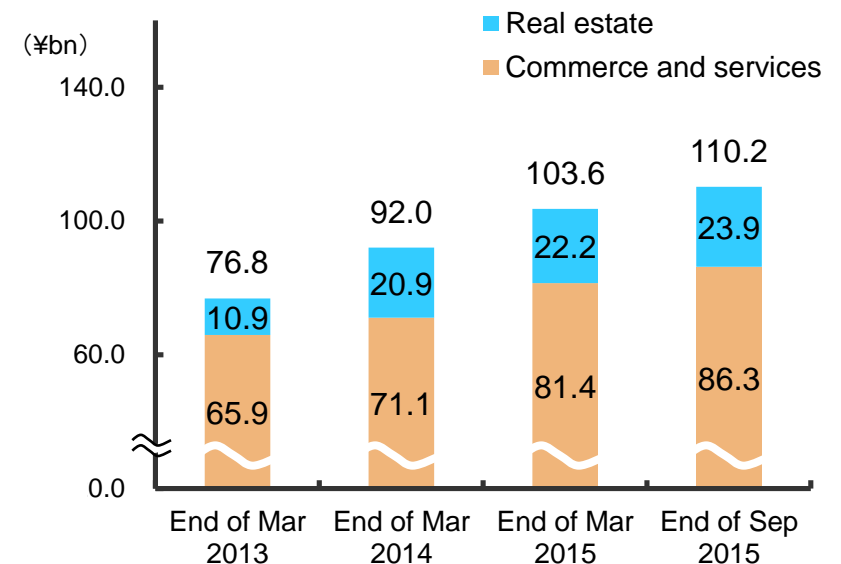
- We continued to bolster our initiatives targeting domestic demand-related industries, which we have been focusing on in recent years
 - Operating assets increased soundly, as we steadily expanded our customer base

Contract Execution Volume by Company Size



※Large- and mid-size companies : Capital of ¥100 million or above
 ※Excludes real estate leases (bridge deals), targeting vessel or real estate SPCs, etc.

Distribution and Retail Related Operating Assets



Specialized Finance

【Aircraft Business】

- We expanded our deal sourcing routes, and proactively worked on aircraft-backed collateral loans targeting leading airlines

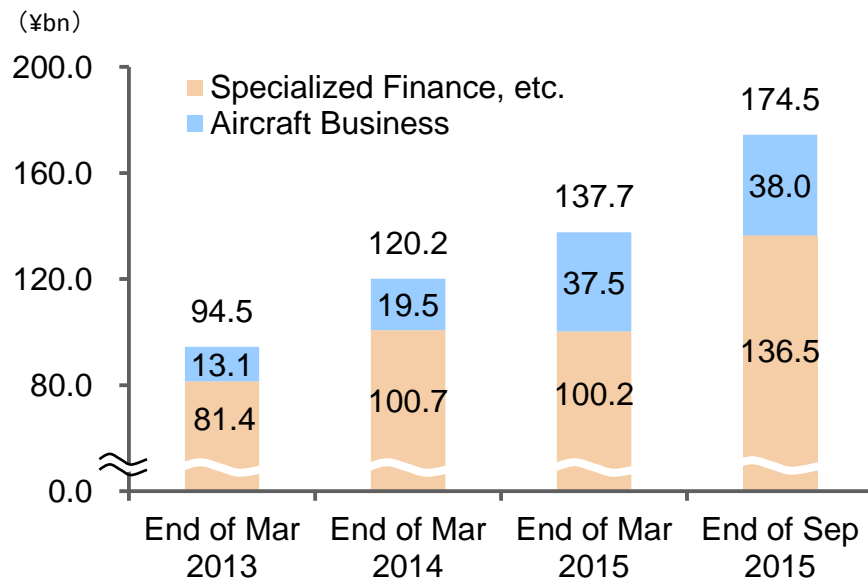
【Specialized Finance, etc.】

- We captured a large number of highly profitable deals, such as subordinated loans and cross-border syndicated loans

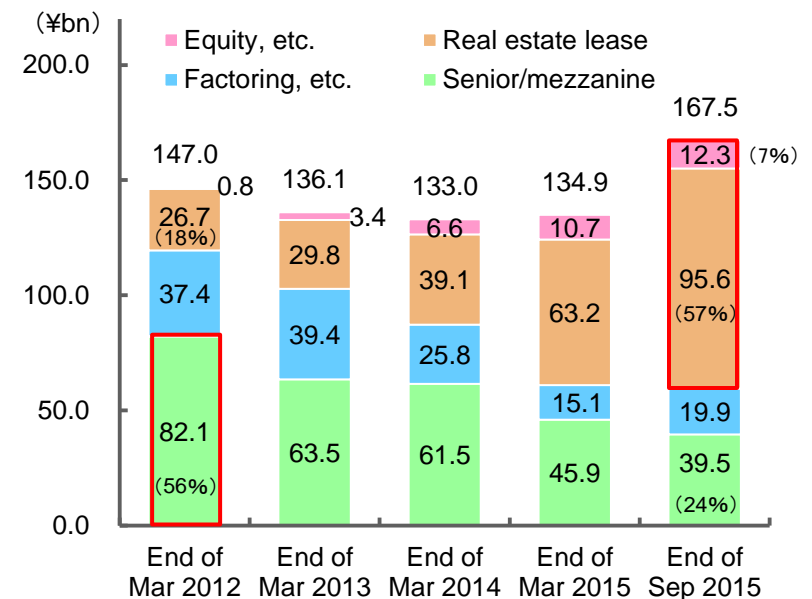
【 Real Estate-related Business 】

- We reshuffled the portfolio by proactively working on real estate leases, bridge loans targeting REITs, etc

Balance of Aircraft Business and Specialized Finance, etc.

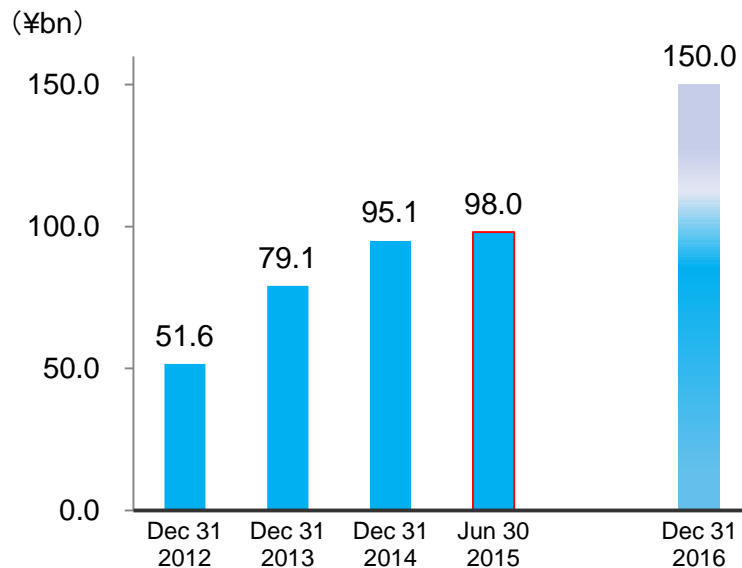


Balance of Real Estate-related Business



- Amid the changes in Asia's economy, we steadily amassed superior assets while assessing risk
- We continued to focus on new initiatives aimed at bolstering and expanding overseas business
 - We analyzed regions, industries and distribution channels, and promoted selective initiatives targeting blue-chip, non-Japanese companies
 - We responded to the sales finance needs of companies in the medical, energy and other sectors

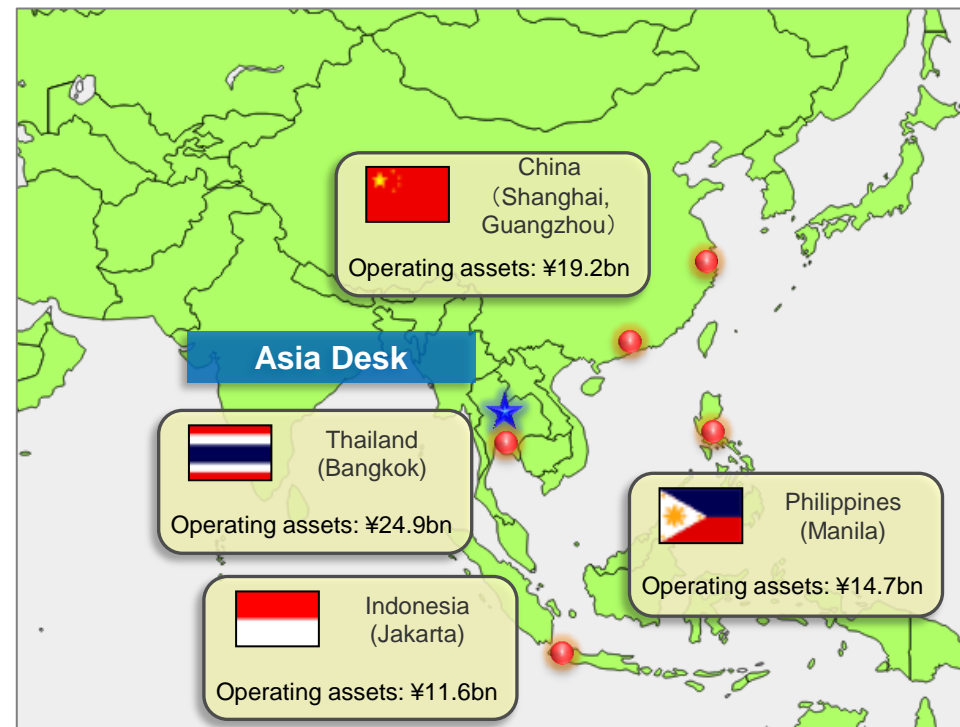
Balance of Overseas Business Operating



※Total of local subsidiaries in China, Indonesia, Thailand, Philippines, and cross-border transactions from Japan (excluding vessels, aircraft, etc.)

※Valued using forex rates on June 30, 2015

【Business Sites in Asia】



II . Financial Results Overview

Consolidated P/L

- Operating assets increased steadily. Accordingly gross profit before write-offs and funding costs also increased
- Posting of credit costs (as opposed to a cost reversal last year) resulted in declines in operating income and ordinary income, but net income increased thanks to an increase in gross profit before write-offs and funding costs and posting of a net extraordinary gain

(¥bn)	FY13 1H	FY14 1H (A)	FY15 1H (B)	Change (B) - (A)	% Change (B)/(A)	FY15 Forecast <% progress>
Revenues	177.0	168.9	166.2	-2.7	-2%	<47%> 355.0
Gross profit before write-offs, funding costs	22.0	21.0	21.4	+0.4	+2%	—
(Funding costs)	(3.1)	(3.1)	(3.2)	(+0.1)	(+4%)	—
Gross profit	18.9	17.9	18.2	+0.3	+2%	—
(General expenses)	(9.4)	(9.4)	(9.7)	(+0.3)	(+3%)	—
Operating income	11.1	9.0	8.3	-0.7	-7%	<49%> 16.9
Ordinary income	11.4	9.4	8.8	-0.6	-7%	<50%> 17.6
(Credit costs)	(-1.7)	(-0.6)	(0.1)	(+0.7)	(—)	—
Net Extraordinary Gains (Losses)	0.1	-0.1	0.4	+0.5	—	—
Net income ※	7.0	5.8	5.9	+0.1	+2%	<51%> 11.5
Operating Assets	1,269.3	1,331.6	1,498.0	+166.4	+5%	—

*In FY15, Net Income Attributable to Owners of the Parent is shown.

Profitability

- **Gross profit before write-offs and funding costs rebounded higher due to the accumulation of superior operating assets**
 - In Leasing and Installment Sales, assets were increased while suppressing the drop in spreads, thereby keeping profit on par with the previous year
 - In Financing, profit increased ¥0.5 billion y-o-y due to the accumulation of highly-profitable deals

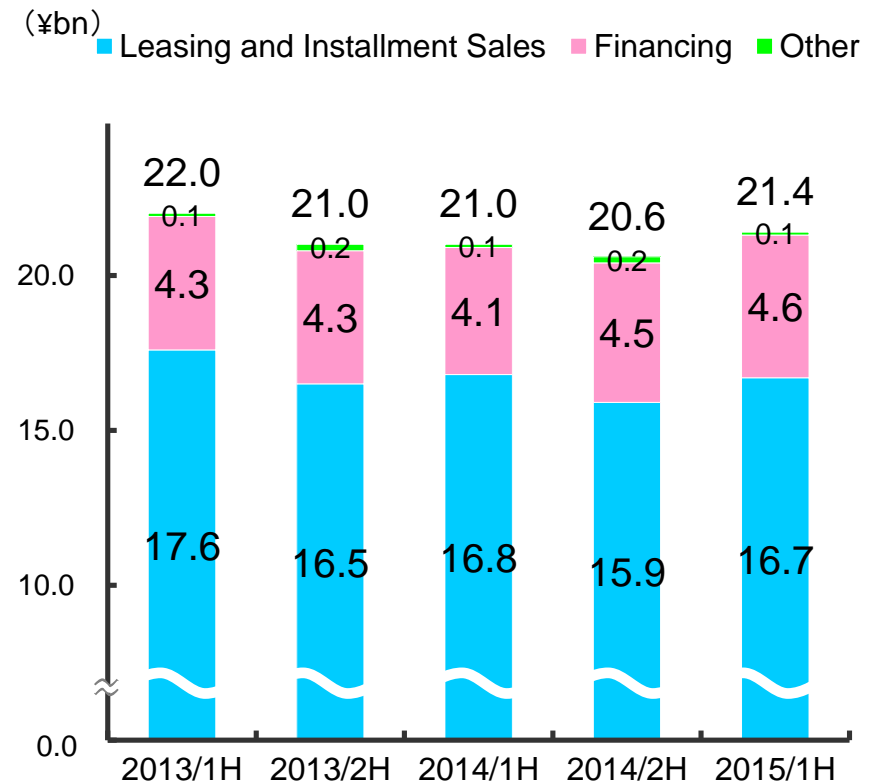
Yield

	FY13	FY14	FY15 1H	Change (%)
Gross profit margin before write-offs and funding costs	3.30%	3.00%	2.92%	-0.08pt
CoF Ratio	0.49%	0.46%	0.44%	-0.02pt
Gross Profit Margin	2.81%	2.54%	2.48%	-0.06pt

	FY13	FY14	FY15 1H	Change
Operating assets (average balance, ¥bn)	1,303.1	1,387.7	1,465.1	+77.4

Note) FY15/1H ratios are annualized values
 Gross profit margin before write-offs and funding costs
 =Gross profit before write-offs and funding costs/Operating assets (average balance)
 CoF ratio = Cost of funding / Operating assets (average balance)
 Gross profit margin = Gross profit / Operating assets (average balance)

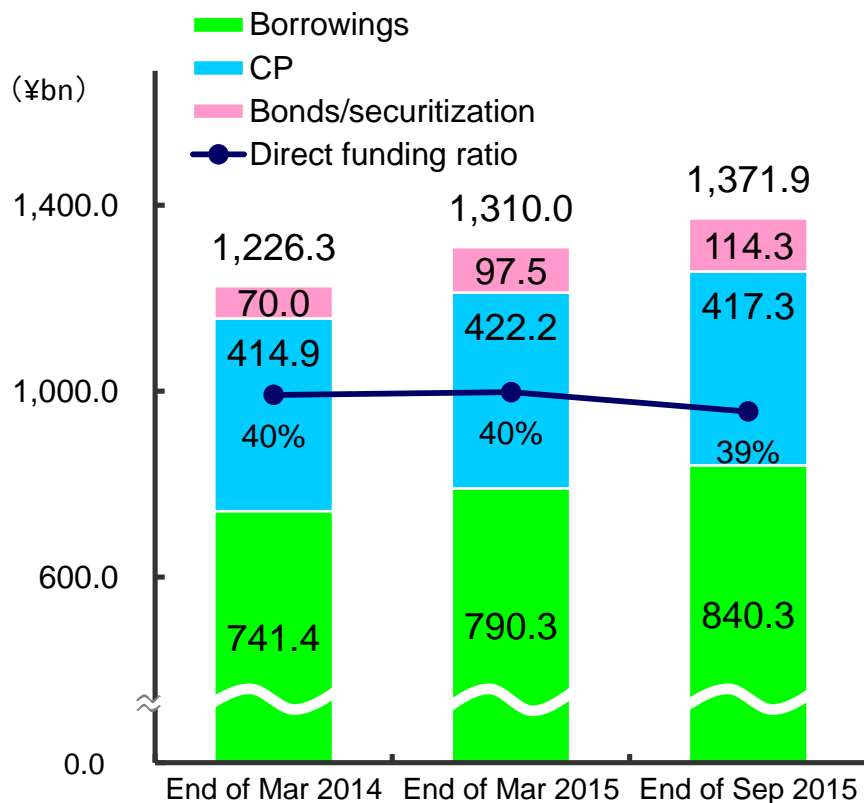
Gross profit before write-offs, funding costs



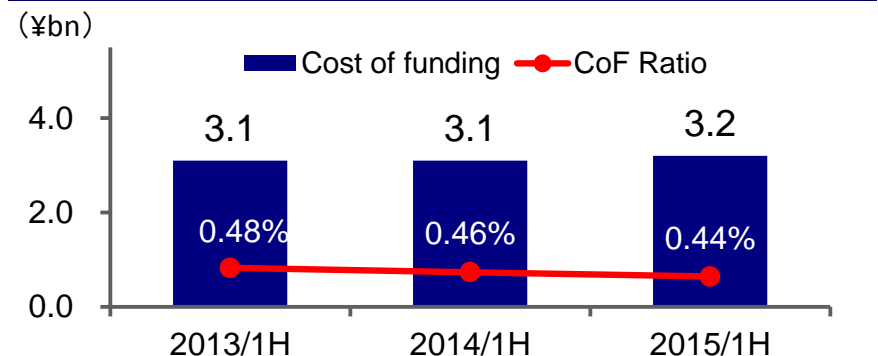
Interest-bearing Debt and Net Assets

- Funding costs were again low
- The CP issuance limit was increased by ¥50 billion in response to the growth in operating assets
 - IBJ Leasing: ¥350 billion ⇒ ¥400 billion; IBJL-TOSHIBA Leasing: ¥150 billion

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 Sep 2015
Net assets	84.9	109.8	123.3	129.9
Equity ratio	5.9%	7.2%	7.6%	7.7%

III. Business and Dividend Forecast

Results Forecast and Dividend

- Having made good progress toward full-year targets in the first half, we will accelerate implementation of basic strategies in the second half to achieve our goals
- We passed a resolution to pay an interim dividend of ¥30 per share. Adding this to the year-end dividend of ¥30 per share (planned), we plan to pay an annual dividend of ¥60 per share (¥4 per share increase), marking the 14th straight year of increase

(¥bn)	FY2014 (Results) (A)	FY2015 (Forecast) (B)			Change (B) - (A)	% Change (B)/(A)
		1H	Progress rate			
Revenues	353.7	355.0	166.2	47%	+1.3	+0%
Operating income	17.9	16.9	8.3	49%	-1.0	-6%
Ordinary income	19.0	17.6	8.8	50%	-1.4	-7%
Net income [※]	11.1	11.5	5.9	51%	+0.4	+3%

Annual dividend	¥56	¥60	+¥4
Interim dividend	¥28	(Resolved) ¥30	+¥2
Year-end dividend	¥28	(Plan) ¥30	+¥2

*In FY15, Net Income Attributable to Owners of the Parent is shown.

Dividend payout ratio	21.4%	22.3%
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Appendix

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: 1,077 (consolidated, as of September 30, 2015)

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

Key Group Companies:

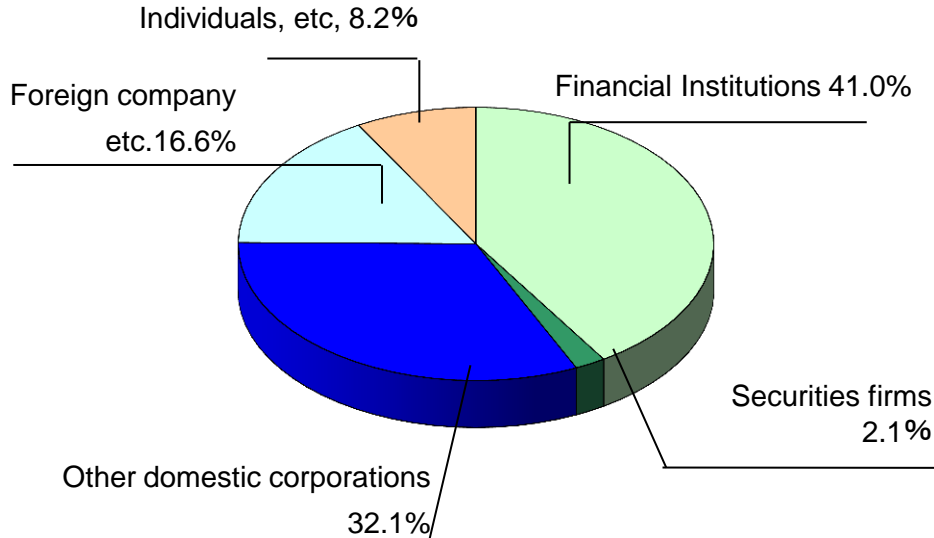
IBJL-TOSHIBA Leasing Company, Limited, Dai-ichi Leasing Co., Ltd.,
Toshiba Medical Finance Co., Ltd., Universal Leasing Co., Ltd.,
IBJ Auto Lease Company, Limited, KL Lease & Estate Co., Ltd. (building leases),
KL & Co., Ltd. (used property purchase/sales)

Shareholders (As of September 30, 2015)

○ Outstanding Shares: 42,649 thousand

○ Shareholders 19,690

○ 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
Japan Trustee Services Bank, Ltd.(Trust Account)	1,592	3.73
UNIZO Holdings Company, Limited	1,546	3.62
Meiji Yasuda Life Insurance Company	1,251	2.93
RBC ISB A/C DUB NON RESIDENT – TREATY RATE	1,250	2.93
DOWA HOLDINGS CO., LTD.	1,120	2.62
The Master Trust Bank of Japan, Ltd.(Trust Account)	1,113	2.61
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

Consolidated B/S (Assets)

(¥bn)

	Mar.31, 2012	Mar.31, 2013	Mar.31, 2014	Mar.31, 2015 (A)	Sep.30, 2015 (B)	Change (B) – (A)	Change (B)/(A)
Current Assets	1,229.1	1,265.6	1,356.0	1,434.4	1,475.9	+41.5	+2.9%
Cash and Cash equivalents	41.3	30.5	37.7	38.7	39.2	+0.5	+1.2%
Lease receivable	704.2	728.9	753.8	812.0	830.5	+18.5	+2.3%
Installment sales receivable	112.6	114.3	133.8	154.4	153.1	-1.3	-0.9%
Operational Loans	295.0	320.1	359.5	361.1	345.9	-15.2	-4.2%
Operational investment securities	48.9	48.8	40.7	38.6	78.0	+39.4	+102.0%
Marketable Securities	0.1	-	0.1	-	-	-	-
Allowance for doubtful receivables	-7.7	-4.4	-2.3	-1.0	-1.2	-0.2	-14.9%
Property & Equipment	103.9	106.7	106.2	117.3	138.5	+21.2	+18.0%
Leased assets	50.9	51.3	55.7	66.7	91.0	+24.3	+36.4%
Investment securities	16.8	20.7	24.3	28.6	27.1	-1.5	-5.1%
Doubtful operating receivables	19.2	18.5	11.4	8.9	8.8	-0.1	-2.1%
Allowance for doubtful receivables	-3.3	-3.2	-2.3	-2.1	-2.1	+0.0	+0.7%
Total Assets	1,333.0	1,372.2	1,462.2	1,551.7	1,614.3	+62.6	+4.0%

Operating Assets	1,211.3	1,263.1	1,343.0	1,432.3	1,498.0	+65.7	+4.6%
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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)	Sep.30, 2015 (B)	Change (B) – (A)	Change (B)/(A)
Current Liabilities	900.9	979.9	1,019.0	1,044.3	1,058.7	+14.4	+1.4%
Short-term borrowings	172.9	233.5	295.4	336.5	342.2	+5.7	+1.7%
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	138.0	+6.9	+5.3%
Commercial Paper	373.1	410.2	414.9	422.2	417.3	-4.9	-1.2%
Lease Payable	19.2	14.1	11.3	8.8	9.9	+1.1	+12.3%
Long-term Liabilities	357.3	307.5	333.4	384.1	425.7	+41.6	+10.8%
Long-term debt	345.7	286.1	287.8	322.7	360.1	+37.4	+11.6%
Corporate bond	-	10.0	30.0	40.0	40.0	-	-
Total Liabilities	1,258.2	1,287.3	1,352.3	1,428.4	1,484.4	+56.0	+3.9%
Net assets	74.7	84.9	109.8	123.3	129.9	+6.6	+5.4%
Shareholder`s equity	71.2	78.4	100.5	109.3	114.0	+4.7	+4.3%
Accumulated other comprehensive income	-0.5	1.9	4.3	8.6	10.3	+1.7	+21.0%
Non-controlling interests ※	4.0	4.6	5.0	5.4	5.5	+0.1	+2.4%
Total	1,333.0	1,372.2	1,462.2	1,551.7	1,614.3	+62.6	+4.0%
Interest-bearing debt	1,133.5	1,176.5	1,226.3	1,310.0	1,371.9	+61.9	+4.7%
Equity ratio	5.3%	5.9%	7.2%	7.6%	7.7%	+0.1%	

※ In the period from Mar.31, 2012 to Mar.31, 2015, minority interests is shown.

Consolidated statements of income

(¥bn)

	FY11 1st Half	FY12 1st Half	FY13 1st Half	FY14 1st Half (A)	FY15 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Revenues	128.9	178.8	177.0	168.9	166.2	-2.7	-1.6%
Gross profit before write-offs and funding costs	17.4	23.6	22.0	21.0	21.4	+0.4	+2.2%
Funding costs	2.4	3.4	3.1	3.1	3.2	+0.1	+3.8%
Gross profit	15.0	20.2	18.9	17.9	18.2	+0.3	+1.9%
SGA expenses	6.4	12.7	7.8	8.9	9.9	+1.0	+10.8%
Personnel, facilities costs	6.8	9.3	9.4	9.4	9.7	+0.3	+2.7%
Operating income	8.6	7.5	11.1	9.0	8.3	-0.7	-6.9%
Other income	0.8	0.7	0.6	0.7	0.7	-0.0	-2.9%
Other expenses	0.2	0.2	0.4	0.2	0.2	+0.0	+6.3%
Ordinary income	9.2	8.0	11.4	9.4	8.8	-0.6	-6.9%
Extraordinary income	—	0.0	0.1	-	0.4	+0.4	-
Extraordinary loss	0.0	0.0	0.0	0.1	0.0	-0.1	-53.8%
Income before income taxes	9.2	7.9	11.5	9.4	9.2	-0.2	-1.8%
Income taxes	3.9	3.3	4.2	3.3	3.0	-0.3	-9.3%
Net income attributable to non-controlling interests ※1	0.0	0.4	0.3	0.2	0.3	+0.1	+19.4%
Net income ※2	5.3	4.2	7.0	5.8	5.9	+0.1	+1.7%
Credit costs	-0.4	3.3	-1.7	-0.6	0.1	+0.7	-

※1 In the period from FY11 to FY14, minority interests in income is shown. ※2 In FY15, net income attributable to owners of the parent is shown.

Consolidated statement of comprehensive income

(¥bn)

	FY11 1 st Half	FY12 1 st Half	FY13 1 st Half	FY14 1 st Half (A)	FY15 1 st Half (B)	Change (B)-(A)	Change (B)/(A)
Net income before minority interests ※	5.4	4.6	7.2	6.0	6.2	+0.2	+2.4%
Unrealized gain on available-for-sale securities	-0.2	-0.5	0.7	0.6	1.8	+1.2	+181.3%
Deferred loss on derivatives under hedge accounting	-0.0	-0.1	0.0	-0.2	-0.1	+0.1	-13.2%
Foreign currency translation adjustments	0.0	0.0	0.6	-0.3	0.1	+0.4	-
Remeasurements of defined benefit plans, net of tax	-	-	-	-0.0	-0.0	+0.0	+259.1%
Share of other comprehensive income of associated companies	-0.0	0.0	0.2	-0.0	0.1	+0.1	-
Total other comprehensive income	-0.2	-0.5	1.5	0.2	1.8	+1.6	+929.7%
Total comprehensive income	5.2	4.1	8.8	6.2	7.9	+1.7	+28.1%

※In FY15 1st half, net income is shown.

Gross profit before write-offs and funding costs by segment

(¥bn)

	FY11 1st Half	FY12 1st Half	FY13 1st Half	FY14 1st Half (A)	FY15 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Revenues	128.9	178.8	177.0	168.9	166.2	-2.7	-1.6%
Leasing	119.2	166.6	161.4	152.0	154.0	+2.0	+1.3%
Installment sales	5.7	7.1	7.8	12.1	7.1	-5.0	-41.5%
Loans	3.0	3.8	3.3	3.7	3.7	-0.0	-0.2%
Other	1.2	1.7	5.0	1.5	1.9	+0.4	+27.4%
Elimination/Corporate	-0.3	-0.4	-0.4	-0.5	-0.5	+0.0	+6.7%
Cost of sales	111.5	155.2	155.0	147.9	144.8	-3.1	-2.1%
Leasing	106.5	148.9	145.1	136.5	138.5	+2.0	+1.5%
Installment sales	4.5	5.6	6.5	10.9	5.8	-5.1	-46.3%
Loans	0.2	0.2	0.1	0.3	0.2	-0.1	-39.2%
Other	0.4	0.7	3.4	0.5	0.5	-0.0	-13.0%
Elimination/Corporate	-0.1	-0.2	-0.2	-0.3	-0.2	+0.1	+16.2%
Gross profit before write-offs and funding costs	17.4	23.6	22.0	21.0	21.4	+0.4	+2.2%
Leasing	12.8	17.8	16.3	15.6	15.4	-0.2	-0.8%
Installment sales	1.2	1.5	1.3	1.2	1.2	+0.0	+1.4%
Loans	2.9	3.6	3.1	3.5	3.6	+0.1	+2.8%
Other	0.8	1.0	1.5	1.0	1.4	+0.4	+50.0%
Elimination/Corporate	-0.1	-0.3	-0.3	-0.2	-0.3	-0.1	+3.2%
Funding costs	2.4	3.4	3.1	3.1	3.2	+0.1	+3.8%
Gross profit	15.0	20.2	18.9	17.9	18.2	+0.3	+1.9%