

Presentation
Materials

FY2014 First-Half Financial Results Presentation Materials

November 11, 2014



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(Securities Code: 8425)

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.

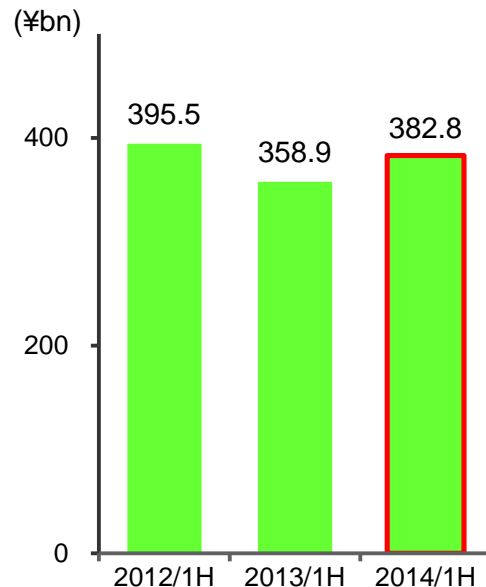
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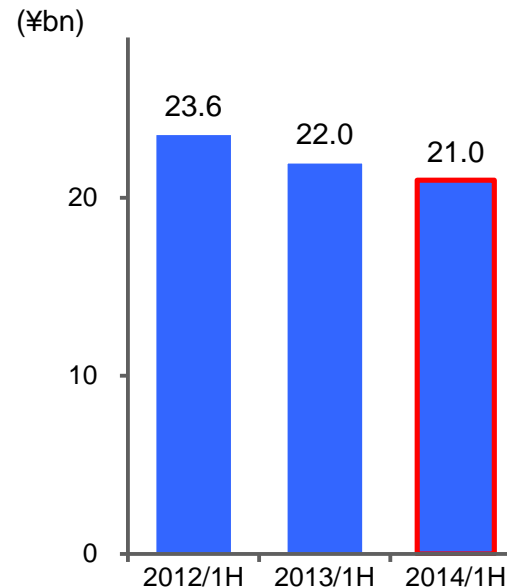
FY2014 First-Half Results Highlights

- Amid the dip in leasing demand due to the impacts of the consumption tax hike, we steadily pursued basic strategies and increased execution volume
- Although the accumulation of superior assets partially absorbed the impact of the drop in yields, gross profit before write-offs and funding costs fell slightly
- Net income declined, partially due to the drop in the credit cost reversal, but is still on track vis-à-vis forecast

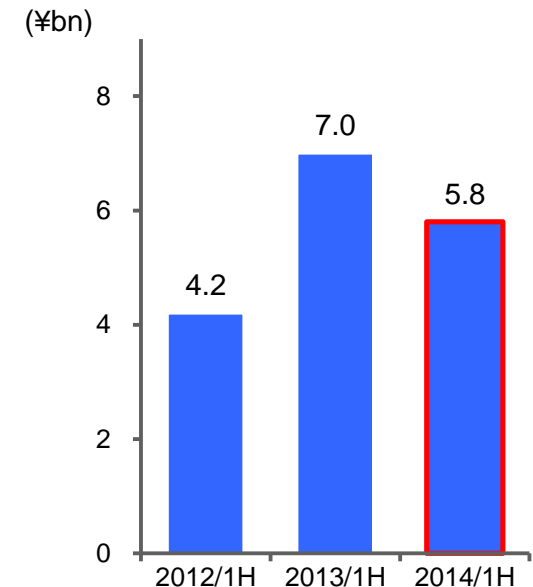
Contract Execution Volume



Gross profit before write-offs, funding costs



Net Income



I . Business Performance Overview

The Fourth Mid-term Management Plan (Year 2014—2016)

Basic strategies

Further enhance core earnings and build robust business infrastructure

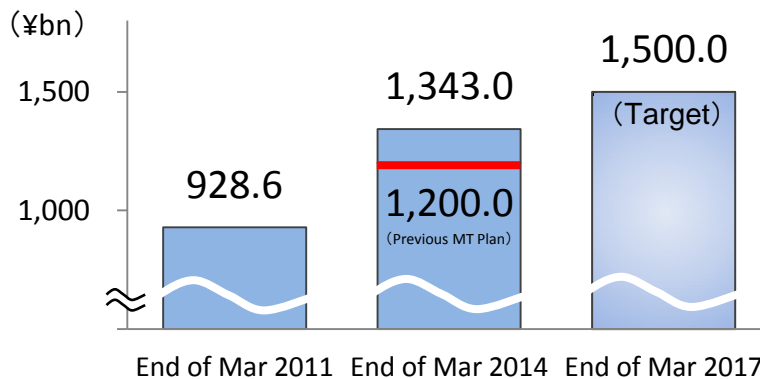
Improve quality and volume of special finance portfolio

Build robust infrastructure and expand business areas for offshore businesses

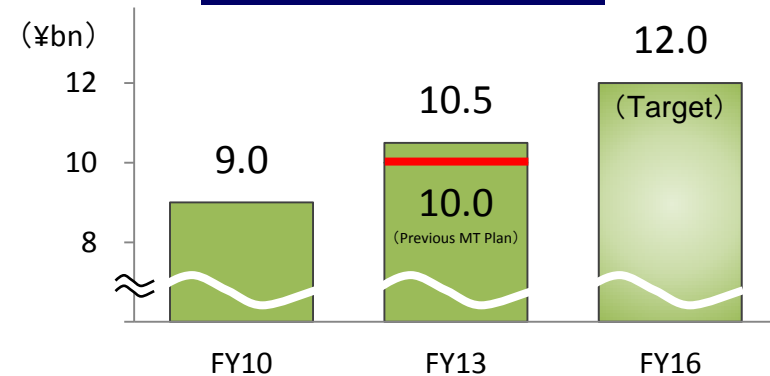
Build business infrastructure reflecting changes in business environment

Numerical targets

Operating Assets

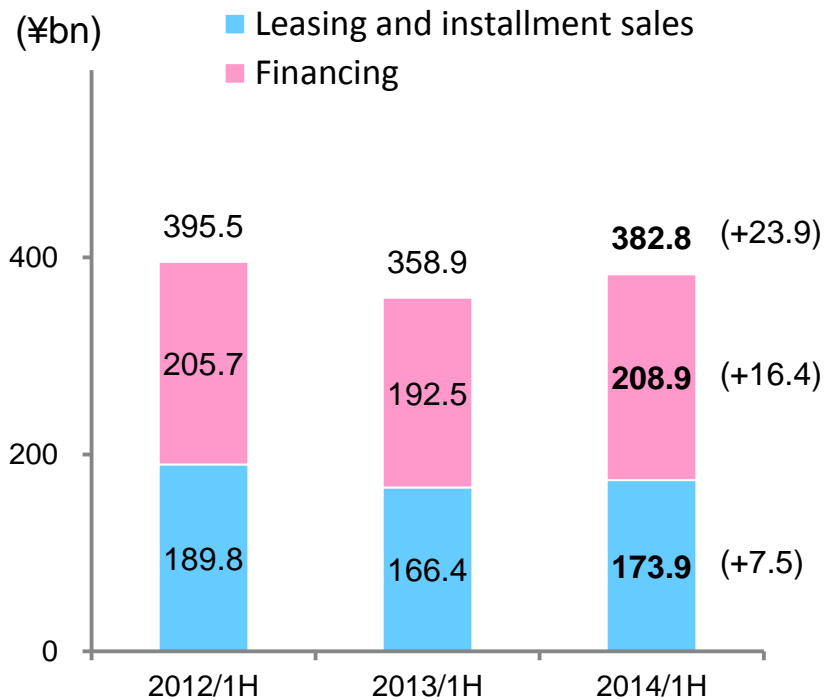


Net income

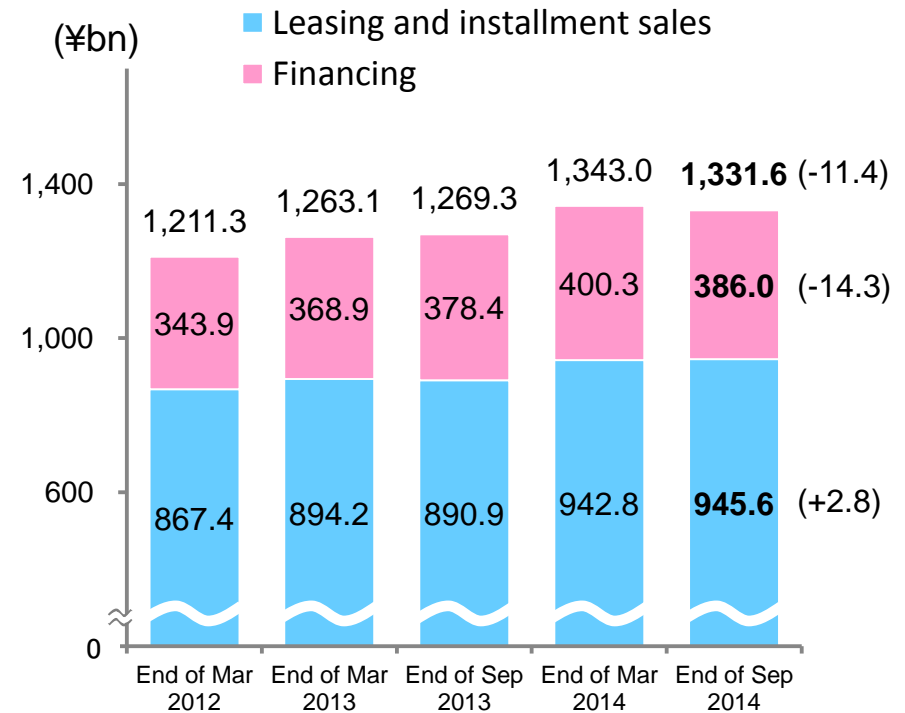


- Contract execution volume increased 7% y-o-y overall as both leasing and installment sales and financing grew
 - Leasing and installment sales increased 5% y-o-y, while financing grew 9% y-o-y
- The balance of operating assets inched down 1% versus March 31, 2014, but rose 5% y-o-y

Contract execution volume



Operating assets



Leasing and Installment Sales

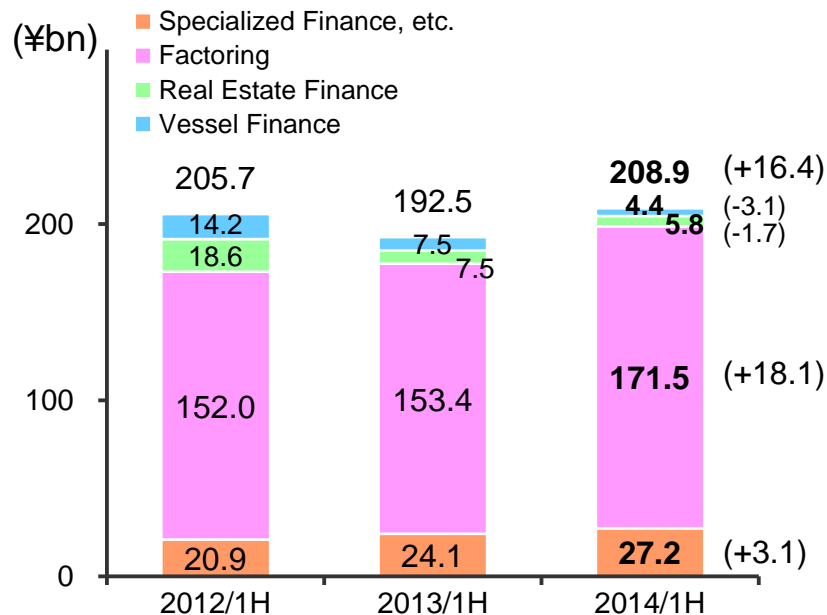
- We further increased performance from 1Q, and contract execution volume increased 5% y-o-y
 - Industrial and factory equipment execution volume recovered significantly, increasing 53% y-o-y in 2Q (July-Sep)
 - Domestic-related demand remained firm, as medical equipment execution volume in July-Sep recovered to being on par with the previous year
 - Other execution volume doubled as projects utilizing real estate leases were captured

Contract Execution Volume by Equipment Type

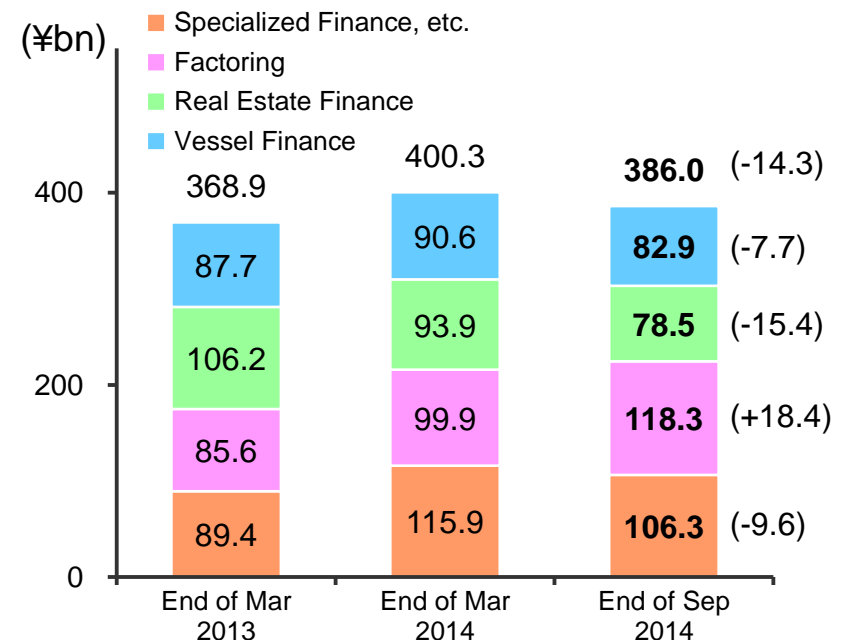
(¥bn)	FY12 1H	FY13 1H	FY14 1H	Change (%)
Industrial and factory	59.1	31.1	33.5	+ 2.4 (+8%)
Information and communications	41.1	48.0	27.3	-20.7 (-43%)
Transport	19.1	16.5	20.5	+4.0 (+25%)
Construction	17.9	21.2	25.9	+4.7 (+22%)
Medical	15.1	13.0	11.4	-1.6 (-12%)
Commerce and services	13.2	13.8	17.4	+3.6 (+26%)
Office equipment	6.6	6.6	5.0	-1.6 (-23%)
Other	17.6	16.2	32.8	+16.6 (+102%)
Total	189.8	166.4	173.9	+7.5 (+5%)

- Contract execution volume rose 9% y-o-y due to the increase in both Specialized Finance, etc. and Factoring
- The balance of operating assets was down 4% versus March 31, 2014
 - Specialized Finance, etc. declined due to the payoff of large projects, while aircraft financing and overseas syndicated loans steadily increased
 - Real Estate Finance saw a decline in short-term loans associated with property sales
 - Vessel Finance saw a decline in funding execution value (=contract execution volume), but there was an increase in new contract value

Contract Execution Volume



Operating Assets



Sales Activities (Leasing and Installment Sales)

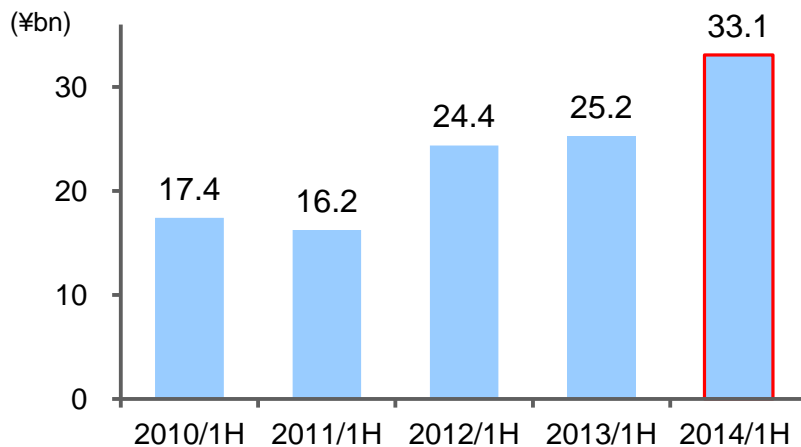
[Distribution and Retail]

- Expanded the customer base by aggressively carrying out real estate leasing, including bolstering joint sales with businesses developing stores
- In addition to in-store equipment, we were successful with environment-related sales, including energy-saving equipment

[Medical and Caring]

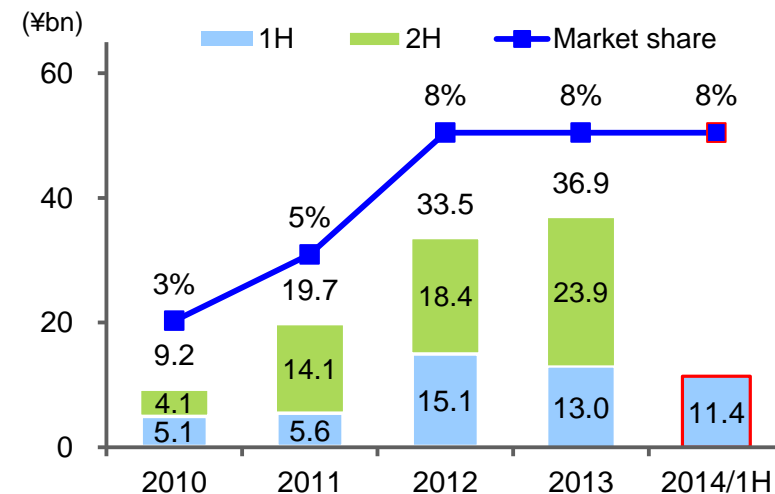
- Secured a solid market share in the industry, despite the fiercely competitive environment stemming from the drop in demand due to the consumption tax increase
- In addition to introducing medical equipment, we focused on capturing needs for investments in new and upgraded facilities

Contract Execution Volume for Retail, etc.



(Note) Leasing, Installment sales contracts execution for retail, wholesale, restaurant corporates.

Contract Execution Volume for Medical Equipment



Sales Activities (Financing)

[Aircraft Financing]

- Proactively engaged in aircraft-backed collateral loans to leading airlines, and significantly grew the asset portfolio

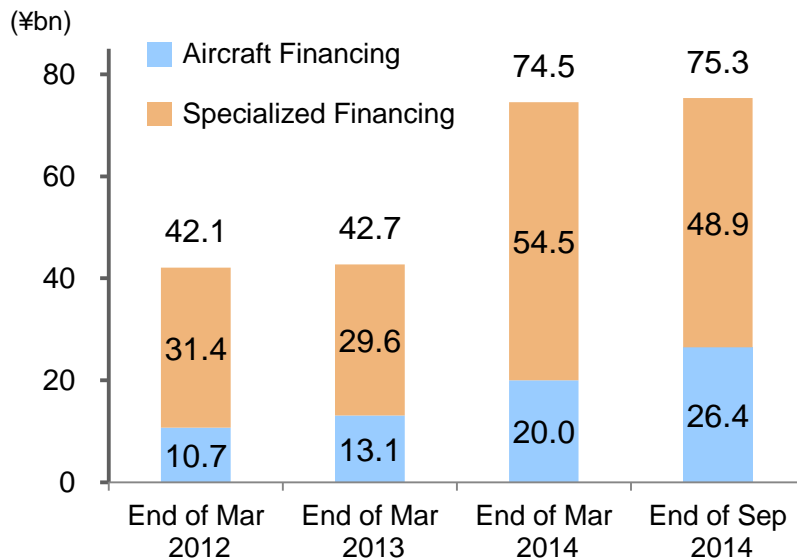
[Specialized Financing]

- In cross-border syndicated loans, we accumulated superior assets while achieving diversification

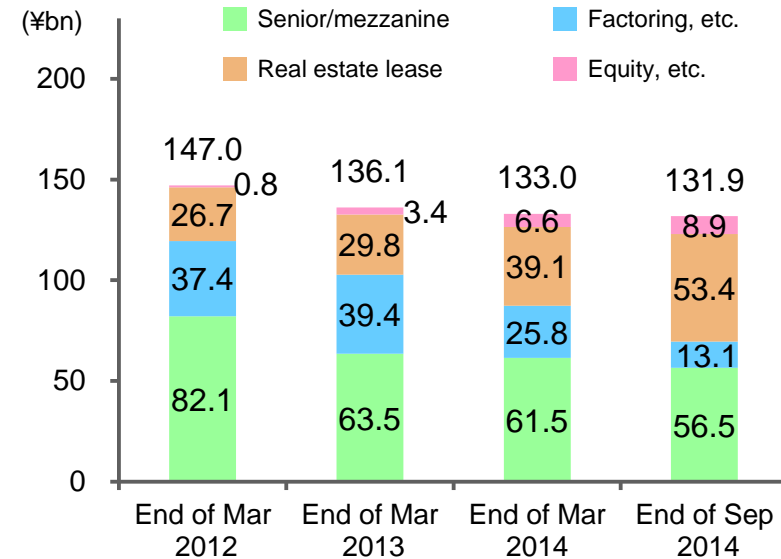
[Real Estate-related Business]

- Pursued portfolio reshuffling, including real estate leases and bridge loans to REITs

Balance of Aircraft and Specialized Financing



Balance of Real Estate-related Business



Sales Activities (Overseas)

- We continued to proactively support Japanese companies' overseas business development in Asia, where Japanese companies are growing
 - Pursued focused sales on automotive-related Japanese companies, capturing a wide range of funding needs
 - Leveraged our special characteristics as a leasing company to respond to diverse needs
- Focused on capturing projects through collaboration with Mizuho and in partnership with Toshiba Group

【Asia Site Expansion】



II . Financial Results Overview

Consolidated P/L

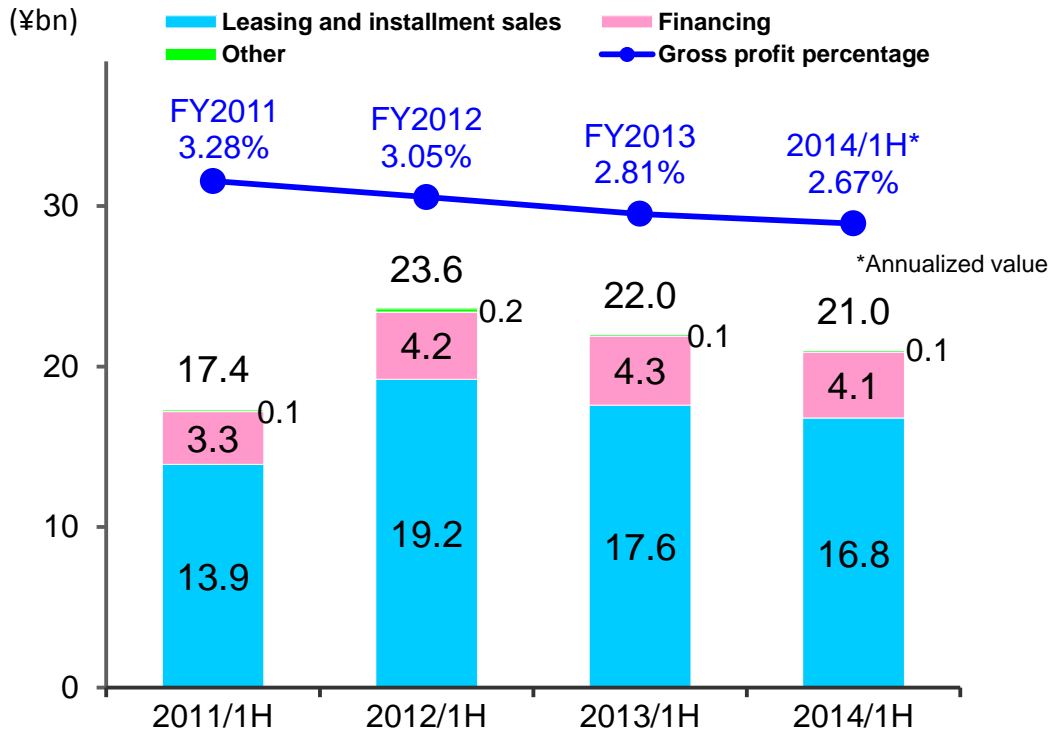
- The top line dropped slightly, but basic strategies of the Mid-term Management Plan were steadily promoted and operating assets were expanded
- There was a ¥0.6 billion credit cost reversal as credit costs were kept low
- 1H results exceeded 50% of full-year forecasts

Consolidated P/L (¥bn)	FY12 1H	FY13 1H (A)	FY14 1H (B)	Change (B)-(A)	Percentage Change (B)/(A)	FY14 Forecast <% progress>
Revenues	178.8	177.0	168.9	-8.1	-5%	<48%> 355.0
Gross profit before write-offs, funding costs	23.6	22.0	21.0	-1.0	-5%	—
(Funding costs)	(3.4)	(3.1)	(3.1)	(0)	(+2%)	—
Gross profit	20.2	18.9	17.9	-1.0	-6%	—
(General expenses)	(9.3)	(9.4)	(9.4)	(0)	(+0%)	—
Operating income	7.5	11.1	9.0	-2.1	-20%	<54%> 16.7
Ordinary income	8.0	11.4	9.4	-2.0	-17%	<54%> 17.4
(Ordinary income before write-offs)	(11.3)	(9.7)	(8.8)	(-0.9)	(-9%)	—
(Credit costs)	(3.3)	(-1.7)	(-0.6)	(+1.1)	(+64%)	—
Net income	4.2	7.0	5.8	-1.2	-17%	<53%> 11.0
Operating Assets	1,237.4	1,269.3	1,331.6	+62.3	+5%	—

Profitability

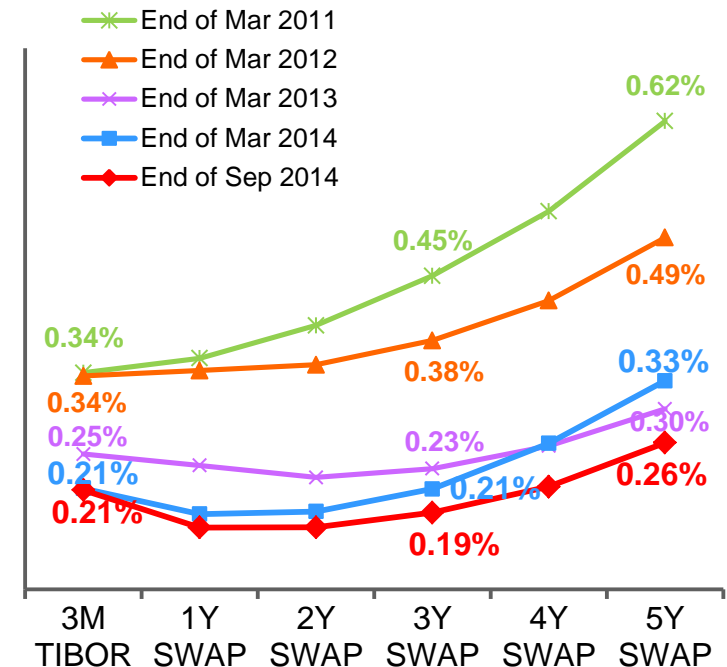
- Yields continued to decline as market rates dropped further and the yield curve became increasingly flat
- The increase in operating assets partially absorbed the impact of the decline in yields, but there was a drop in gross profit before write-offs and funding costs
- The flow base spread continued to improve, but gross profit margin fell

Gross Profit Before Write-offs, Funding Costs



Note: Gross profit percentage = Gross profit / Operating Assets (average balance)

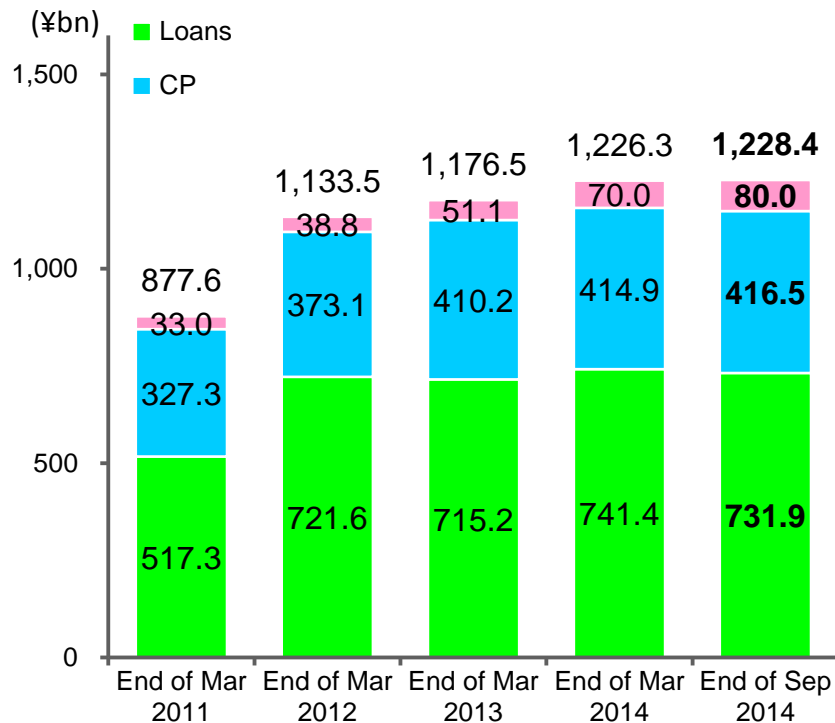
Yield curve of market interest rate



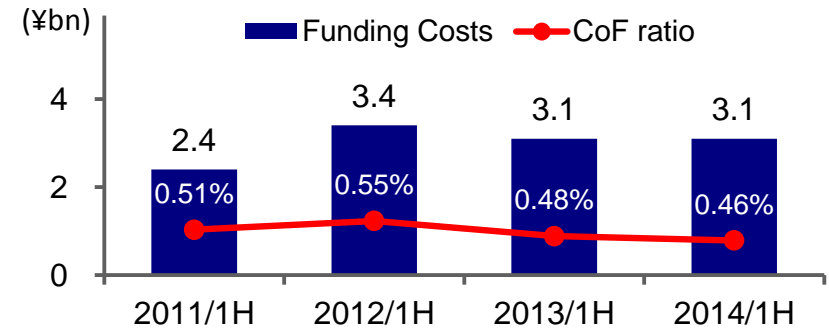
Interest-bearing Debt and Net Assets

- Funding costs were low and stable due to the continued issuance of CP and corporate bonds, as well as the revision of the funding mix, etc.
 - Market ratio: Maintained around 40%, issued our first-ever 5-year bonds in our 4th issuance of corporate bonds
- Net assets increased ¥4.9 billion versus March 31, 2014, to ¥114.7 billion, as a result of the accumulation of net income and other factors

Interest-bearing Debt



Funding Costs (%)



Note: CoF ratio = Funding costs/Operating assets (average balance)

Net assets/ Equity ratio

(¥bn)	End of Mar 2011	End of Mar 2012	End of Mar 2013	End of Mar 2014	End of Sep 2014
Net assets	69.4	74.7	84.9	109.8	114.7
Equity ratio	6.7%	5.3%	5.9%	7.2%	7.6%

III. Business and Dividend Forecast

Business and Dividend Forecasts

- We expect the modest recovery trend in personal consumption and capital investment to continue in the fiscal second half
- We will steadily promote basic strategies aimed at achieving targets in first year of Mid-term Management Plan
- We passed a resolution to pay an interim dividend of ¥28 per share. Adding this to the year-end dividend of ¥28 per share (planned), we plan to pay an annual dividend of ¥56 per share (¥2 per share increase), marking the 13th straight year of increase

(¥bn)	FY2013 (Results) (A)	FY2014 (Forecast) (B)		Progress rate	Change (B)-(A)	Percentage change (B)/(A)
		1H				
Revenues	354.8	355.0	168.9	48%	+0.2	+0%
Operating income	16.7	16.7	9.0	54%	0	+0%
Ordinary income	17.4	17.4	9.4	54%	0	+0%
Net income	10.5	11.0	5.8	53%	+0.5	+4%
Annual dividend	¥54	¥56	+¥2			
Interim dividend	¥26	(Resolved) ¥28	+¥2			
Year-end dividend	¥28	(Plan) ¥28	—			

Appendix

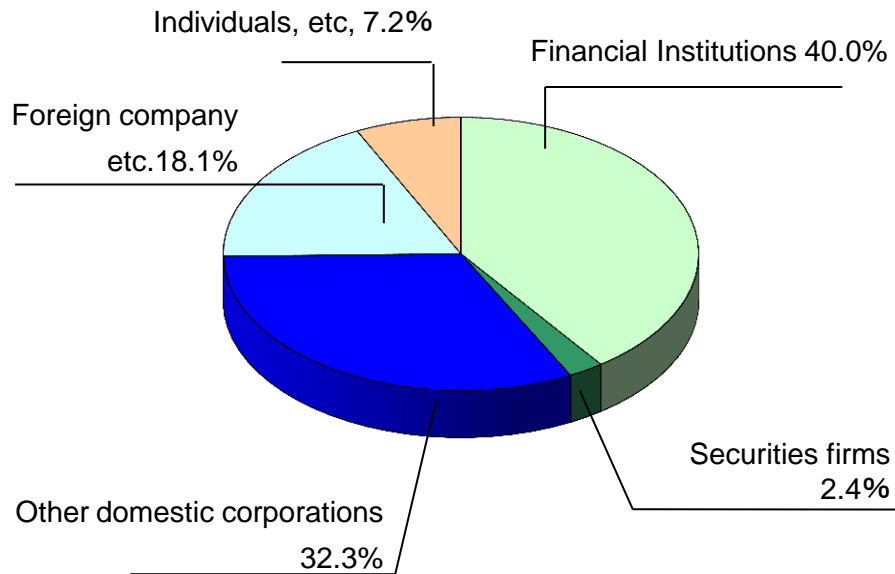
Company Name:	IBJ Leasing Company, Limited
Address:	1-2-6 Toranomom, Minato-ku, Tokyo 105-0001
Business:	Multimodal financial services
Representative:	Setsu Onishi, President and CEO
Establishment:	December 1, 1969
Listing:	Tokyo Stock Exchange, 1st Section (Code:8425)
Capital Stock:	¥17.87 billion (outstanding shares:42,649thousand)
Employees:	1,059 (As of September 30, 2014)

Shareholders (As of September 30, 2014)

○ Outstanding Shares: 42,649 thousand ○ Largest shareholders

○ Shareholders 14,862

○ Shareholder Distribution (Holding ratio)



Note: Shareholding ratio is the percentage of total outstanding shares

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
Jowa Holdings Company, Limited	1,546	3.62
The Master Trust Bank of Japan, Ltd.(Trust Account)	1,469	3.44
Meiji Yasuda Life Insurance Company	1,251	2.93
DOWA HOLDINGS CO., LTD.	1,120	2.63
Japan Trustee Services Bank, Ltd.(Trust Account)	1,067	2.50
RBC ISB A/C DUB NON RESIDENT – TREATY RATE	1,014	2.37
NIPPON STEEL KOWA REAL ESTATE CO., LTD.	975	2.28
The Kyoritu Co., Ltd.	949	2.23
Japan Trustee Services Bank, Ltd.(TOSHIBA CORPORATION Retirement Benefit Trust Account re-trusted by the Mitsui Sumitomo Trust & Banking Co.,Ltd.)	900	2.11

**IBJ
Leasing
Co., Ltd**

14 domestic
offices

Expanding the customer base: Utilizing client base held by operating companies and financial institutions

IBJL-TOSHIBA Leasing

Main Customer: Toshiba
Group and its customers

Dai-ichi Leasing

Main Customer: Dai-ichi Life
Insurance and its customers

Nissan Leasing

Main Customer: Nissan Motor
Group and its customers

Toshiba Medical Finance

Universal Leasing

Higashi-Nippon Leasing

Affiliates:

Toho Lease

Juhachi Sogo Lease

Specialized functions and services: Diversifying service offerings to complement IBJ leasing's functions

IBJ Auto Lease
[Auto leasing]

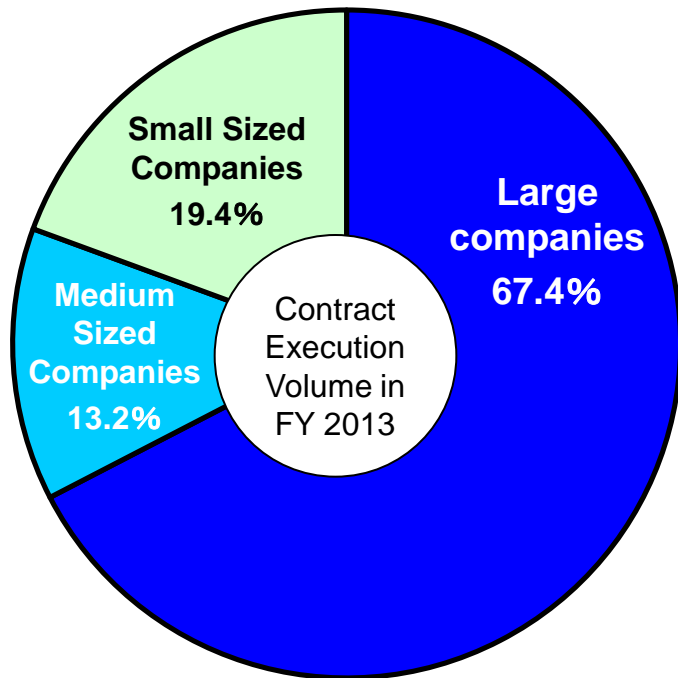
KL Lease & Estate
[Real-estate leasing]

KL & Co.
[Used asset sales]

Overseas subsidiaries: Active player in dynamic Asian markets

Asia: China (HQ: Shanghai, Office: Guangzhou), Indonesia, Thailand, Philippines
Europe: UK

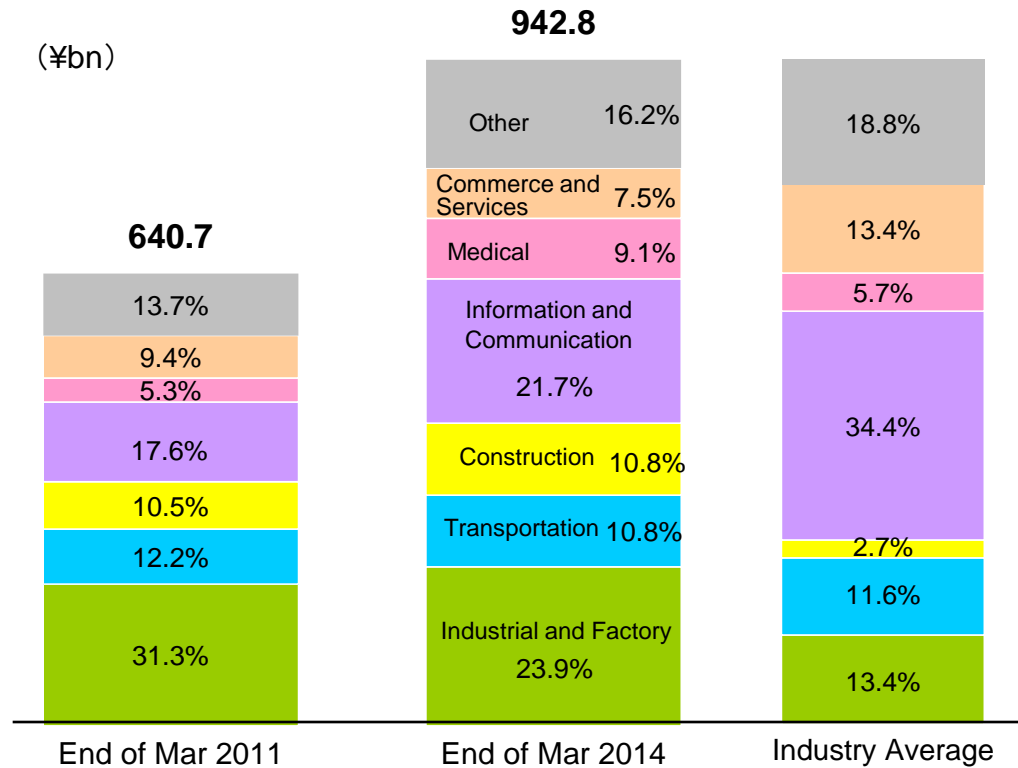
Contract Execution Volume by Corporate Size



- * Large companies : Capital more than ¥1,000M
- Medium Sized Companies : Capital more than ¥100M and less than ¥1,000M
- Small Sized Companies : Capital Less than ¥100M

** Excluding contract directed at SPC transactions

Balance of operating assets (Leasing and Installment sales) by equipment type



*Industry Average : Averaged 5 year business volume which announced by Japan Leasing Association. (FY13 is preliminary figures)

Consolidated B/S (Assets)

(¥bn)

	Mar.31, 2011	Mar.31, 2012	Mar.31, 2013	Mar.31, 2014 (A)	Sep.30, 2014 (B)	Change (B) – (A)	Change (B)/(A)
Current Assets	947.9	1,229.1	1,265.6	1,356.0	1,328.3	-27.7	-2.0%
Cash and cash equivalents	37.7	41.3	30.5	37.7	34.5	-3.2	-8.4%
Lease receivables	511.7	704.2	728.9	753.8	738.3	-15.5	-2.1%
Installment sales receivables	95.1	112.6	114.3	133.8	138.5	+4.7	+3.5%
Operational loans	241.9	295.0	320.1	359.5	362.6	+3.1	+0.8%
Operational investment securities	46.0	48.9	48.8	40.7	23.4	-17.3	-42.6%
Marketable securities	0.7	0.1	-	0.1	0.1	+0	+6.3%
Allowance for doubtful receivables	-4.6	-7.7	-4.4	-2.3	- 2.0	+0.3	+14.5%
Property & Equipment	80.1	103.9	106.7	106.2	119.4	+13.2	+12.4%
Leased assets	34.5	50.9	51.3	55.7	69.4	+13.7	+24.5%
Investment securities	20.9	16.8	20.7	24.3	25.4	+1.1	+4.7%
Doubtful operating receivables	10.4	19.2	18.5	11.4	10.2	-1.2	-10.4%
Allowance for doubtful receivables	-0.9	-3.3	-3.2	-2.3	-2.2	+0.1	+5.0%
Total Assets	1,028.0	1,333.0	1,372.2	1,462.2	1,447.7	-14.5	-1.0%
Operating Assets	928.6	1,211.3	1,263.1	1,343.0	1,331.6	-11.4	-0.9%

Consolidated B/S (Liabilities and Net worth)

(¥bn)

	Mar.31, 2011	Mar.31, 2012	Mar.31, 2013	Mar.31, 2014 (A)	Sep.30, 2014 (B)	Change (B) – (A)	Change (B)/(A)
Current Liabilities	705.9	900.9	979.9	1,019.0	977.1	-41.9	-4.1%
Short-term borrowings	137.5	172.9	233.5	295.4	296.2	+0.8	+0.3%
Current portion of long-term debt	138.9	203.0	195.5	158.1	138.3	-19.8	-12.5%
Commercial Paper	327.3	373.1	410.2	414.9	416.5	+1.6	+0.4%
Lease Payable	15.4	19.2	14.1	11.3	9.6	-1.7	-15.3%
Long-term Liabilities	252.7	357.3	307.5	333.4	355.9	+22.5	+6.7%
Long-term debt	241.0	345.7	286.1	287.8	297.4	+9.6	+3.3%
Corporate bond	-	-	10.0	30.0	40.0	+10.0	+33.3%
Total Liabilities	958.6	1,258.2	1,287.3	1,352.3	1,333.0	-19.3	-1.4%
Net assets	69.4	74.7	84.9	109.8	114.7	+4.9	+4.5%
Shareholder`s equity	68.7	71.2	78.4	100.5	105.1	+4.6	+4.6%
Accumulated other comprehensive income	-0.3	-0.5	1.9	4.3	4.5	+0.2	+4.7%
Minority interest	1.0	4.0	4.6	5.0	5.1	+0.1	+1.8%
Total	1,028.0	1,333.0	1,372.2	1,462.2	1,447.7	-14.5	-1.0%
Interest-bearing debt	877.6	1,133.5	1,176.5	1,226.3	1,228.4	+2.1	+0.2%
Equity ratio	6.7%	5.3%	5.9%	7.2%	7.6%	+0.4%	

Consolidated statements of income

(¥bn)

	FY10 1st Half	FY11 1st Half	FY12 1st Half	FY13 1st Half (A)	FY14 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Revenues	128.6	128.9	178.8	177.0	168.9	-8.1	-4.6%
Gross profit before write-offs and funding costs	18.9	17.4	23.6	22.0	21.0	-1.0	-4.7%
Funding costs	3.0	2.4	3.4	3.1	3.1	+0	+1.7%
Gross profit	15.9	15.0	20.2	18.9	17.9	-1.0	-5.7%
SGA expenses	7.6	6.4	12.7	7.8	8.9	+1.1	+14.3%
Personnel, facilities costs	6.3	6.8	9.3	9.4	9.4	+0	+0.3%
Operating income	8.3	8.6	7.5	11.1	9.0	-2.1	-19.6%
Other income	0.5	0.8	0.7	0.6	0.7	+0.1	+13.3%
Other expenses	0.2	0.2	0.2	0.4	0.2	-0.2	-38.5%
Ordinary income	8.6	9.2	8.0	11.4	9.4	-2.0	-17.3%
Extraordinary income	0.0	—	0.0	0.1	-	-0.1	-
Extraordinary loss	0.3	0.0	0.0	0.0	0.1	+0.1	+86.3%
Income before income taxes	8.3	9.2	7.9	11.5	9.4	-2.1	-18.4%
Income taxes	3.4	3.9	3.3	4.2	3.3	-0.9	-21.3%
Minority interests in income	0.1	0	0.4	0.3	0.2	-0.1	-11.5%
Net income	4.8	5.3	4.2	7.0	5.8	-1.2	-16.9%
Credit costs	1.2	-0.4	3.3	-1.7	-0.6	+1.1	+64.0%

Consolidated statement of comprehensive income

(¥bn)

	FY10 1 st Half	FY11 1 st Half	FY12 1 st Half	FY13 1 st Half (A)	FY14 1 st Half (B)	Change (B)-(A)	Change (B)/(A)
Net income before minority interests	4.9	5.4	4.6	7.2	6.0	-1.2	-16.7%
Unrealized gain on available-for-sale securities	-0.6	-0.2	-0.5	0.7	0.6	-0.1	-9.9%
Deferred loss on derivatives under hedge accounting	-0.1	-0.0	-0.1	0.0	-0.2	-0.2	-
Foreign currency translation adjustments	-0.2	0.0	0.0	0.6	-0.3	-0.9	-
Remeasurements of defined benefit plans, net of tax	-	-	-	-	-0	-0	-
Share of other comprehensive income of associated companies	0.0	-0.0	0.0	0.2	-0	-0	-
Total other comprehensive income	-0.9	-0.2	-0.5	1.5	0.2	-1.3	-88.9%
Total comprehensive income	4.0	5.2	4.1	8.8	6.2	-2.6	-29.4%

Gross profit before write-off s and funding costs by segment

(¥bn)

	FY10 1st Half	FY11 1st Half	FY12 1st Half	FY13 1st Half (A)	FY14 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Revenues	128.6	128.9	178.8	177.0	168.9	- 8.1	- 4.6%
Leasing	118.0	119.2	166.6	161.4	152.0	- 9.4	- 5.8%
Installment sales	6.8	5.7	7.1	7.8	12.1	+ 4.3	+ 56.1%
Loans	3.0	3.0	3.8	3.3	3.7	+ 0.4	+ 14.3%
Other	1.1	1.2	1.7	5.0	1.5	- 3.5	- 70.2%
Elimination/Corporate	-0.2	-0.3	-0.4	-0.4	-0.5	- 0.1	- 15.0%
Cost of sales	109.7	111.5	155.2	155.0	147.9	- 7.1	- 4.6%
Leasing	104.0	106.5	148.9	145.1	136.5	- 8.6	- 6.0%
Installment sales	5.3	4.5	5.6	6.5	10.9	+ 4.4	+ 68.6%
Loans	0.1	0.2	0.2	0.1	0.3	+ 0.2	+ 111.1%
Other	0.3	0.4	0.7	3.4	0.5	- 2.9	- 84.5%
Elimination/Corporate	-0.0	-0.1	-0.2	-0.2	- 0.3	- 0.1	- 45.1%
Gross profit before write-offs and funding costs	18.9	17.4	23.6	22.0	21.0	- 1.0	- 4.7%
Leasing	13.9	12.8	17.8	16.3	15.6	- 0.7	- 4.3%
Installment sales	1.5	1.2	1.5	1.3	1.2	- 0.1	- 6.1%
Loans	2.9	2.9	3.6	3.1	3.5	+ 0.4	+ 10.3%
Other	0.8	0.8	1.0	1.5	1.0	- 0.5	- 37.8%
Elimination/Corporate	-0.2	-0.1	-0.3	-0.3	- 0.2	+0.1	+ 5.4%
Funding costs	3.0	2.4	3.4	3.1	3.1	+ 0	+ 1.7%
Gross profit	15.9	15.0	20.2	18.9	17.9	- 1.0	- 5.7%