

FUYO LEASE GROUP

Summary of Financial Results for the 1st Three Months of FY2022

FUYO LEASE GROUP

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Earnings forecasts and other forward-looking statements provided in this material are based on the information currently available to the Company and are subject to risks and uncertainties. Actual results may differ materially from the forecasts presented herein.

Overview of consolidated operating results and business activities

1 | Fiscal 2022 Q1 consolidated operating results

- As a result of continuous expansion of business domains, profit at each level reached a record high in Q1. Ordinary profit, which continued to increase, has been achieved record high for six consecutive Q1 periods since FY2017, delivering on the management goal in the Medium-term Management Plan.
- In addition to the growth in profit before interest expenses, an improvement in credit-related costs and an increase in share of profit of entities accounted for using equity method contributed to the increase in profit.
- Operating assets remained at the same level as the end of the previous quarter, partly due to the successful exit of a large real estate lease.

| (¥100 million) | Q1 FY2021 | Q1 FY2022 | YoY change (amount) | YoY change (%) | |
|-----------------------------------|--------------|--------------|---------------------------|----------------------|-----------------------------------------------------|
| Profit before interest expenses*1 | 239 | 246 | 6 | 2.7% | * 1 Gross profit before deducting interest expenses |
| Gross profit | 215 | 222 | 7 | 3.4% | |
| Operating profit | 110 | 114 | 4 | 3.7% | |
| Ordinary profit | 122 | 130 | 8 | 6.6% | |
| Profit *2 | 80 | 82 | 2 | 2.8% | * 2 Profit attributable to owners of parent |
| Basic earnings per share | 266.37円 | 274.30円 | 7.93円 | 3.0% | |
| Newly executed contract volume | 3,381 | 3,688 | 307 | 9.1% | |
| Operating assets | 25,659 *3 | 25,505 | -154 | -0.6% | * 3 As of March 31, 2022 |

2 | Profit before interest expenses

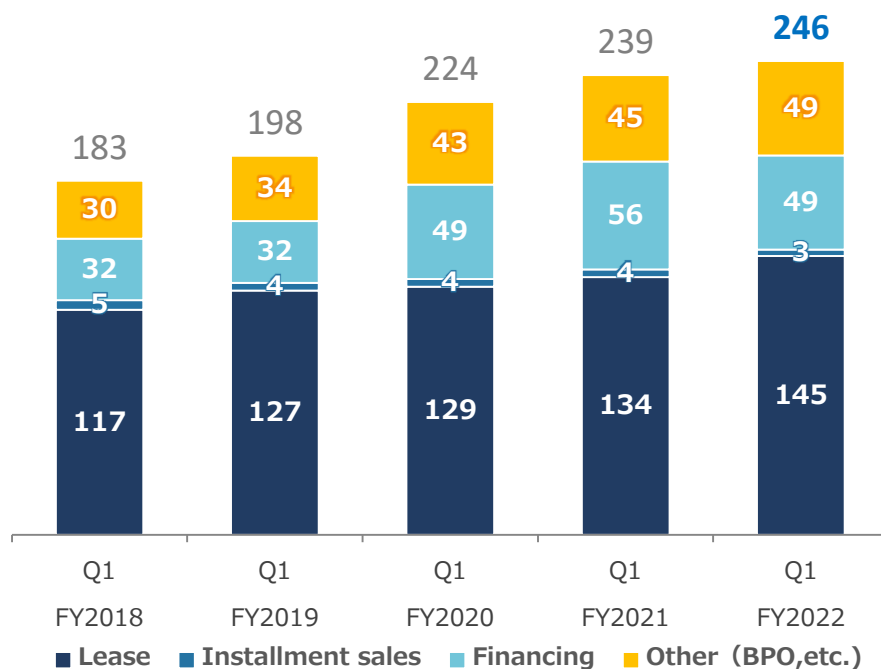
- Increase in "Lease" and "Other (BPO/ICT, etc.)"
- Decrease in "Financing" due to the absence of gain on sales recorded in the previous fiscal period, etc.

3 | Ordinary profit and profit

- Both ordinary profit and profit reached record highs
- Steady progress towards the full-year earnings forecasts

Profit before interest expenses

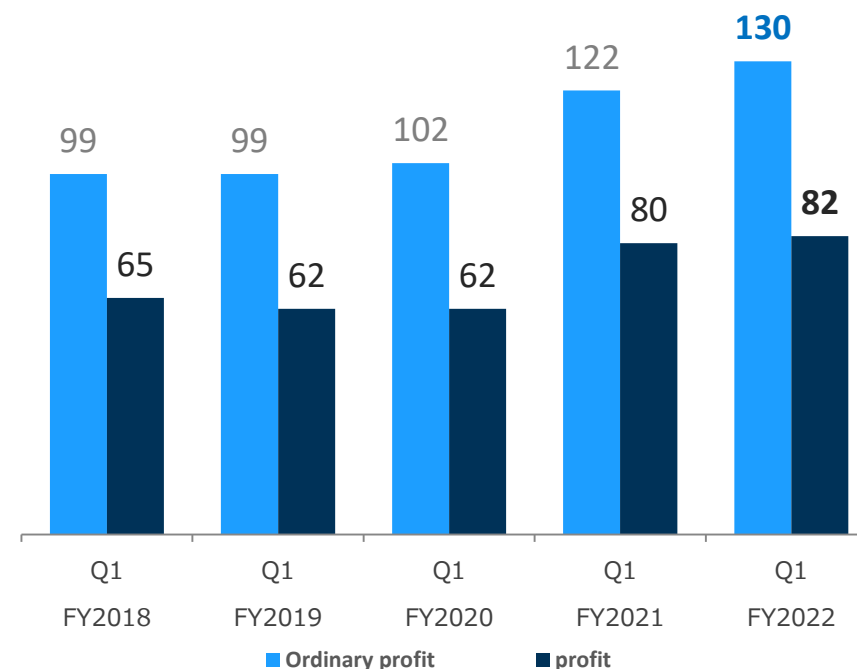
(¥100 million)



Ordinary profit and profit

(¥100 million)

(Profit: "Profit attributable to owners of parent")



4 | Changes in funding

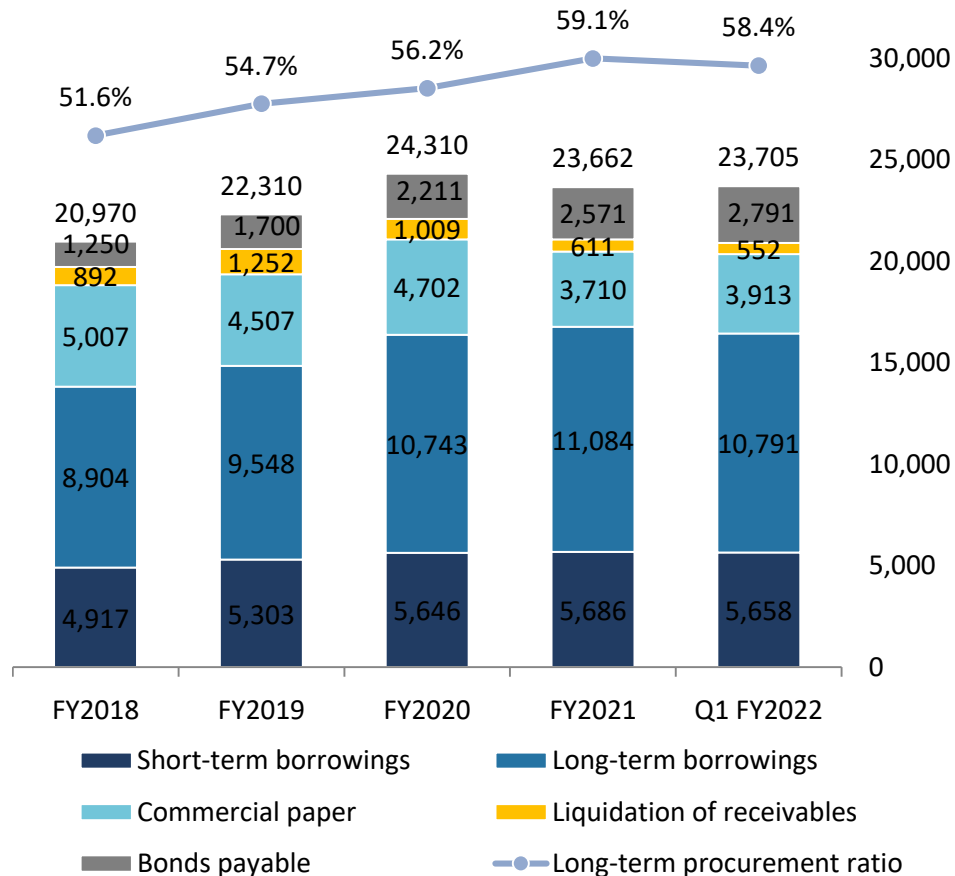
- No significant changes in structure
- Continuing efforts to improve long-term procurement ratio

5 | Net assets and the shareholders' equity ratio

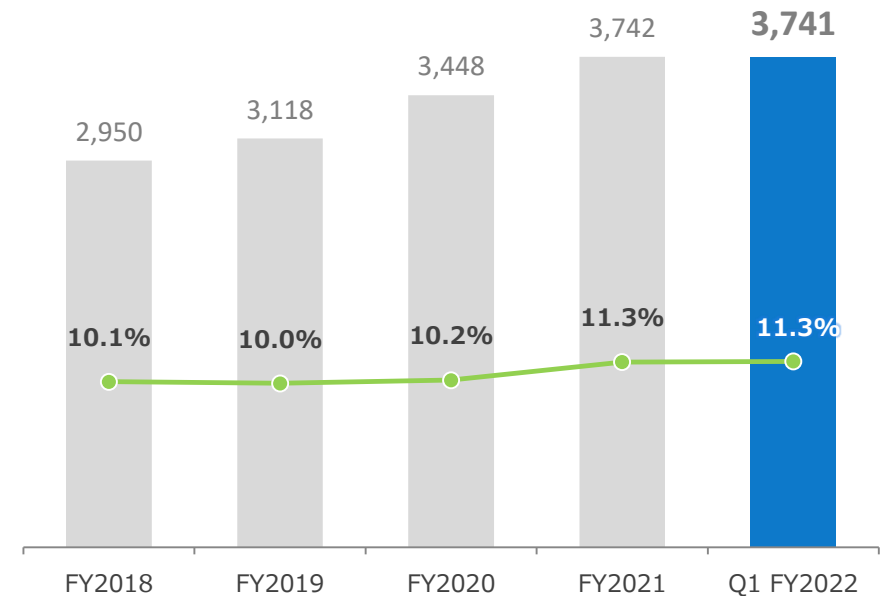
- Net assets and shareholders' equity ratio remained steady
- Aiming to improve shareholders' equity ratio through consistent profit posting

Outstanding balance

(¥100 million)



Net assets and the shareholders' equity ratio (¥100 million)

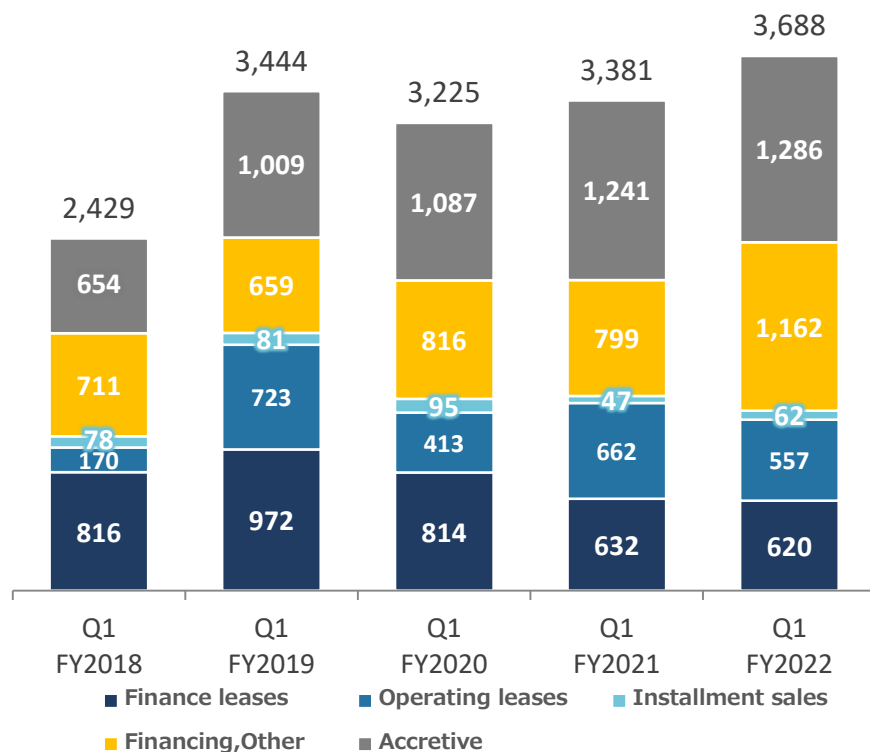


6 | Business activities

- Accumulation of operating leases is progressing in growth driver business domains
- Decrease in finance leases balance is mainly due to exit of large real estate leases
- Growth of newly executed contract volume and operating assets in finance driven by "renewable energy" and "real estate"

Newly executed contract volume

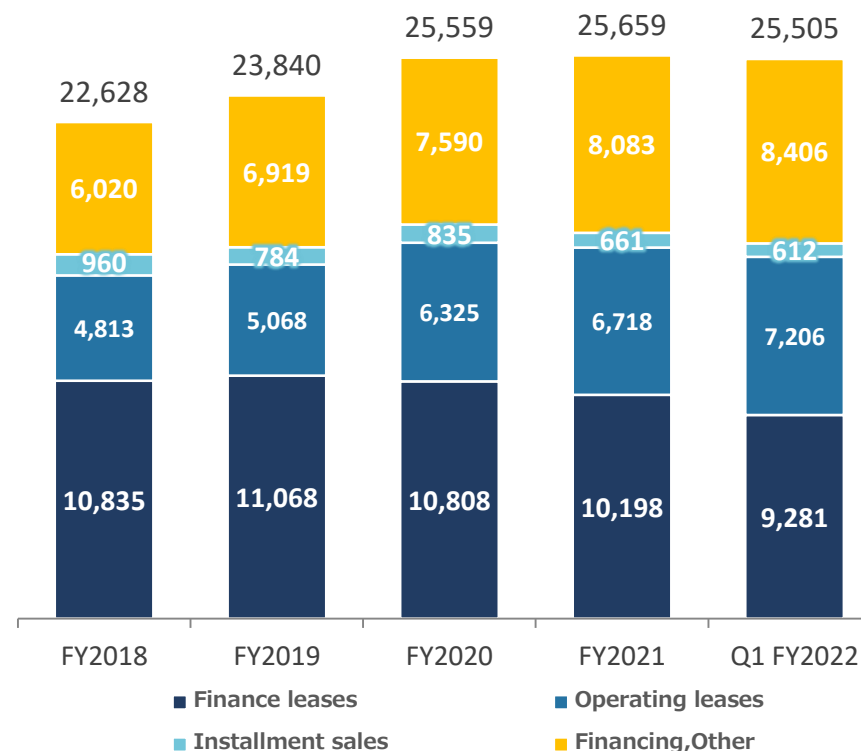
(¥100 million)



Accretive: Finance contracts executed by Accretive Co., Ltd.
(Not included in Financing, Other in the above)

Operating assets

(¥100 million)



Earnings forecast and dividend forecast

1 | FY2022 consolidated earnings forecast

| (¥100 million) | Q1 FY2022 | FY2022 Forecast |
|--------------------------------------------|--------------|--------------------|
| Net sales | 2,174 | 7,000 |
| Operating profit | 114 | 515 |
| Ordinary profit | 130 | 560 |
| Profit attributable to owners of parent | 82 | 360 |
| Basic earnings per share | ¥274.30 | ¥1,202.97 |

2 | FY2022 dividend forecast

| | FY2021 | FY2022 forecast |
|-----------------------|--------|--------------------|
| Dividend per share | ¥285 | ¥316 |
| Dividend payout ratio | 25.2% | 26.3% |

Appendix

1 | Summary of consolidated operating results

*1 Excluding interest expenses

*2 Gross profit before interest expenses

| (¥100 million) | Q1 FY2018 | Q1 FY2019 | Q1 FY2020 | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) |
|---------------------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
| Net sales | 1,653 | 1,650 | 1,790 | 1,416 | 2,174 | 758 |
| Cost of sales* ¹ | 1,470 | 1,452 | 1,566 | 1,177 | 1,929 | 752 |
| Profit before interest expenses * ² | 183 | 198 | 224 | 239 | 246 | 6 |
| Interest expenses | 20 | 24 | 26 | 25 | 24 | -1 |
| Gross profit | 163 | 174 | 198 | 215 | 222 | 7 |
| SG&A | 70 | 81 | 103 | 105 | 108 | 3 |
| [Credit-related costs] | [1] | [2] | [6] | [12] | [1] | [-10] |
| Operating profit | 94 | 93 | 96 | 110 | 114 | 4 |
| Non-operating income/expenses | 6 | 6 | 6 | 12 | 16 | 4 |
| [Reversal of credit-related profits/losses] | [0] | [0] | [1] | [2] | [0] | [-2] |
| Ordinary profit | 99 | 99 | 102 | 122 | 130 | 8 |
| Extraordinary income/losses | 2 | -0 | -0 | -1 | -0 | 0 |
| Profit attributable to owners of parent | 65 | 62 | 62 | 80 | 82 | 2 |
| Basic earnings per share(¥) | 214.81 | 204.23 | 206.71 | 266.37 | 274.30 | 7.93 |

2 | Segment results

* 1 Gross profit before interest expenses

| (¥100 million) | Leases | | | | Installment sales | | | | Leases and installment sales total | | | |
|------------------------------------------|--------------|--------------|---------------------------|----------------------|-------------------|--------------|---------------------------|----------------------|------------------------------------|--------------|---------------------------|----------------------|
| | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) |
| Net sales | 1,191 | 1,923 | 732 | 61.5% | 79 | 82 | 4 | 4.8% | 1,269 | 2,005 | 736 | 58.0% |
| Cost of sales | 1,057 | 1,778 | 721 | 68.3% | 75 | 79 | 4 | 5.9% | 1,131 | 1,857 | 726 | 64.2% |
| Profit before interest expenses *1 | 134 | 145 | 11 | 8.0% | 4 | 3 | -1 | -16.9% | 138 | 148 | 10 | 7.3% |
| Interest expenses | 14 | 13 | -1 | -9.7% | 1 | 1 | -0 | -15.7% | 15 | 13 | -1 | -10.0% |
| Gross profit | 120 | 132 | 12 | 10.1% | 3 | 3 | -1 | -17.2% | 123 | 135 | 12 | 9.4% |

| | Financing | | | | Other | | | | Total | | | |
|------------------------------------------|--------------|--------------|---------------------------|----------------------|--------------|--------------|---------------------------|----------------------|--------------|--------------|---------------------------|----------------------|
| | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) |
| Net sales | 57 | 50 | -7 | -12.0% | 89 | 119 | 29 | 32.9% | 1,416 | 2,174 | 758 | 53.6% |
| Cost of sales | 1 | 2 | 1 | 65.9% | 44 | 70 | 26 | 57.7% | 1,177 | 1,929 | 752 | 63.9% |
| Profit before interest expenses *1 | 56 | 49 | -8 | -13.5% | 45 | 49 | 4 | 8.5% | 239 | 246 | 6 | 2.7% |
| Interest expenses | 9 | 10 | 1 | 9.7% | 1 | 0 | -0 | -51.5% | 25 | 24 | -1 | -3.6% |
| Gross profit | 47 | 38 | -8 | -18.1% | 44 | 48 | 4 | 9.3% | 215 | 222 | 7 | 3.4% |

3 | Operating assets

| (¥100 million) | FY2018 | FY2019 | FY2020 | FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------------------|-------------------|
| Leases | 15,648 | 16,136 | 17,133 | 16,916 | 16,487 | -429 | -2.5% |
| Finance leases | [10,835] | [11,068] | [10,808] | [10,198] | [9,281] | [-917] | [-9.0%] |
| Operating leases | [4,813] | [5,068] | [6,325] | [6,718] | [7,206] | [487] | [7.3%] |
| Installment sales | 960 | 784 | 835 | 661 | 612 | -49 | -7.4% |
| Financing, Other | 6,020 | 6,919 | 7,590 | 8,083 | 8,406 | 324 | 4.0% |
| Toal | 22,628 | 23,840 | 25,559 | 25,659 | 25,505 | -154 | -0.6% |

4 | Newly executed contract volume

| (¥100 million) | Q1 FY2018 | Q1 FY2019 | Q1 FY2020 | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) | YoY change (%) |
|---------------------|--------------|--------------|--------------|--------------|--------------|---------------------------|-------------------|
| Leases | 986 | 1,694 | 1,228 | 1,294 | 1,178 | -116 | -9.0% |
| Finance leases | [816] | [972] | [814] | [632] | [620] | [-11] | [-1.8%] |
| Operating leases | [170] | [723] | [413] | [662] | [557] | [-105] | [-15.8%] |
| Installment sales | 78 | 81 | 95 | 47 | 62 | 16 | 33.4% |
| Financing, Other | 1,365 | 1,668 | 1,903 | 2,040 | 2,448 | 407 | 20.0% |
| Toal | 2,429 | 3,444 | 3,225 | 3,381 | 3,688 | 307 | 9.1% |

5 | Newly executed lease contract volume (by type of equipment)

| (¥100 million) | Q1 FY2020 | Q1 FY2021 | Q1 FY2022 | YoY Change (amount) |
|----------------------------------------------------|--------------|--------------|--------------|------------------------|
| IT & office equipment | 446 | 354 | 352 | -2 |
| Industrial machinery | 51 | 38 | 51 | 13 |
| Civil engineering and construction machinery | 23 | 7 | 6 | -1 |
| Transportation equipment | 85 | 259 | 92 | -167 |
| Medical devices | 51 | 46 | 44 | -2 |
| Commercial/services equipment | 62 | 50 | 36 | -13 |
| Buildings, etc. | 455 | 490 | 555 | 66 |
| Other | 55 | 51 | 42 | -10 |
| Total | 1,228 | 1,294 | 1,178 | -116 |

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.