Consolidated Balance Sheets
IBJ Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	**2012**
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 9)	**¥ 39,900**	¥ 36,110	**$ 485,766**
Marketable Securities	**141**	745	**1,721**
Lease Receivables and Investments in Lease (Notes 5 and 6)	**704,210**	511,669	**8,573,291**
Receivables (Notes 5 and 6):			
Notes and Accounts	**44**	42	**545**
Lease	**9,040**	2,576	**110,063**
Installment Sales	**112,588**	95,091	**1,370,694**
Loans	**226,679**	198,762	**2,759,678**
Factoring	**68,328**	43,162	**831,860**
Total Receivables	**416,683**	339,635	**5,072,840**
Operational Investment Securities	**48,876**	46,008	**595,043**
Deferred Tax Assets	**2,698**	1,745	**32,848**
Prepaid Expenses and Other	**24,303**	16,650	**295,878**
Allowance for Doubtful Receivables	**(7,748)**	(4,644)	**(94,332)**
Total Current Assets	**1,229,065**	947,921	**14,963,055**
Property and Equipment:			
Leased Assets (Note 5)	**264,539**	89,275	**3,220,595**
Accumulated Depreciation	**(213,971)**	(55,104)	**(2,604,961)**
Net Leased Assets	**50,568**	34,171	**615,634**
Own-used Assets	**5,882**	5,687	**71,612**
Accumulated Depreciation	**(2,461)**	(2,215)	**(29,971)**
Net Own-used Assets	**3,420**	3,472	**41,641**
Total Property and Equipment	**53,988**	37,643	**657,275**
Investments and Other Assets:			
Investment Securities	**11,145**	10,339	**135,694**
Investments in Unconsolidated Subsidiaries and Associated Companies	**5,613**	10,584	**68,342**
Long-term Receivables	**19,153**	10,397	**233,177**
Goodwill (Note 3)	**455**	137	**5,547**
Intangible Leased Assets (Note 5)	**361**	344	**4,398**
Deferred Tax Assets	**4,097**	3,363	**49,886**
Other	**12,418**	8,139	**151,191**
Allowance for Doubtful Receivables	**(3,336)**	(851)	**(40,620)**
Total Investments and Other Assets	**49,909**	42,454	**607,615**
Total Assets	**¥ 1,332,963**	¥ 1,028,020	**$ 16,227,945**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets
IBJ Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	**2012**
LIABILITIES and EQUITY			
Current Liabilities:			
Short-term Borrowings (Note 7)	**¥ 546,019**	¥ 464,794	**$ 6,647,430**
Current Portion of Long-term Debt (Notes 6 and 7)	**240,681**	169,292	**2,930,136**
Lease Payable	**19,228**	15,359	**234,091**
Accounts Payable — trade	**68,877**	35,390	**838,534**
Accrued Expenses	**2,284**	1,744	**27,808**
Income Taxes Payable	**2,425**	2,972	**29,524**
Deferred Profit on Installment Sales	**345**	576	**4,207**
Accruals for Debt Guarantees	**98**	425	**1,199**
Other	**20,940**	15,334	**254,942**
Total Current Liabilities	**900,900**	705,889	**10,967,871**
Long-term Liabilities:			
Long-term Debt (Notes 6 and 7)	**346,780**	243,542	**4,221,824**
Deposits Received	**6,814**	6,548	**82,965**
Retirement Benefits for Employees	**2,148**	571	**26,155**
Retirement Allowance for Directors and Corporate Auditors	**194**	193	**2,370**
Other	**1,406**	1,881	**17,126**
Total Long-term Liabilities	**357,345**	252,737	**4,350,440**
Commitments and Contingent Liabilities (Note 8)			
Equity:			
Common Stock	**11,760**	11,760	**143,172**
Authorized, 140,000,000 Shares			
Issued, 36,849,000 Shares as of March 31, 2012 and 2011			
Capital Surplus	**9,680**	9,680	**117,854**
Retained Earnings	**50,871**	48,301	**619,330**
Treasury Stock - at cost	**(1,079)**	(1,079)	**(13,140)**
650,442 shares as of March 31, 2012 and			
650,333 shares as of March 31, 2011			
Accumulated Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	**1,003**	994	**12,215**
Deferred Loss on Derivatives under Hedge Accounting	**(42)**	(46)	**(515)**
Foreign Currency Translation Adjustments	**(1,439)**	(1,225)	**(17,522)**
Total	**70,754**	68,385	**861,394**
Minority Interests	**3,962**	1,007	**48,240**
Total Equity	**74,717**	69,392	**909,634**
Total Liabilities and Equity	**¥ 1,332,963**	¥ 1,028,020	**$ 16,227,945**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income
IBJ Leasing Company, Limited and Consolidated Subsidiaries
For years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	**2012**
Revenues	**¥ 270,066**	¥ 256,059	**$ 3,287,875**
Cost and Expenses	**238,772**	224,968	**2,906,902**
Gross Profit	**31,293**	31,090	**380,973**
Selling, General and Administrative Expenses	**20,601**	15,646	**250,806**
Operating Income	**10,691**	15,444	**130,167**
Other Income (Expenses):			
Interest Income	**4**	21	**55**
Dividend Income	**264**	218	**3,217**
Equity in Earnings of Associated Companies	**54**	509	**662**
Profit from Investments	**421**	18	**5,135**
Interest Expenses	**(320)**	(417)	**(3,902)**
Foreign Exchange Loss (Note 4(1))	**(69)**	(11)	**(846)**
Gain on Sales of Investment Securities	**13**	-	**165**
Reversal of Accruals for Debt Guarantees	**-**	94	**-**
Loss on Sales of Investment Securities	**(1,599)**	(58)	**(19,472)**
Loss on Devaluation of Investment Securities	**(24)**	(260)	**(293)**
Head Office Relocation Expenses	**-**	(120)	**-**
Effect Resulting from the Application of Accounting Standard for Asset Retirement Obligations	**-**	(102)	**-**
Other — net	**78**	90	**954**
Income before Income Taxes and Minority Interests	**9,515**	15,426	**115,842**
Income Taxes:			
Current	**5,773**	5,956	**70,291**
Deferred	**(706)**	356	**(8,604)**
Total	**5,067**	6,312	**61,687**
Net Income before Minority Interests	**4,448**	9,113	**54,155**
Minority Interests in Earnings of Consolidated Subsidiaries	**151**	88	**1,842**
Net Income	**¥ 4,296**	¥ 9,025	**$ 52,313**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income
IBJ Leasing Company, Limited and Consolidated Subsidiaries
For years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	**2012**
Net Income before Minority Interests	**¥ 4,448**	¥ 9,113	**$ 54,155**
Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	**(13)**	(506)	**(168)**
Deferred Loss on Derivatives under Hedge Accounting	**(5)**	(21)	**(71)**
Foreign Currency Translation Adjustments	**(139)**	(431)	**(1,694)**
Share of Other Comprehensive Income in Associated Companies	**(48)**	103	**(595)**
Total Other Comprehensive Income	**(207)**	(856)	**(2,528)**
Total Comprehensive Income	**¥ 4,240**	¥ 8,257	**$ 51,627**
Total Comprehensive Income attributable to:			
Owners of the Parent	**¥ 4,096**	¥ 8,181	**$ 49,872**
Minority Interests	**144**	76	**1,755**

	Yen		U.S. dollars (Note 1)
	2012	2011	**2012**
Amounts per Share of Common Stock (Notes 2(w) and 11)			
Net Income per Share	**¥ 118.71**	¥ 249.33	**$ 1.45**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Equity
IBJ Leasing Company, Limited and Consolidated Subsidiaries
For years ended March 31, 2012 and 2011

	Thousands of shares		Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	**2012**	2011	**2012**
Common Stock:					
Balance at beginning of year	***36,849***	*36,849*	**¥ 11,760**	¥ 11,760	**$ 143,172**
Balance at end of year	***36,849***	*36,849*	**11,760**	11,760	**143,172**
Capital Surplus:					
Balance at beginning of year			**9,680**	9,680	**117,854**
Balance at end of year			**9,680**	9,680	**117,854**
Retained Earnings:					
Balance at beginning of year			**48,301**	40,989	**588,041**
Net Income			**4,296**	9,025	**52,313**
Cash Dividends Paid			**(1,737)**	(1,665)	**(21,153)**
Increase resulting from Change of Fiscal Period of Consolidated Subsidiaries			**10**	-	**129**
Change in Scope of Application of Equity Method			**-**	(47)	**-**
Balance at end of year			**50,871**	48,301	**619,330**
Treasury Stock:					
Balance at beginning of year	***(650)***	*(650)*	**(1,079)**	(1,078)	**(13,137)**
Treasury Stock Acquired, net	(0)	(0)	**(0)**	(0)	**(3)**
Balance at end of year	***(650)***	*(650)*	**(1,079)**	(1,079)	**(13,140)**
Accumulated Other Comprehensive Income:					
Unrealized Gain on Available-for-sale Securities:					
Balance at beginning of year			**994**	1,502	**12,112**
Net change during year			**8**	(507)	**103**
Balance at end of year			**1,003**	994	**12,215**
Deferred Loss on Derivatives under Hedge Accounting:					
Balance at beginning of year			**(46)**	(100)	**(570)**
Net change during year			**4**	53	**55**
Balance at end of year			**(42)**	(46)	**(515)**
Foreign Currency Translation Adjustments:					
Balance at beginning of year			**(1,225)**	(857)	**(14,923)**
Net change during year			**(213)**	(367)	**(2,599)**
Balance at end of year			**(1,439)**	(1,225)	**(17,522)**
Total Accumulated Other Comprehensive Income:					
Balance at beginning of year			**(277)**	543	**(3,381)**
Net change during year			**(200)**	(821)	**(2,441)**
Balance at end of year			**(478)**	(277)	**(5,822)**
Total			**70,754**	68,385	**861,394**
Minority Interests:					
Balance at beginning of year			**1,007**	1,447	**12,260**
Net change during year			**2,955**	(440)	**35,980**
Balance at end of year			**3,962**	1,007	**48,240**
Total Equity			**¥ 74,717**	¥ 69,392	**$ 909,634**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows
IBJ Leasing Company, Limited and Consolidated Subsidiaries
For years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 9,515	¥ 15,426	$ 115,842
Adjustments for:			
Income Taxes Paid	(6,583)	(6,407)	(80,145)
Depreciation and Disposal of Fixed Assets	9,335	7,601	113,650
Equity in Earnings of Associated Companies	(54)	(509)	(662)
Profit from Investments	(421)	(18)	(5,135)
Increase in Allowance for Doubtful Receivables	3,339	760	40,657
Decrease in Accruals for Debt Guarantees	(326)	(98)	(3,978)
Loss on Sales of Marketable and Investment Securities	1,585	58	19,307
Loss on Devaluation of Marketable and Investment Securities	24	260	293
Change in assets and liabilities:			
Decrease in Lease Receivables and Investments in Lease	18,922	18,268	230,368
Decrease in Receivables	84,107	3,306	1,023,956
Increase in Operational Investment Securities	(2,500)	(9,229)	(30,437)
(Decrease) Increase in Accounts Payable — trade	(6,745)	1,573	(82,122)
Purchases of Leased Assets	(14,410)	(8,905)	(175,440)
Proceeds from Sales of Leased Assets	1,784	1,013	21,729
Decrease in Interest Payable	(241)	(391)	(2,939)
Other — net	(4,967)	11,064	(60,470)
Total Adjustments	82,848	18,346	1,008,632
Net Cash Provided by Operating Activities	92,364	33,772	1,124,474
Cash Flows from Investing Activities:			
Purchases of Own-used Assets	(1,247)	(1,961)	(15,188)
Purchases of Marketable and Investment Securities	(516)	(21)	(6,293)
Proceeds from Sales and Redemption of Marketable and Investment Securities	4,182	336	50,918
Purchases of Investment in Subsidiary causing Changes in Scope of Consolidation (Note 9)	(3,696)	(613)	(45,001)
Additional Purchases of Investment in Subsidiary	-	(723)	-
Other — net	298	(2,259)	3,633
Net Cash Used in Investing Activities	(979)	(5,243)	(11,931)
Cash Flows from Financing Activities:			
Net (Decrease) Increase in Short-term Borrowings	(33,871)	69,883	(412,366)
Proceeds from Long-term Debt	812,567	512,605	9,892,474
Repayments of Long-term Debt	(864,751)	(590,093)	(10,527,771)
Cash Dividends Paid	(1,737)	(1,665)	(21,153)
Other — net	(8)	168	(99)
Net Cash Used in Financing Activities	(87,800)	(9,101)	(1,068,915)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	(51)	(65)	(624)
Net Increase in Cash and Cash Equivalents	3,532	19,361	43,004
Cash and Cash Equivalents at Beginning of Year	36,110	16,748	439,617
Increase in Cash and Cash Equivalents resulting from Change of Fiscal Period of Consolidated Subsidiaries	258	-	3,145
Cash and Cash Equivalents at End of Year	¥ 39,900	¥ 36,110	$ 485,766

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of IBJ Leasing Company, Limited ("IBJL") and its consolidated subsidiaries (together with IBJL, "IBJL Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the company's financial statements issued domestically in order to present them in a form of which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2011 financial statements to conform to the classifications used in 2012. Certain disclosures required in the notes to the financial statements by the Japanese Financial Instruments and Exchange Law are omitted in this Business Report (Kessan Tanshin).

The consolidated financial statements are stated in Japanese yen, the currency of the country in which IBJL is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82.14 to US$1.00, the approximate rate of exchange at March 31, 2012. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. The amounts indicated in millions of yen are rounded down by truncating the figures below one million. As a result, totals may not add up exactly.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of IBJL Group including IBJL-TOSHIBA Leasing Company, Limited, Dai-ichi Leasing Co., Ltd., Nissan Leasing Co., Ltd., IBJ Auto Lease Company, Limited, Toshiba Medical Finance Co., Ltd., IBJ Leasing (China) Ltd. and PT.IBJ Verena Finance.

The number of consolidated subsidiaries as of March 31, 2012 and 2011 were 24 and 23, respectively. The consolidated financial statements for the year ended March 31, 2012 newly include the accounts of IBJL-TOSHIBA Leasing Company, Limited and Toshiba Medical Finance Co., Ltd. as IBJL acquired shares in these companies during the year, and do not include the accounts of Collabo leasing Co., Ltd. as it was liquidated during the year.

The number of associated companies accounted for under the equity method as of March 31, 2012 and 2011 were 3 and 4, respectively. Toshiba Finance Corporation was excluded from the associated companies accounted for under the equity method, as IBJL sold all of shares in it and it is no longer an associated company. Investments in associated companies are Krung Thai IBJ Leasing Co., Ltd., The Toho Lease Co.,Ltd. and Juhachi Sogo Lease Co.,Ltd.

Astro Leasing International Co., Ltd. and 80 other subsidiaries are neither consolidated nor accounted for under the equity method, as they are acting as operators under Tokumei Kumiai agreements and the leased assets and liabilities do not substantially belong to the subsidiaries. Achilles Line Shipping S.A. and 30 other subsidiaries are also not consolidated or accounted for under the equity method, as they are immaterial.

Upon consolidation, significant intercompany accounts and transactions have been eliminated. In addition, all significant unrealized profit included in assets resulting from transactions within IBJL Group has also been eliminated.

The accounting standard for consolidated financial statements requires a company to consolidate all subsidiaries of which the company controls the operations, irrespective of whether or not the company owns a majority of their shares. Control is considered to exist where the company has (a) the power to appoint or remove the majority of the Board of Directors or an equivalent governing body, and/or (b) the power to cast the majority of the votes at a meeting of the Board of Directors or an equivalent governing body.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition. The differences between the cost and underlying net equity of investments in consolidated subsidiaries and associated companies at acquisition are recorded as Goodwill and are amortized on a straight-line basis over the estimated benefit period.

Implementation Guidance No. 15 "Implementation Guidance on Disclosures about Certain Special Purpose Entities" issued by the Accounting Standards Board of Japan ("ASBJ") permits companies to avoid consolidation of certain Special Purpose Entities ("SPEs") which were established and are being operated for the purpose of securitization of receivables.

IBJL securitizes its lease receivables to diversify its funding sources and ensure stable funding. In the securitization structures, IBJL uses SPEs which include *Tokurei Yugen Kaisha* and *Kabushiki Kaisha*. IBJL transfers the lease receivables to the SPEs in the securitization structures. The SPEs procure funds, such as borrowings, backed by the transferred assets and these funds flow back to IBJL as sales proceeds of the transferred assets. IBJL also provides collection services to the SPEs. A portion of the receivables is not transferred and is held by IBJL. These receivables held by IBJL are properly evaluated at the end of the fiscal year, and this is appropriately reflected in the consolidated financial statements.

As a result of securitizations, IBJL had 17 SPEs which were not consolidated under Guidance No. 15 as of March 31, 2012. The total assets (simply compiled amount) of such SPEs as of March 31, 2012 and 2011 were ¥111,688 million ($1,359,734 thousand) and ¥182,413 million, respectively. The total liabilities (simply compiled amount) of such SPEs as of March 31, 2012 and 2011 were ¥111,938 million ($1,362,781 thousand) and ¥182,568 million, respectively. IBJL owns no voting rights in most of the SPEs while some employees of IBJL serve as directors.

The total amount of Lease Receivables and Investments in Leases transferred from IBJL to such SPEs in 2012 was ¥265 million ($3,236 thousand), with a gain on the transfer of such receivables of ¥1 million ($14 thousand). IBJL recognized subordinated interests of ¥160 million ($1,949 thousand), profit dividend of ¥17 million ($213 thousand) and servicing fees received of ¥1 million ($20 thousand), as of and for the year ended March 31, 2012. These amounts do not include transactions with SPEs that do not meet the criteria for off-balance-sheet transactions, because IBJL treats these asset transfer transactions to the SPEs as financial transactions.

(b) Business Combination

In October 2003, the Business Accounting Council (the "BAC") issued a Statement of Opinion, "Accounting for Business Combinations", and in December 2005, the ASBJ issued ASBJ Statement No.7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No.10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures". The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No.21, "Accounting Standard for Business Combinations." This revised standard is applicable to business combinations undertaken on or after April 1, 2010. Major changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed. (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IPR&D) acquired in the business combination is capitalized as an intangible asset. (3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation.

(c) Cash Equivalents

Cash Equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash Equivalents include time deposits, certificates of deposit, commercial paper and bond funds, all of which mature or become due within three months of the date of acquisition.

(d) Lease Accounting

As a lessor, all finance leases that deem to transfer ownership of the leased property to the lessee are recognized as Lease Receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee are recognized as Investments in Leases. All other leases are accounted for as operating leases.

As a lessee, all finance leases that deem to transfer ownership of the leased property to the lessee are capitalized.

(e) Installment Sales

For installment sales contracts, Installment Sales Receivables are recognized for the principal equivalent portion of the total contract amounts, when properties are delivered. Interest equivalent amounts are recognized as Installment Sales when the related installment receivables become due.

For sales-type contracts, Installment Sales and the corresponding Installment Cost of Sales are fully recognized when the property is sold. Interest equivalent amounts applicable to the portion to be collected are deferred and recorded as Deferred Profit on Installment Sales.

(f) Marketable Securities, Operational Investment Securities and Investment Securities

Marketable Securities, Operational Investment Securities and Investment Securities are classified as Available-for-sale Securities based upon management's intent. Available-for-sale Securities, which have a readily determinable fair value, are stated at fair value with changes in net unrealized gain or loss, net of applicable income taxes, included directly in Equity (cost of securities sold is calculated by the moving average method). Available-for-sale Securities, which do not have readily determinable fair value, are stated at cost.

(g) Loans Receivable

Loans to customers and receivables arising from factoring are included in Loans Receivable and Factoring Receivable, respectively. Income from those receivables is recognized as Revenues.

(h) Property and Equipment

1. Leased Assets

Leased Property and Equipment are initially accounted for at their acquisition costs and depreciated over the lease term by the straight-line method to the residual value which is an amount to be realized at the time when the lease contract is terminated. Loss on disposals of leased assets resulting from cancellation of lease contracts are estimated and added to depreciation expenses.

2. Own-used Assets

Own-used Assets of IBJL and its domestic consolidated subsidiaries are stated at cost and depreciated over the following estimated useful lives mainly by the declining-balance method.

Building	3-65 years
Fixtures and furniture	2-20 years

(i) Long-lived Assets

IBJL Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(j) Intangible Assets

1. Leased Assets

Intangible Leased Assets are accounted for the same way as Leased Property and Equipment.

2. Own-used Software

Own-used Software is amortized over the internally estimated useful lives (5 or 8 years) by the straight-line method.

3. Other Intangible Assets

Other Intangible Assets are stated at cost. Amortization of intangible assets by IBJL and its domestic consolidated subsidiaries is mainly computed by the straight–line method over the estimated useful lives.

(k) Allowance for Doubtful Receivables

The allowance for Doubtful Receivables of IBJL and its consolidated subsidiaries is provided based on the estimated historical default rate for general trade receivables, and is based on individual reviews for receivables from doubtful and legally bankrupt creditors.

The amounts of Long-term Receivables considered uncollectible, which include receivables from legally bankrupt creditors, were directly written-off from the accounts. The amounts directly written-off were ¥16,121 million ($196,270 thousand) and ¥12,124 million at March 31, 2012 and 2011, respectively.

(l) Reserve for Bonuses Payments

IBJL and its domestic consolidated subsidiaries provide a reserve for future bonuses payments to employees. This reserve is maintained at the estimated amount payable after the year-end, based on the services provided during the fiscal year.

(m) Reserve for Bonuses Payments to Directors

IBJL and certain domestic consolidated subsidiaries provide a reserve for future bonuses payments to executive officers. This reserve is maintained at the estimated amount payable for the fiscal year.

(n) Retirement Benefits for Employees

IBJL and certain domestic consolidated subsidiaries provide Retirement Benefits for Employees for future pension payments to employees. Retirement Benefits for Employees are based on the projected benefit obligation and the estimated plan asset amount at the end of the fiscal year. Unrecognized net obligations are recognized as follows:

1. Prior service costs

   Prior service costs are amortized over a five-year period or a ten-year period, which are within the average remaining service period, using the straight-line method from the time when such costs are incurred.

2. Unrecognized actuarial gain (loss)

   Unrecognized actuarial gain (loss) is amortized over a range from ten to fifteen years, which is the average remaining service period, using the straight-line method from the fiscal year after the year when the gain or loss is incurred.

(o) Retirement Allowance for Directors and Corporate Auditors

IBJL and certain domestic consolidated subsidiaries provide Retirement Allowances for Directors and Corporate Auditors for future retirement benefits to directors and corporate auditors. Retirement Allowances for Directors and Corporate Auditors are provided at the amount accrued at the end of the fiscal year, based on the internally established standards for the payments.

(p) Asset Retirement Obligations

In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". This standard and guidance are applicable for fiscal years beginning on or after April 1, 2010. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

(q) Accruals for Debt Guarantees

IBJL and certain domestic consolidated subsidiaries provide Accruals for Debt Guarantees for losses that might occur in relation to guarantees of the indebtedness of others, taking the debtors' financial condition into consideration.

(r) Income Taxes

IBJL and its domestic consolidated subsidiaries are subject to corporate tax, inhabitants' taxes and enterprise taxes. Deferred income taxes are recorded by the asset and liability method based on the differences between the tax bases of assets and liabilities and those as reported in the consolidated financial statements, using enacted tax rates which will be in effect when the differences are expected to reverse.

(s) Recognition of Revenues and Cost of Sales

Revenues and cost of sales relating to finance lease transactions are recognized when lease payments are received.

(t) Translation of Foreign Currencies Assets and Liabilities

1. Translation of foreign currency transactions

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at exchange rates at the balance sheet date. The foreign exchange gain and loss from translation are recognized as income or expenses.

Revenue and expense items arising from transactions denominated in foreign currencies are generally translated into Japanese yen at the rates effective at the respective transaction dates.

2. Translation of foreign currency financial statements

   The assets, liabilities, revenues and expenses of overseas consolidated subsidiaries are translated into Japanese yen at exchange rates at the balance sheet dates of each subsidiary. Differences arising from such translation are shown in Foreign Currency Translation Adjustments under Accumulated Other Comprehensive Income in a separate component of Equity.

(u) Derivative and Hedging Activities

IBJL Group uses derivative financial instruments to manage its exposures to fluctuations in interest rates, foreign exchange rates and temperatures (weather-related risks). Interest rate swaps and, interest and bond futures transactions are utilized to manage interest rate risks associated with certain assets and liabilities, including Marketable Securities, Operational Investment Securities, Investment Securities, Short-term Borrowings and Long-term Debt. Foreign exchange forward contracts and currency swap contracts are utilized to reduce the risks associated with fluctuations of foreign currency exchange rates. Weather derivatives are utilized to reduce weather-related risks. IBJL Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gain or loss on derivative transactions are recognized in the Consolidated Statements of Income and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gain or loss on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

(v) Consumption Taxes

IBJL and its domestic consolidated subsidiaries are subject to Japanese consumption taxes. Japanese consumption taxes are excluded from the transaction amounts.

(w) Per Share Information

The computation of basic net income per share is based on the weighted-average number of outstanding shares of common stock.

3. Business Combination (acquisition)

IBJL acquired, by a spin-off, a 90% stake of TF Asset Service Co., Ltd. ("TFAS"), which took over financing service for corporation business from Toshiba Finance Corporation ("Toshiba Finance"). IBJL also acquired a 65% stake of Toshiba Medical Finance Co., Ltd. ("Toshiba Medical"), a subsidiary of Toshiba Finance. With these acquisitions, both companies became the subsidiary of IBJL. In addition, TFAS changed its name to IBJL-TOSHIBA Leasing Company, Limited ("IBJL-TOSHIBA Leasing"), effective February 1, 2012.

(1) Overview of the business combination

(a) Name and business of the acquired company

Name	IBJL-TOSHIBA Leasing	Toshiba Medical
Main business	Leasing, installment sales and loans and factoring	Leasing and installment sales of medical equipment

(b) Reason for the implementation of business combination

In the current third mid-term business management plan, IBJL Group is aiming for "a step up as a total financial service group for corporate business". We work on this business combination as a key measure to realize the growth strategy. With this business combination, IBJL Group looks to further expand our business activities by utilizing TOSHIBA group's extensive sales channels and actively promoting business development in financial services, which includes global business operations.

(c) Date of the business combination

February 1, 2012

(d) Legal form of the business combination

Acquisition of shares

(e) Name after the business combination

IBJ Leasing Company, Limited

(f) Ratio of voting right acquired

	IBJL-TOSHIBA Leasing	Toshiba Medical
Ratio of voting right after the acquisition	90%	65%

(g)Reason to have determined the acquiring company

Because IBJL acquired the shares with cash consideration

(2) Period of operating results of the acquired company which is included in the consolidated financial statements

From February 1, 2012 to March 31, 2012

(3) Acquisition cost of the acquired company and its breakdown

	(Millions of yen)	(Thousands of U.S. dollars)
	2012	2012
IBJL-TOSHIBA Leasing		
Consideration of the acquisition	¥13,000	$158,266
Expenditures directly incurred for the acquisition (Advisory fees, etc.)	144	1,755
Total	¥13,144	$160,021
Toshiba Medical		
Consideration of the acquisition	¥2,600	$31,653
Expenditures directly incurred for the acquisition (Advisory fees, etc.)	28	351
Total	¥2,628	$32,004

(4) Amount and cause of goodwill, amortization method and period

	IBJL-TOSHIBA Leasing	Toshiba Medical
Amount of goodwill	¥349 million ($4,249 thousand)	¥28 million ($343 thousand)
Cause of goodwill	As the acquisition costs exceed the fair value of the net assets acquired at the time of the business combination, the difference is recognized as goodwill.	
Amortization method and period	Amortized over 10 years	One-time amortization

(5) Assets accepted and liabilities assumed at the date of the business combination and its main component

	(Millions of yen)	(Thousands of U.S. dollars)
	2012	2012
IBJL-TOSHIBA Leasing		
Current Assets	¥363,369	$4,423,787
Non Current Assets	16,776	204,245
Total Assets	380,146	4,628,032
Current Liabilities	239,525	2,916,062
Long-term Liabilities	126,404	1,538,890
Total Liabilities	¥365,929	$4,454,952
Toshiba Medical		
Current Assets	¥49,379	$601,161
Non Current Assets	2,803	34,128
Total Assets	52,182	635,289
Current Liabilities	26,619	324,080
Long-term Liabilities	21,561	262,499
Total Liabilities	¥48,181	$586,579

(6) Approximate impact on the Consolidated Statement of Income with the method of its calculation, assuming that the business combination was completed at the date of commencement of the current consolidated fiscal year

No calculation is made for the impact of IBJL-TOSHIBA Leasing, as it is a company which took over, by a spin-off, financing service for corporation business from Toshiba Finance, the calculation of the estimated amount of the impact is difficult. No disclosure is made for the impact of Toshiba Medical, as there is no material impact on the Consolidated Statement of Income.

4. Additional Information

(1) Change in presentation

Foreign Exchange Loss, which was previously included in "Other—net" in Other Income(Expenses) in the consolidated statement of income, is separately presented from the current fiscal year as it became material. Foreign Exchange Loss in the fiscal 2011 amounted to ¥11 million is reclassified to conform to the classification used in the fiscal 2012.

(2) Application of Accounting standard for Accounting Changes and Error Corrections

Effective from the first quarter of the fiscal year ended March 31, 2012, IBJL applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24; December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24; December 4, 2009).

5. Operating Assets

(1) Operating Assets by industry segment as of March 31, 2012 and 2011 consisted of the following:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Leasing: (*1)			
Finance Lease	¥704,210	¥511,669	$8,573,291
Operating Lease	50,929	34,515	620,032
Leasing total	755,139	546,185	9,193,323
Installment Sales (*2)	112,243	94,514	1,366,487
Loans and Factoring	295,008	241,925	3,591,538
Other	48,876	46,008	595,043
Total Operating Assets	¥1,211,268	¥928,633	$14,746,391

(*1) Leasing total consists of the aggregate of Lease Receivables and Investments in Leases, Leased Assets included in Property and Equipment and Intangible Leased Assets on the consolidated balance sheets at the respective year-ends.

(*2) Installment Sales consist of the Installment Sales Receivables less Deferred Profit on Installment Sales on the consolidated balance sheets at the respective year-ends.

(2) The total amount of new contracts entered into during the years ended March 31, 2012 and 2011 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Leasing:			
Finance Lease	¥177,919	¥177,918	$2,166,050
Operating Lease	14,410	8,905	175,440
Leasing total	192,329	186,823	2,341,490
Installment Sales (*1)	44,208	34,777	538,211
Loans and Factoring	167,158	121,145	2,035,045
Other	22,261	15,556	271,024
Total	¥425,959	¥358,303	$5,185,770

(*1) The amount of Installment Sales is shown as the Installment Sales Receivables less Deferred Profit on Installment Sales.

6. Pledged Assets

Assets pledged as collateral as of March 31, 2012 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2012	2012
Lease Receivables and Investments in Leases	¥4,967	$60,479
Factoring Receivable	233	2,838
Total	¥5,200	$63,317

The amount of Lease Receivables and Investments in Leases to be provided as collateral if Lease contract receivables have become unrecoverable for the year ended March 31, 2012 was ¥11,869 million ($144,509 thousand).

Liabilities secured by the above assets as of March 31, 2012 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2012	2012
Current Portion of Long-term Debt	¥1,507	$18,358
Long-term Debt	1,077	13,120
Total	¥2,585	$31,478

7. Short-term Borrowings and Long-term Debt

(1) Short-term Borrowings as of March 31, 2012 and 2011 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Short-term Borrowings			
Short-term Borrowings from banks and other financial institutions	¥172,919	¥137,494	$2,105,185
Commercial Paper	373,100	327,300	4,542,245
Total	¥546,019	¥464,794	$6,647,430
Current Portion of Long-term Debt			
Long-term debt from banks and other financial institutions	¥202,973	¥138,857	$2,471,066
Payables under securitized lease receivables due within one year	37,707	30,434	459,070
Total	¥240,681	¥169,292	$2,930,136

(2) Long-term Debt as of March 31, 2012 and 2011 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Long-term Debt			
Long-term debt from banks and other financial institutions	¥345,702	¥240,956	$4,208,704
Payables under securitized lease receivables due over one year	1,077	2,585	13,120
Total	¥346,780	¥243,542	$4,221,824

8. Commitments and Contingent Liabilities

Contingent liabilities as of March 31, 2012 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2012	2012
Guarantee Obligations with respect to operating activities	¥26,023	$316,817
Other Guarantee Obligations	6,035	73,475
Total	¥32,058	$390,292

9. Cash and Cash Equivalents

(1) A reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and time deposits as of March 31, 2012 and 2011 are presented as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Cash and time deposits	¥41,273	¥37,728	$502,477
Time deposits with maturity of over three months	(1,372)	(1,618)	(16,711)
Cash and cash equivalents	¥39,900	¥36,110	$485,766

(2) During the year ended March 31, 2012, IBJL acquired shares in IBJL-TOSHIBA Leasing Company, Limited and Toshiba Medical Finance Co., Ltd. and they became consolidated subsidiaries. The summary of assets and liabilities of those companies at the date of acquisition, acquisition cost and net expenditure for the acquisitions are as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2012	2012
Current Assets	¥412,749	$5,024,948
Non Current Assets	19,579	238,373
Goodwill	377	4,592
Current Liabilities	266,145	3,240,142
Long-term Liabilities	147,966	1,801,389
Minority Interests	2,822	34,357
Acquisition cost of shares in subsidiaries	¥15,772	$192,025
Cash and Cash Equivalents	(12,076)	(147,024)
Net- Expenditure for the acquisitions	¥3,696	$45,001

10. Segment Information

(1) Reportable segments of IBJL

The reportable segments of IBJL Group are those for which separately financial information is available and regular evaluation by the IBJL's management is being performed in order to decide how resources are allocated among the IBJL Group.

IBJL Group provides total financial services to a wide range of customers from large companies to small and medium-sized companies. IBJL Group has four business segments based on the services: “Leasing” “Installment Sales” “Loans” and “Other”.

The Leasing segment is engaged in the leasing services (leasing and renting) for industrial machinery, transportation equipment and information-related equipment (including sales of subject properties upon expiration or cancellation of lease agreement). The Installment Sales segment is engaged in the installment sale of production equipment, construction and engineering machinery, and commercial equipment. The Loans segment is engaged in the corporate finance, vessel finance and factoring services. The Other segment is engaged in investing in securities which are held for the purpose of generating operational revenues, as well as engaged in the insurance agent services and assurance services.

(2) Methods of measurement for the amounts of sales, profit, assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, “Summary of Significant Accounting Policies”.

(3) Information about sales, profit, assets, liabilities and other items for the year ended March 31, 2012 and 2011 is as follows:

(Millions of yen)

	2012						
	Reportable segment						
	Leasing	Installment sales	Loans	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated (*4)
Sales:							
Sales to external customers	¥249,487	¥11,544	¥6,255	¥2,778	¥270,066	¥ -	¥270,066
Intersegment sales and transfers	146	61	198	70	476	(476)	-
Total	249,634	11,605	6,454	2,848	270,543	(476)	270,066
Operating Expenses	234,694	11,023	8,306	1,653	255,677	3,696	259,374
Segment Profit	¥14,939	¥582	¥(1,851)	¥1,195	¥14,865	¥(4,173)	¥10,691
Segment Assets	¥813,312	¥127,372	¥321,202	¥55,995	¥1,317,881	¥15,081	¥1,332,963
Others							
Depreciation and Amortization	7,929	-	-	-	7,929	1,403	9,332
Capital Expenditure	26,233	-	-	-	26,233	4,162	30,396

	(Millions of yen)						
	2011						
	Reportable segment						
	Leasing	Installment sales	Loans	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated (*4)
Sales:							
Sales to external customers	¥233,712	¥14,166	¥5,958	¥2,221	¥256,059	¥ -	¥256,059
Intersegment sales and transfers	131	20	186	87	425	(425)	-
Total	233,844	14,187	6,144	2,308	256,484	(425)	256,059
Operating Expenses	218,448	13,626	3,755	1,266	237,096	3,518	240,615
Segment Profit	¥15,395	¥561	¥2,389	¥1,041	¥19,387	¥(3,943)	¥15,444
Segment Assets	¥587,260	¥107,502	¥266,060	¥49,721	¥1,010,545	¥17,474	¥1,028,020
Others							
Depreciation and Amortization	6,467	-	-	-	6,467	1,126	7,593
Capital Expenditure	8,905	-	-	-	8,905	1,987	10,892

	(Thousands of U.S. dollars)						
	2012						
	Reportable segment						
	Leasing	Installment sales	Loans	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated (*4)
Sales:							
Sales to external customers	$3,037,344	$140,548	$76,159	$33,824	$3,287,875	$ -	$3,287,875
Intersegment sales and transfers	1,789	743	2,423	852	5,807	(5,807)	-
Total	3,039,133	141,291	78,582	34,676	3,293,682	(5,807)	3,287,875
Operating Expenses	2,857,252	134,202	101,129	20,124	3,112,707	45,001	3,157,708
Segment Profit	$181,881	$7,089	$(22,547)	$14,552	$180,975	$(50,808)	$130,167
Segment Assets	$9,901,534	$1,550,670	$3,910,425	$681,703	$16,044,332	$183,613	$16,227,945
Others							
Depreciation and Amortization	96,532	-	-	-	96,532	17,083	113,615
Capital Expenditure	319,381	-	-	-	319,381	50,674	370,055

(*1) The details of Reconciliations to Segment Profit for the years ended March 31, 2012 and 2011 are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Elimination of intersegment transactions	¥(112)	¥(227)	$(1,376)
Administrative expenses not allocated to the reportable segments	(4,060)	(3,716)	(49,432)
Total	¥(4,173)	¥(3,943)	$(50,808)

(*2) The details of Reconciliations to Segment Assets as of March 31, 2012 and 2011 are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2012	2011	2012
Elimination of intersegment transactions	¥(6,486)	¥(6,979)	$(78,967)
Corporate assets not allocated to the reportable segments	21,568	24,454	262,580
Total	¥15,081	¥17,474	$183,613

(*3) Reconciliations of "Depreciation and Amortization" and "Capital Expenditure" are related to corporate assets not allocated to the reportable segments.

(*4) Segment profits are reconciled to Operating Income in the Consolidated Statements of Income.

(4) Impairment loss of long-lived assets or goodwill per reportable segment:
Not applicable

11. Net Income per Share

Details of basic net income per share ("EPS") for the years ended March 31, 2012 and 2011 are as follows:

	(Millions of yen)	(Thousands of shares)	(Yen)	(U.S. dollars)
For the year ended March 31, 2012:	Net income	Weighted average shares	EPS	
Basic EPS				
Net income available to common shareholders	**¥4,296**	**36,198**	**¥118.71**	**$1.45**
For the year ended March 31, 2011:				
Basic EPS				
Net income available to common shareholders	¥9,025	36,198	¥249.33	$3.04