

Presentation
Materials

FY2013 First-Half Financial Results Presentation Materials

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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.

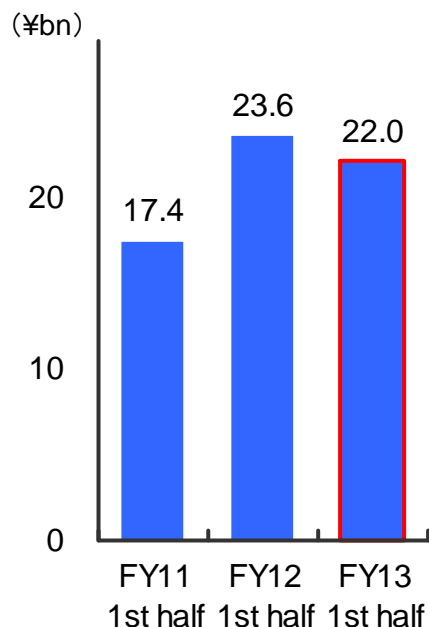
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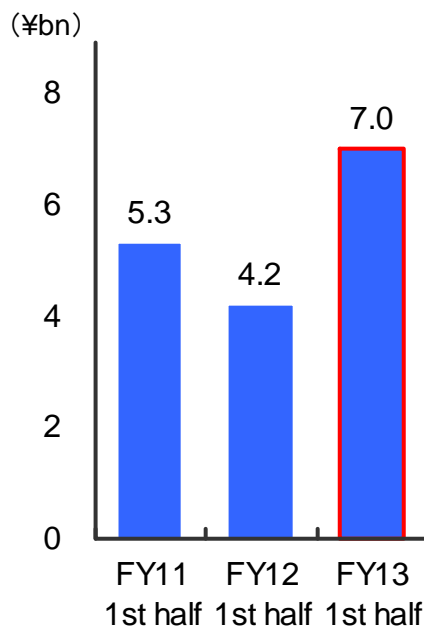
FY2013 First-Half Results Highlights

- Despite lower gross profit before write-offs and funding costs, net income surged due to lower credit costs and lower funding costs
- Operating assets grew steadily while ensuring that they were high quality

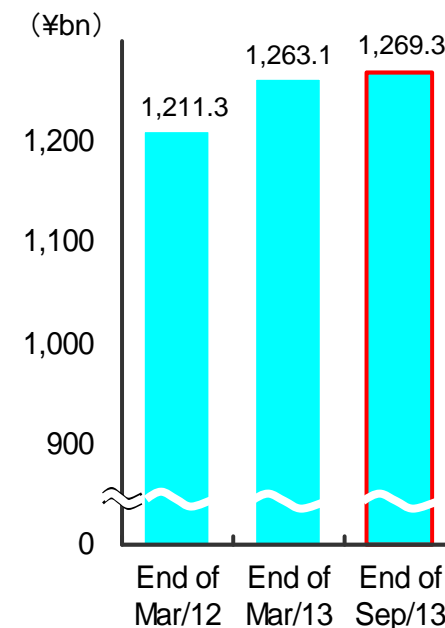
Gross Profit Before Write-offs and Funding Costs



Net Income



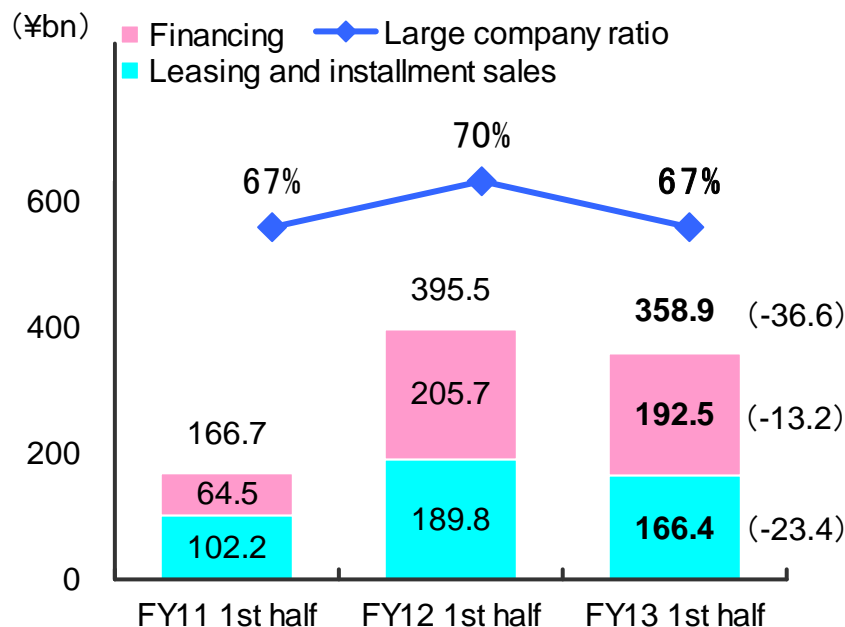
Operating Assets



I. Business Performance Overview

- **Contract execution volume declined ¥36.6bn year on year due to the downturn following the nonrecurrence of some large projects executed in the previous fiscal year**
 - Transactions with large companies declined ¥36.4bn to ¥218.1bn
- **The balance of operating assets at the end of September was roughly unchanged versus March 31, 2013**

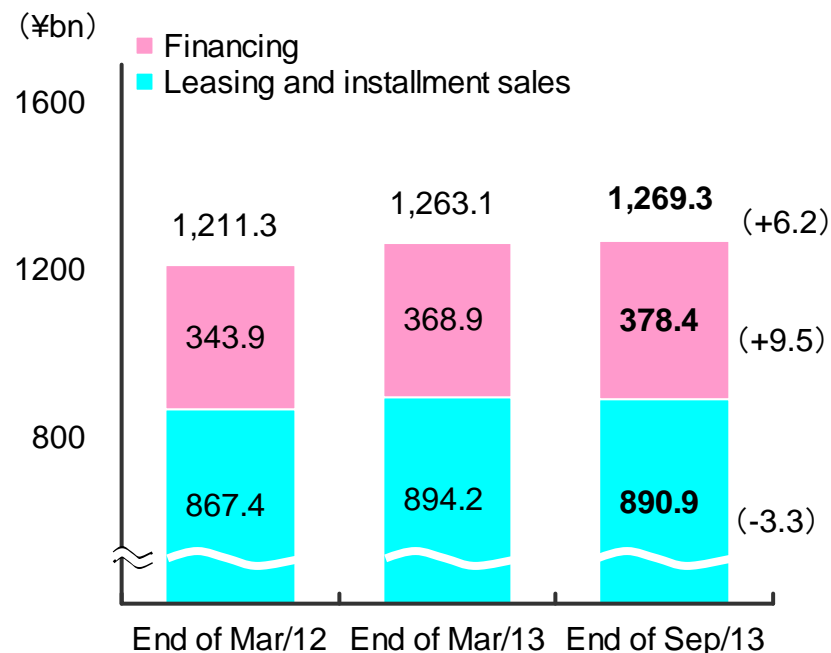
Contract Execution Volume



*Large companies: capital stock in excess of ¥1bn

*Large company ratio: Ratio of contract volume from large companies (excluding special purpose companies, etc.)

Operating Assets



Industrial and Factory

Downturn following the nonrecurrence of some large projects executed in the previous fiscal year

Information and Communications

Captured large-scale investment in communications equipment

Transport

Demand declined as benefits of subsidies faded

Construction

Captured demand from domestic rental companies; China business robust

Medical

Captured considerable volume despite the decline in large projects

Commerce and Services/Other

Business robust having captured demand in both the distribution and retail sector and in the logistics sector

Contract Execution Volume by Equipment Type

(¥bn)	FY11 1st Half	FY12 1st Half	FY13 1st Half	Change (%)
Industrial and Factory	15.0	59.1	31.1	-28.0 (-48%)
Information and Communications	25.6	41.1	48.0	+6.9 (+17%)
Transport	15.8	19.1	16.5	-2.6 (-14%)
Construction	15.3	17.9	21.2	+3.3 (+19%)
Medical	5.6	15.1	13.0	-2.1 (-14%)
Commerce and Services	12.3	13.2	13.8	+0.6 (+5%)
Office Appliance	4.2	6.6	6.6	0.0 (-1%)
Other	8.5	17.6	16.2	-1.4 (-8%)
Total	102.2	189.8	166.4	-23.4 (-12%)

Expanding Business Focused on Internal Demand Industries

Distribution and Retail, Logistics

- **Steadily captured demand for solar power generation and other energy-saving equipment in addition to store equipment**
- **Leveraged real-estate leases to support portfolio expansion of large, blue-chip companies**
 - Expanded business through collaboration with store developers

Medical

- **Leveraged the sales networks of Siemens and Toshiba Medical**
 - Bolstered vendor finance business infrastructure to sharply expand business

Medical Equipment Contract Execution Volume (¥bn)

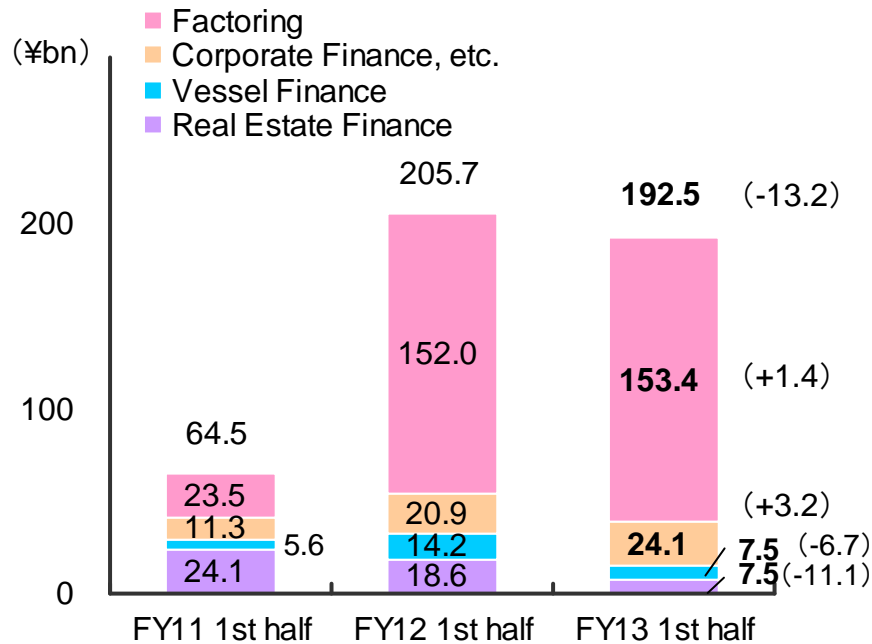
	FY10	FY11	FY12	FY13 1 st Half
Leasing	7.6	11.9	19.6	8.0
(market share)	(3.0%)	(4.6%)	(7.6%)	(6.2%)
Installment sales	1.6	7.8	13.9	5.0
Total	9.2	19.7	33.5	13.0



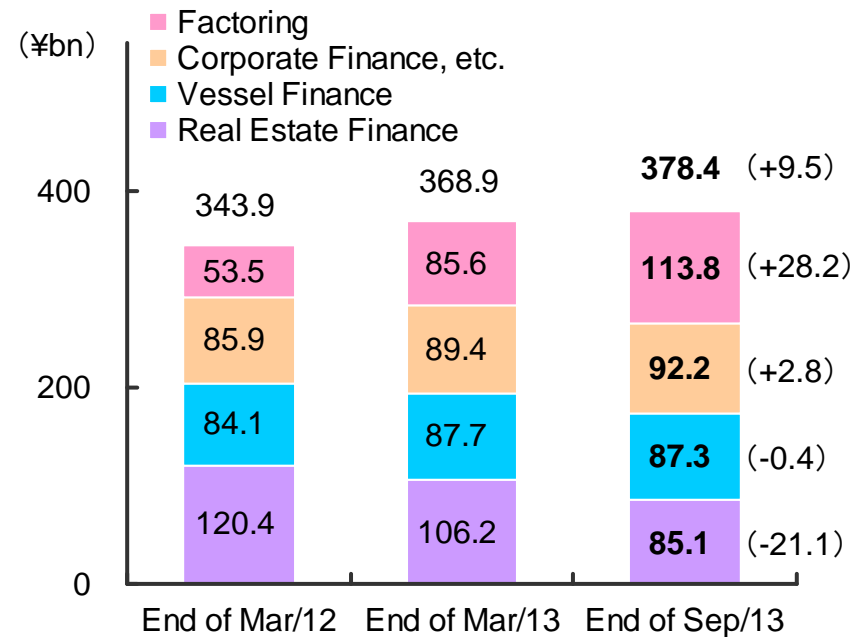
Financing Overview

- Contract execution volume declined ¥13.2bn year on year to ¥192.5bn**
 - Real-estate and Vessel finance declined due to the imposition of stricter standards
- Operating assets grew steadily by ¥9.5bn from March 31, 2013**
 - Accumulated high-quality assets in Aircraft and Overseas Project financing

Contract Execution Volume



Operating Assets



Sales Activities (Financing)

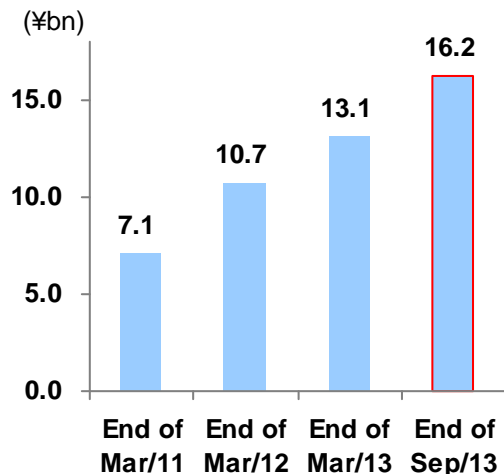
Aircraft Financing

- Provided aircraft-backed collateral loans to domestic and foreign airlines as well as operating lease companies
 - Steadily increased assets while distributing risk

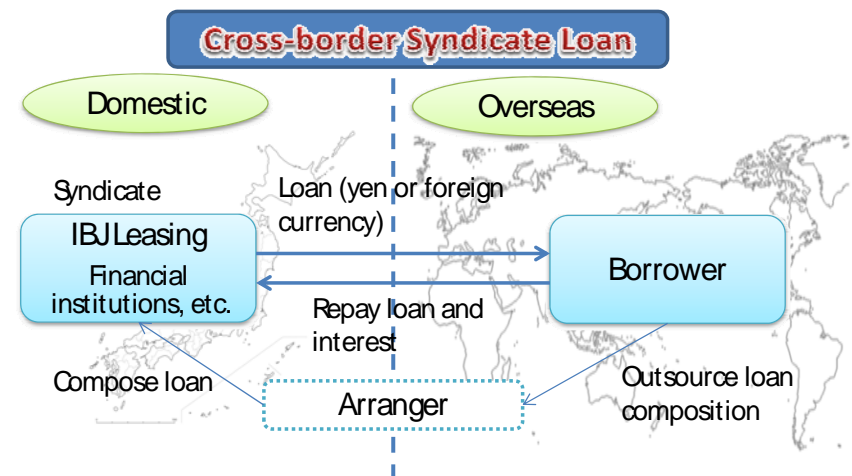
New Financing Initiatives

- Overseas project finance and cross-border loans via banks, etc.
- Diversifying projects through renewable energy and initiatives such as PPP and PFI

Aircraft Finance Assets



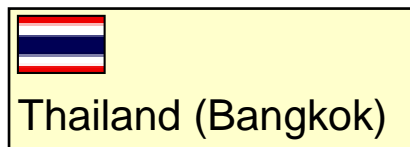
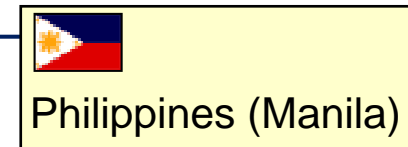
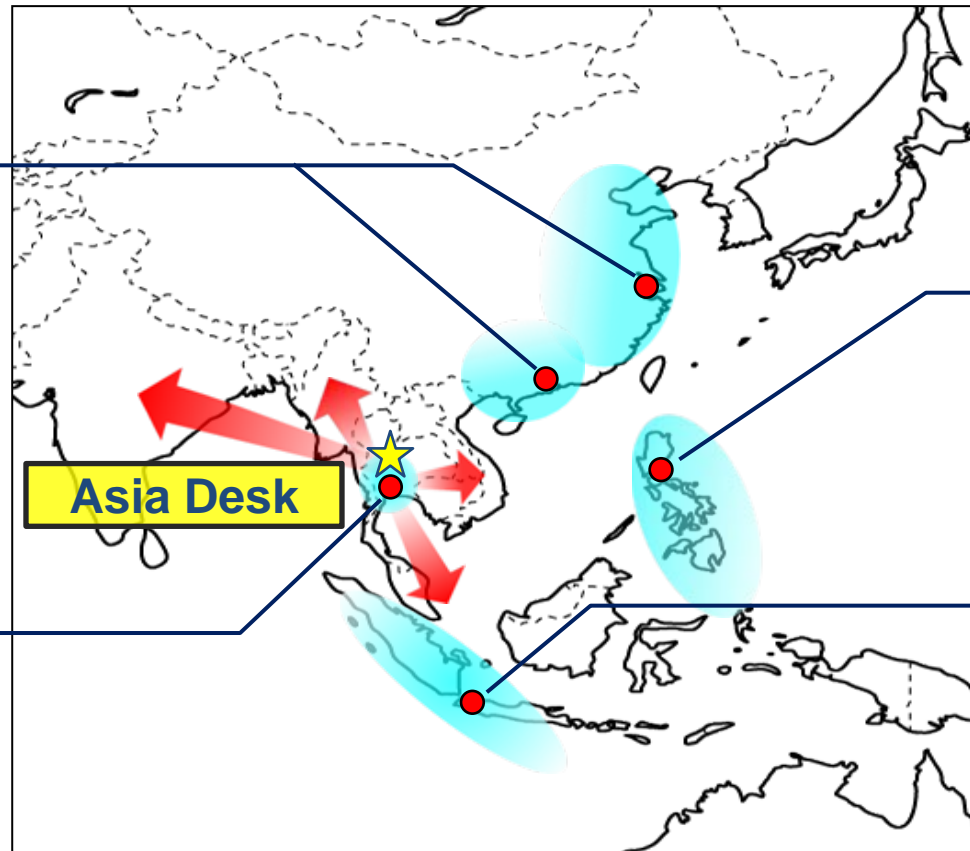
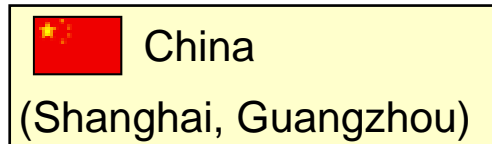
New Financing Initiatives



Sales Activities (Overseas)

- **Supported overseas expansion of Japanese companies, primarily in Asia**
 - Overseas sites, Asia Desk and domestic branches collaborated to grow business
 - Overseas sites nurtured new business and projects were also captured through domestic RM activities
- **Steadily expanded Toshiba Group projects through collaboration with IBJL-TOSHIBA Leasing**

Asia Site Expansion



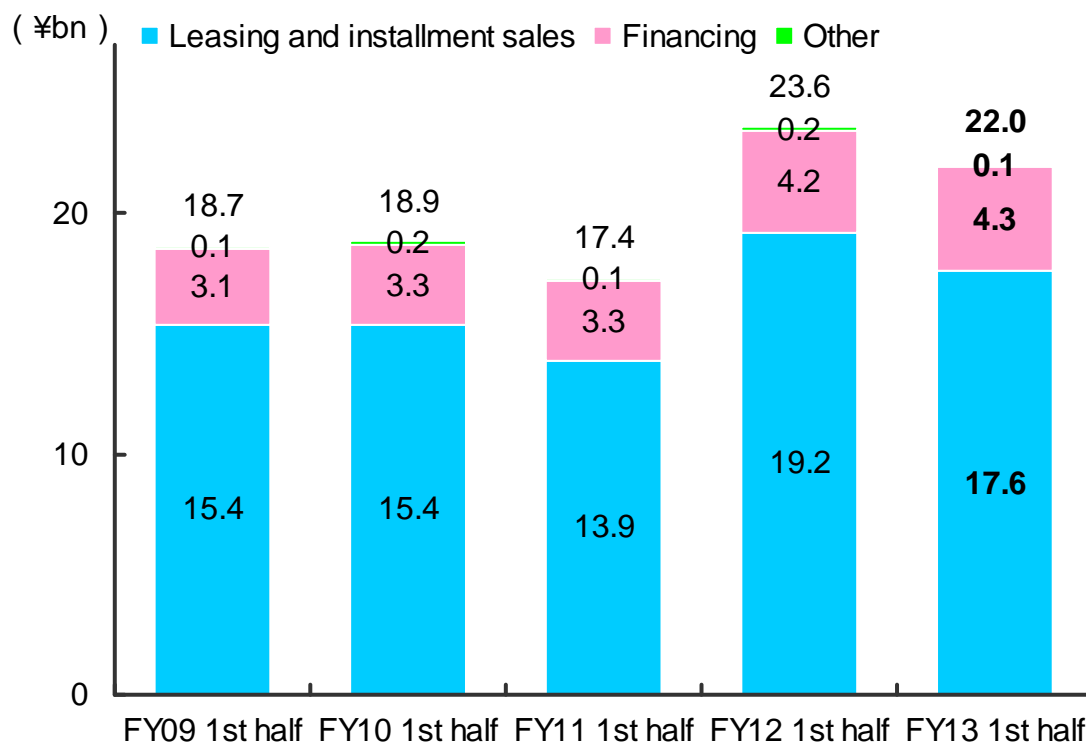
II. Financial Results Overview

- Gross profit before write-offs and funding costs declined, as yields declined due to the ongoing reshuffling into low-yield assets
- Operating, ordinary, and net income all increased significantly year on year due to an improvement in credit costs and lower funding costs
- Profit at all levels reached around 70% of full year forecasts

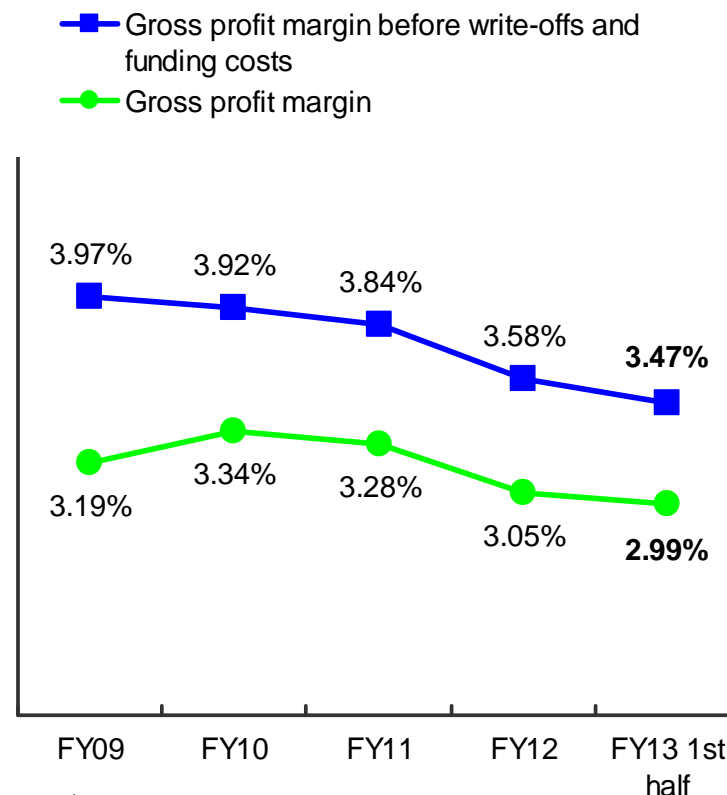
Consolidated P/L (¥bn)	FY11 1st Half	FY12 1st Half (A)	FY13 1st Half (B)	Change (B)-(A)	Change % (B)/(A)	Progress Towards Annual Target (%)	
Revenues	128.9	178.8	177.0	-1.8	-1%	<54%>	330.0
Gross profit before write-offs and funding costs	17.4	23.6	22.0	-1.6	-7%		—
(Funding costs)	(2.4)	(3.4)	(3.1)	(-0.3)	(-10%)		—
Gross profit	15.0	20.2	18.9	-1.3	-6%		—
(General expenses)	(6.8)	(9.3)	(9.4)	(+0.1)	(+1%)		—
Operating income	8.6	7.5	11.1	+3.6	+49%	<72%>	15.5
Ordinary income	9.2	8.0	11.4	+3.4	+43%	<69%>	16.6
(Ordinary income before write-offs)	(8.8)	(11.3)	(9.7)	(-1.6)	(-14%)		—
(Credit costs)	(-0.4)	(3.3)	(-1.7)	(-5.0)	(—%)		—
Net income	5.3	4.2	7.0	+2.8	+64%	<70%>	10.0

- In the leasing and installment sales segment, gross profit before write-offs and funding costs declined due to lower yields (year on year decline of ¥1.6bn)
- Yields continued to decline due to asset replacements amid low market rates

Gross Profit Before Write-offs, Funding Costs



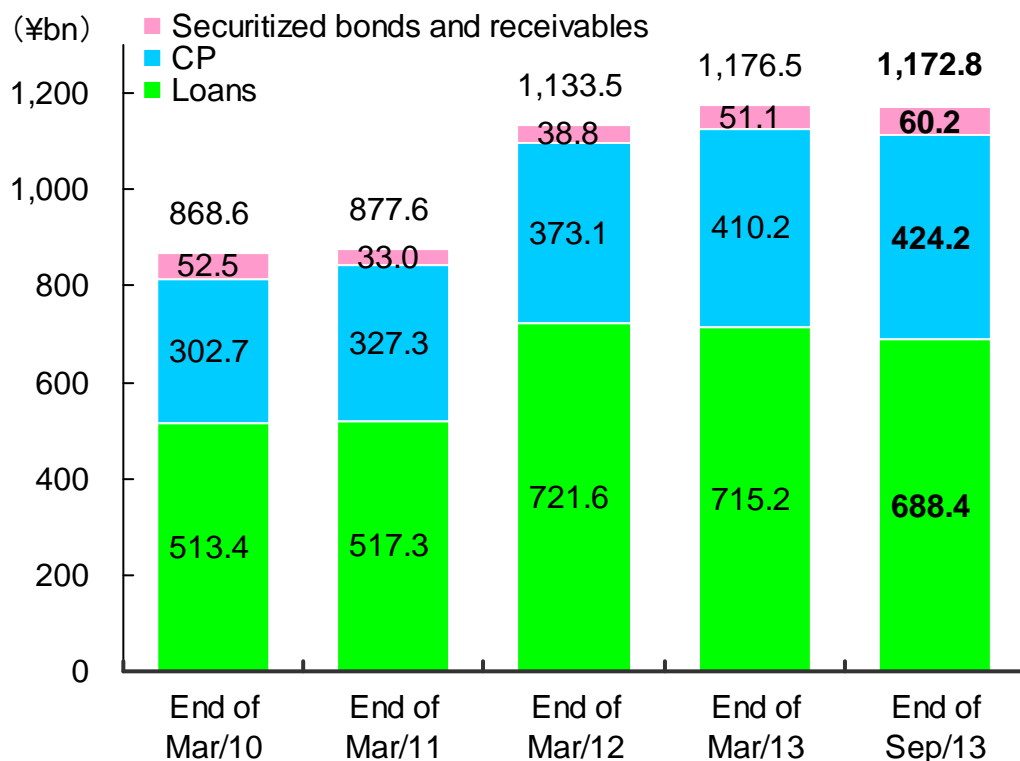
Yield



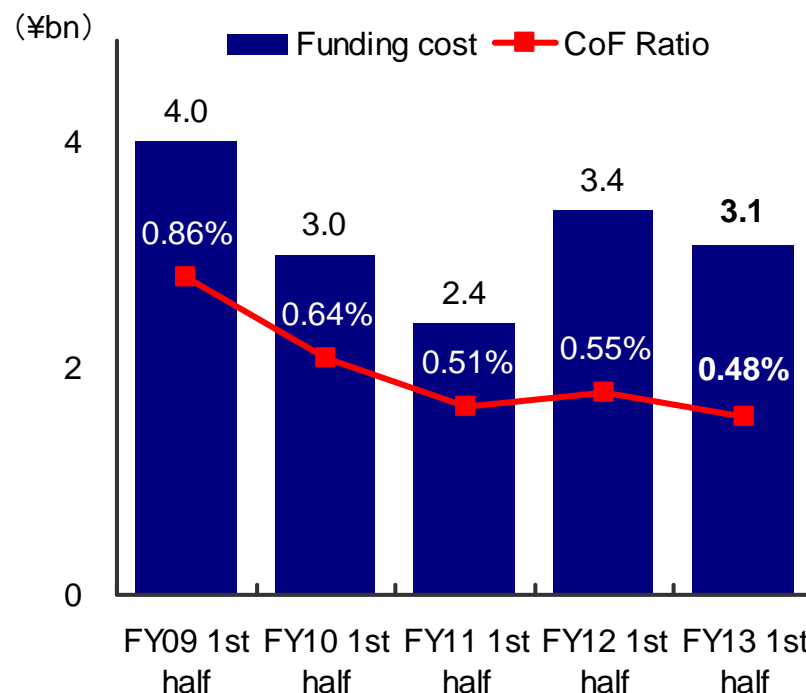
Note: Gross profit margin before write-offs and funding costs =
 Gross profit before write-offs and funding costs / Operating assets (average of beginning and end balances)

- Utilized CP and took advantage of low interest rates
- Issued corporate bonds to diversify borrowing sources (3-yr bonds; ¥10bn; 0.34% coupon)
- Reviewed funding composition and unified Group operation led to lower CoF ratio

Interest-bearing Debt



Cost of Funds Ratio

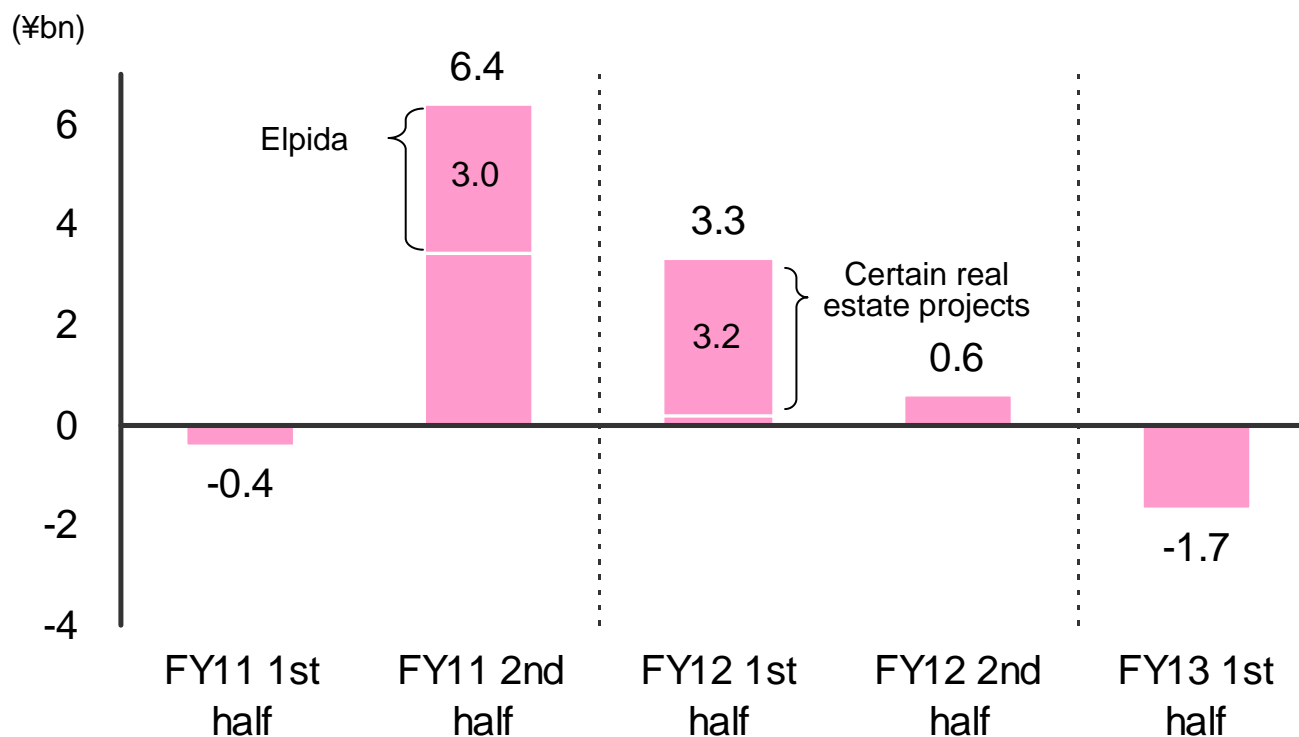


Note: CoF ratio = Funding costs/Operating assets (average balance)

■ Credit costs improved significantly due to ¥1.7bn reversal of credit cost provision in 1H (provision of ¥3.3bn booked in the same period of the previous fiscal year)

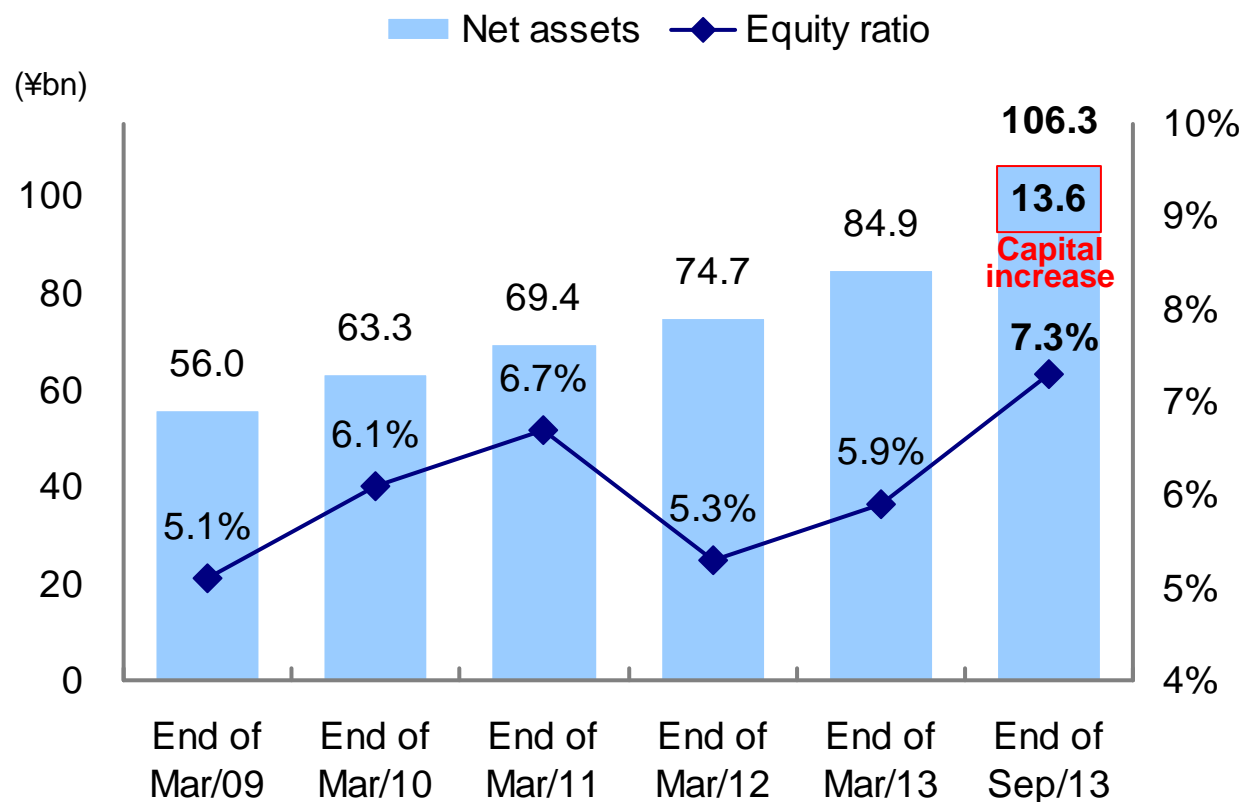
— Yen correction led to reversal of vessel-related provisions made in past years

Actual Credit Costs



Net Assets and Equity Ratio

- Net assets increased ¥21.4bn versus March 31, 2013 to ¥106.3bn due to the public offering and accumulation of net income
 - Equity ratio rose 1.4% versus March 31, 2013 to 7.3%
 - Overview of public offering: New shares, ¥10.5bn (5,000,000 shares); Overallotment ¥1.7bn (800,000 shares); Treasury stock, ¥1.4bn (650,000 shares)



Purpose of Capital Increase

- The Japanese economy and companies are staging a revival under the government's growth strategy aimed at ending deflation
- The emergence of companies' latent capital investment needs means an expansion of business opportunities for the IBJ Leasing Group

Funds and Capital Procurement through Share Sale

Secure Resources for Growth

Expanded Business Infrastructure

Maximize customer base and networks with financial institutions and companies with which the Group has a close relationship

Bolster core business (leasing and installment sales, etc)

Respond to diverse financial needs

Strengthen overseas business initiatives

Strengthen Financial Base

Ensure Stable, Flexible Management

Build capital to expand our realm of business operations

Expand investment capacity (risk tolerance)

Further strengthen creditworthiness

Steadily increase earnings power to ensure sustainable growth

III. FY2013 Full-year Earnings Forecast

FY2013 Full-year Forecast

- Strong progress in 2Q towards meeting full-year targets based on factors including the decline in credit costs, but full-year earnings forecast is cautious due to lower yields arising from the reshuffling of assets and in view of an environment where competition, including from other business categories, is fierce
- We have resolved to pay an interim dividend of ¥26 per share. When combined with the planned year-end dividend of ¥26 per share, the annual dividend will amount to ¥52 per share (+¥2 per share), marking the 12th consecutive year of increase

(¥bn)	FY2012 (results) (A)	FY2013 (plan) (B)	FY2013		Change (B)-(A)	Change % (B)/(A)
			1st Half Result	Progress Rate		
Revenues	352.5	330.0	177.0	54%	-22.5	-6%
Operating income	14.7	15.5	11.1	72%	+0.8	+6%
Ordinary Income	15.4	16.6	11.4	69%	+1.2	+8%
Net income	8.9	10.0	7.0	70%	+1.1	+12%

Annual dividend	¥50	¥52	+¥2
Interim dividend	¥24	¥26 (decided)	+¥2
Year-end dividend	¥26	¥26 (planned)	—

Appendix

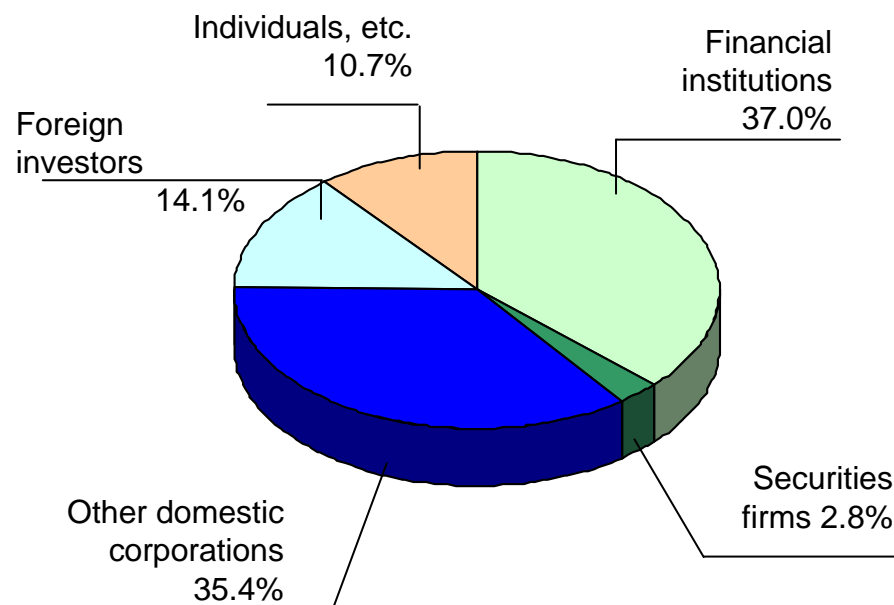
Company name:	IBJ Leasing Company, Limited
Head office:	1-2-6 Toranomom, Minato-ku, Tokyo 105-0001, Japan
Business:	Multimodal financial services
Representative:	Setsu Onishi, President and CEO
Establishment:	December 1, 1969
Listing:	Tokyo Stock Exchange, 1st Section (Code: 8425)
Capital stock:	¥17.9 billion (outstanding shares: 42,649 thousand)
Employees:	1,046 (consolidated, as of September 30, 2013)

Stock (as of September 31, 2013)

○ Outstanding shares: 42,649 thousand

○ Shareholders: 14,832

○ Shareholder Distribution (shareholding ratio)



Note: Shareholding ratio is the percentage of total outstanding shares

○ Major Shareholders

Shareholder	Shares held (thousand)	Ratio (%)
The Dai-ichi Life Insurance Company, Limited	2,930	6.87
Mizuho Trust & Banking Co., Ltd (Nissan Motor Co., Ltd. Retirement Benefit Trust Account)	1,750	4.10
Mizuho Bank, Ltd.	1,626	3.81
Jowa Holdings Co., Ltd.	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
The Master Trust Bank of Japan, Ltd. (Trust Account)	977	2.29
NIPPON STEEL KOWA REAL ESTATE CO., LTD	975	2.28
The Kyoritsu Co., Ltd.	949	2.22
Toshiba Corporation	900	2.11

**IBJ
Leasing
Co., Ltd.**

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

KL Insurance & Co.

KL Office Service

Overseas subsidiaries: Active player in dynamic Asian markets

Asia

China (HQ: Shanghai
Office: Guangzhou)

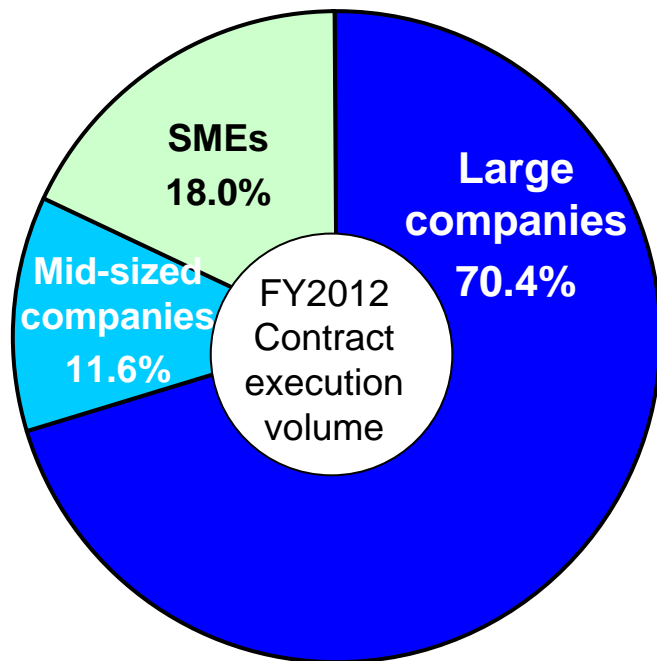
Indonesia

Thailand

Philippines

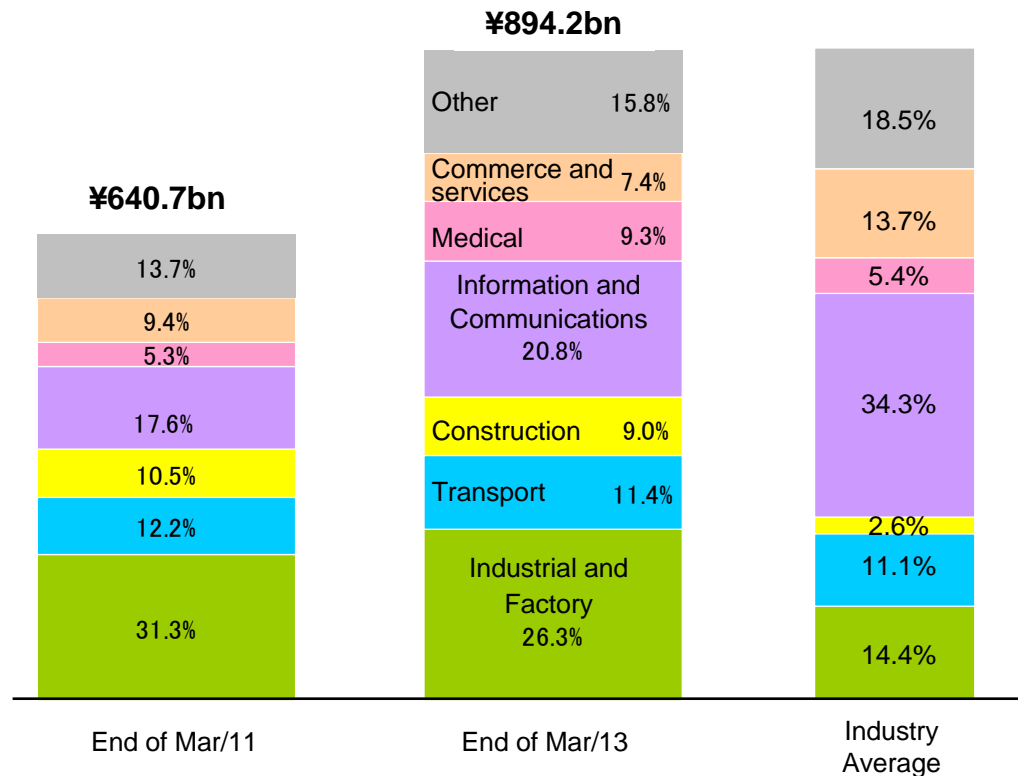
Europe **UK**

Contract Execution Volume by Customer Size



* Large companies: capital stock in excess of ¥1bn
 Mid-sized companies: capital stock between ¥100mn and ¥1bn
 SMEs: capital stock less than ¥100mn
 **Excluding contracts to SPCs, etc.

Operating Assets (Leasing and installment Sales) by Equipment Type



* Industry average represents five-year average for FY2008 to FY2012 based on figures from Japan Leasing Association.

Consolidated B/S (Assets)

(¥bn)

	Mar. 31, 2010	Mar. 31, 2011	Mar. 31, 2012	Mar. 31, 2013 (A)	Sep. 30, 2013 (B)	Change (B) - (A)	Change (%) (B)/(A)
Current Assets	904.9	947.9	1,229.1	1,265.6	1,273.2	+7.6	+0.6%
Cash and cash equivalents	18.5	37.7	41.3	30.5	33.8	+3.3	+10.6%
Lease receivables	522.3	511.7	704.2	728.9	723.3	-5.6	-0.8%
Installment sales receivables	108.9	95.1	112.6	114.3	115.1	+0.8	+0.7%
Operational loans	237.4	241.9	295.0	320.1	338.0	+17.9	+5.6%
Operational investment securities	—	46.0	48.9	48.8	40.5	-8.3	-17.1%
Marketable securities	4.0	0.7	0.1	-	-	-	-
Allowance for doubtful receivables	-3.9	-4.6	-7.7	-4.4	-3.5	+0.9	+21.1%
Property & Equipment	112.2	80.1	103.9	106.7	109.6	+2.9	+2.7%
Leased assets	31.2	34.5	50.9	51.3	52.8	+1.5	+2.9%
Investment securities	54.9	20.9	16.8	20.7	22.2	+1.5	+7.0%
Doubtful operating receivables	14.1	10.4	19.2	18.5	19.5	+1.0	+5.3%
Allowance for doubtful receivables	-0.7	-0.9	-3.3	-3.2	-2.9	+0.3	+7.5%
Total Assets	1,017.1	1,028.0	1,333.0	1,372.2	1,382.8	+10.6	+0.8%
Operating Assets	935.2	928.6	1,211.3	1,263.1	1,269.3	+6.2	+0.5%

Consolidated B/S (Liabilities and Net Worth)

(¥bn)

	Mar. 31, 2010	Mar. 31, 2011	Mar. 31, 2012	Mar. 31, 2013 (A)	Sep. 30, 2013(B)	Change (B)–(A)	Change (%) (B)/(A)
Current Liabilities	701.6	705.9	900.9	979.9	964.7	-15.2	-1.6%
Short-term borrowings	92.6	137.5	172.9	233.5	233.1	-0.4	-0.2%
Current portion of long-term debt	186.4	138.9	203.0	195.5	176.0	-19.5	-10.0%
Commercial paper	302.7	327.3	373.1	410.2	424.2	+14.0	+3.4%
Lease payables	21.6	15.4	19.2	14.1	12.5	-1.6	-10.8%
Long-term Liabilities	252.1	252.7	357.3	307.5	311.9	+4.4	+1.4%
Long-term debt	234.4	241.0	345.7	286.1	279.3	-6.8	-2.4%
Bonds	-	-	-	10.0	20.0	+10.0	+100.0%
Total Liabilities	953.8	958.6	1,258.2	1,287.3	1,276.5	-10.8	-0.8%
Net Assets	63.3	69.4	74.7	84.9	106.3	+21.4	+25.1%
Shareholders' equity	61.4	68.7	71.2	78.4	98.0	+19.6	+25.0%
Other comprehensive income	0.5	-0.3	-0.5	1.9	3.4	+1.5	+81.4%
Minority interests	1.4	1.0	4.0	4.6	4.8	+0.2	+3.8%
Total	1,017.1	1,028.0	1,333.0	1,372.2	1,382.8	+10.6	+0.8%

Interest-bearing debt	868.6	877.6	1,133.5	1,176.5	1,172.8	-3.7	-0.3%
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Equity ratio	6.1%	6.7%	5.3%	5.9%	7.3%	+1.4%	
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Consolidated P/L

(¥bn)

	FY09 1 st Half	FY10 1 st Half	FY11 1 st Half	FY12 1 st Half (A)	FY13 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Revenues	134.2	128.6	128.9	178.8	177.0	-1.8	-1.0%
Gross profit before write-offs and funding costs	18.7	18.9	17.4	23.6	22.0	-1.6	-6.8%
Funding costs	4.0	3.0	2.4	3.4	3.1	-0.3	-9.7%
Gross profit	14.7	15.9	15.0	20.2	18.9	-1.3	-6.3%
SGA expenses	9.0	7.6	6.4	12.7	7.8	-4.9	-38.7%
Personnel, facilities costs	6.3	6.3	6.8	9.3	9.4	+0.1	+0.8%
Operating income	5.7	8.3	8.6	7.5	11.1	+3.6	+48.9%
Other income	1.1	0.5	0.8	0.7	0.6	-0.1	-9.9%
Other expenses	0.6	0.2	0.2	0.2	0.4	+0.2	+71.5%
Ordinary income	6.2	8.6	9.2	8.0	11.4	+3.4	+43.3%
Extraordinary income	0.1	0.0	—	0.0	0.1	+0.1	-
Extraordinary loss	0.1	0.3	0.0	0.0	0.0	+0.0	+281.5%
Income before income taxes	6.3	8.3	9.2	7.9	11.5	+3.6	+44.2%
Income taxes	2.4	3.4	3.9	3.3	4.2	+0.9	+26.6%
Net income	3.8	4.8	5.3	4.2	7.0	+2.8	+64.4%
Actual credit cost	2.7	1.2	-0.4	3.3	-1.7	-5.0	-

Consolidated Statements of Comprehensive Income



(¥bn)

	FY10 1 st half	FY11 1 st half	FY12 1 st Half (A)	FY13 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Net income before minority interests	4.9	5.4	4.6	7.2	+2.6	+56.8%
Unrealized gain on available-for-sale securities	-0.6	-0.2	-0.5	0.7	+1.2	-
Deferred loss on derivatives under hedge accounting	-0.1	-0.0	-0.1	0.0	+0.1	-
Foreign currency translation adjustments	-0.2	0.0	0.0	0.6	+0.6	-
Share of other comprehensive income of associated companies	0.0	-0.0	0.0	0.2	+0.2	-
Total other comprehensive income	-0.9	-0.2	-0.5	1.5	+2.0	-
Total comprehensive income	4.0	5.2	4.1	8.8	+4.7	115.4%

Gross profit before write-offs, funding costs by segment

(¥bn)

	FY09 1st Half	FY10 1st Half	FY11 1st Half	FY12 1st Half (A)	FY13 1st Half (B)	Change (B)-(A)	Change (B)/(A)
Revenues	134.2	128.6	128.9	178.8	177.0	-1.8	-1.0%
Leasing	124.5	118.0	119.2	166.6	161.4	-5.2	-3.1%
Installment sales	6.1	6.8	5.7	7.1	7.8	+0.7	+9.7%
Loans	3.3	3.0	3.0	3.8	3.3	-0.5	-13.3%
Other	0.6	1.1	1.2	1.7	5.0	+3.3	+187.5%
Elimination/Corporate	-0.2	-0.2	-0.3	-0.4	-0.4	+0.0	+1.1%
Sales costs	115.6	109.7	111.5	155.2	155.0	-0.2	-0.1%
Leasing	110.8	104.0	106.5	148.9	145.1	-3.8	-2.5%
Installment sales	4.3	5.3	4.5	5.6	6.5	+0.9	+15.2%
Loans	0.2	0.1	0.2	0.2	0.1	-0.1	-35.8%
Other	0.3	0.3	0.4	0.7	3.4	+2.7	+385.2%
Elimination/Corporate	-0.0	-0.0	-0.1	-0.2	-0.2	+0.0	+5.3%
Gross profit before write-offs, funding costs	18.7	18.9	17.4	23.6	22.0	-1.6	-6.8%
Leasing	13.7	13.9	12.8	17.8	16.3	-1.5	-8.5%
Installment sales	1.8	1.5	1.2	1.5	1.3	-0.2	-11.5%
Loans	3.1	2.9	2.9	3.6	3.1	-0.5	-12.1%
Other	0.3	0.8	0.8	1.0	1.5	+0.5	+50.1%
Elimination/Corporate	-0.2	-0.2	-0.1	-0.3	-0.3	-0.0	-1.6%
Funding costs	4.0	3.0	2.4	3.4	3.1	-0.3	-9.7%
Gross profit	14.7	15.9	15.0	20.2	18.9	-1.3	-6.3%