

FUYO LEASE GROUP

Summary of Financial Results for the 1st half 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 1H consolidated operating results

- Balanced profit growth was achieved in business domains positioned as growth drivers, such as energy and environment, and mobility.
- Profit at each level reached a record high in 1H against the backdrop of the steady growth in profit before interest expenses.
(for six consecutive periods for ordinary profit, for eight consecutive periods for profit)
- Improved ROA and increased operating assets were simultaneously realized by building up highly profitable assets.

(¥100 million)	FY2021 1H results	FY2022 1H results	YoY change (amount)	YoY change (%)	
Profit before interest expenses*1	481	533	51	10.6%	* 1 Gross profit before deducting interest expenses
Gross profit	435	485	50	11.5%	
Operating profit	235	270	35	14.9%	
Ordinary profit	275	311	36	13.2%	
Profit *2	181	203	22	12.3%	* 2 Profit attributable to owners of parent
Basic earnings per share	¥602.58	¥677.63	¥75.05	12.5%	
ROA *3	2.15%	2.41%	0.26pt	—	* 3 Ordinary profit (annualized) / Operating assets(average balance)
Newly executed contract volume	6,439	7,017	578	9.0%	
Operating assets	25,659 ^{*4}	26,016	356	1.4%	* 4 As of March 31, 2022

2 | Profit before interest expenses

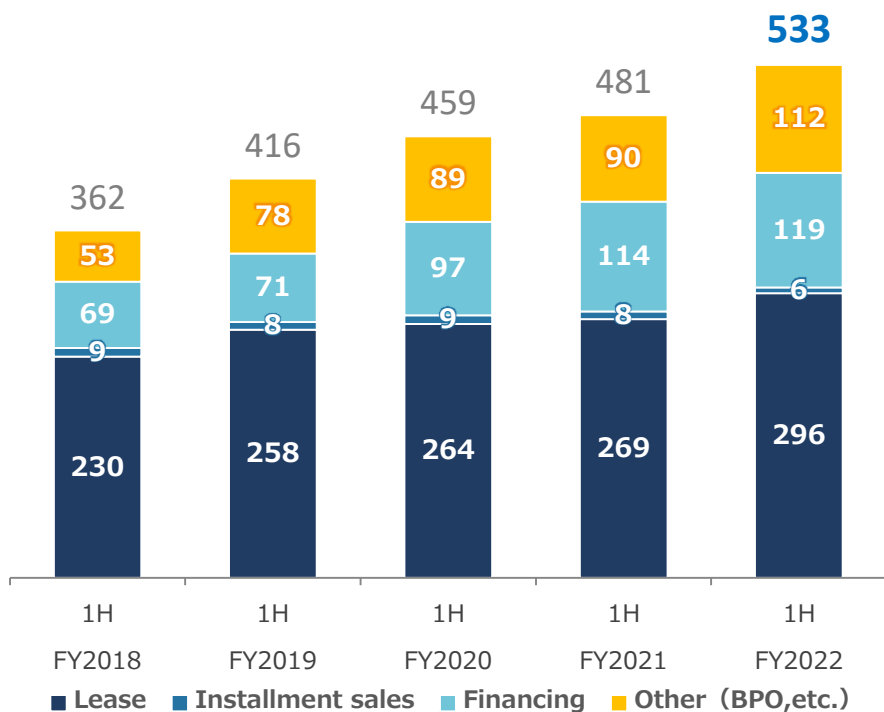
- Profits in Lease continued to increase mainly owing to growth in aircraft and real estate.
- Other also grew mainly due to the consolidation of WorkVision Corporation.

3 | Ordinary profit and profit

- In addition to the steady growth in profit before interest expenses, the share of profit of entities accounted for using equity method increased.
- Both ordinary profit and profit reached continuous record highs.

Profit before interest expenses

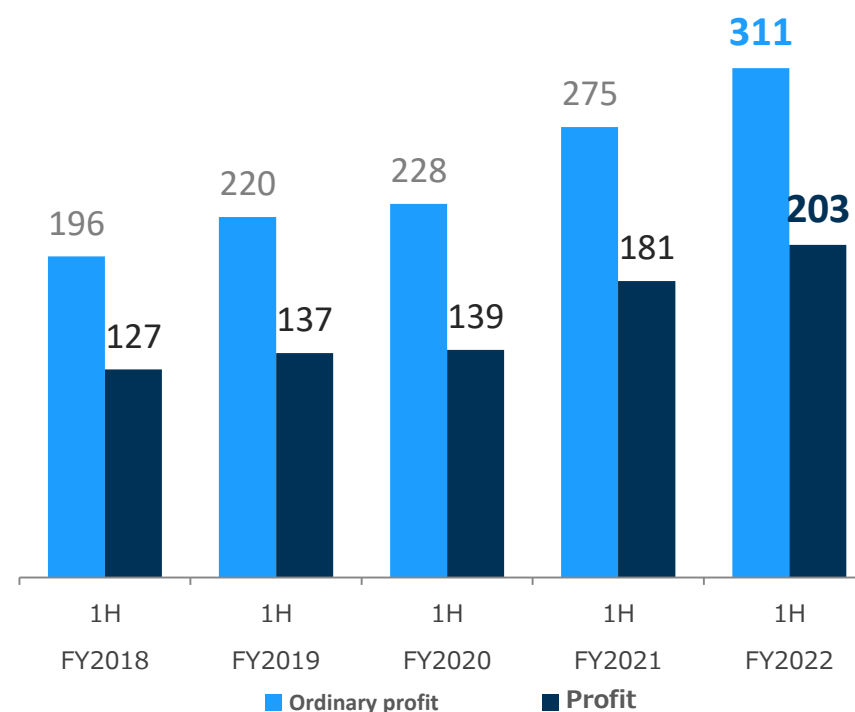
(¥100 million)



Ordinary profit and profit

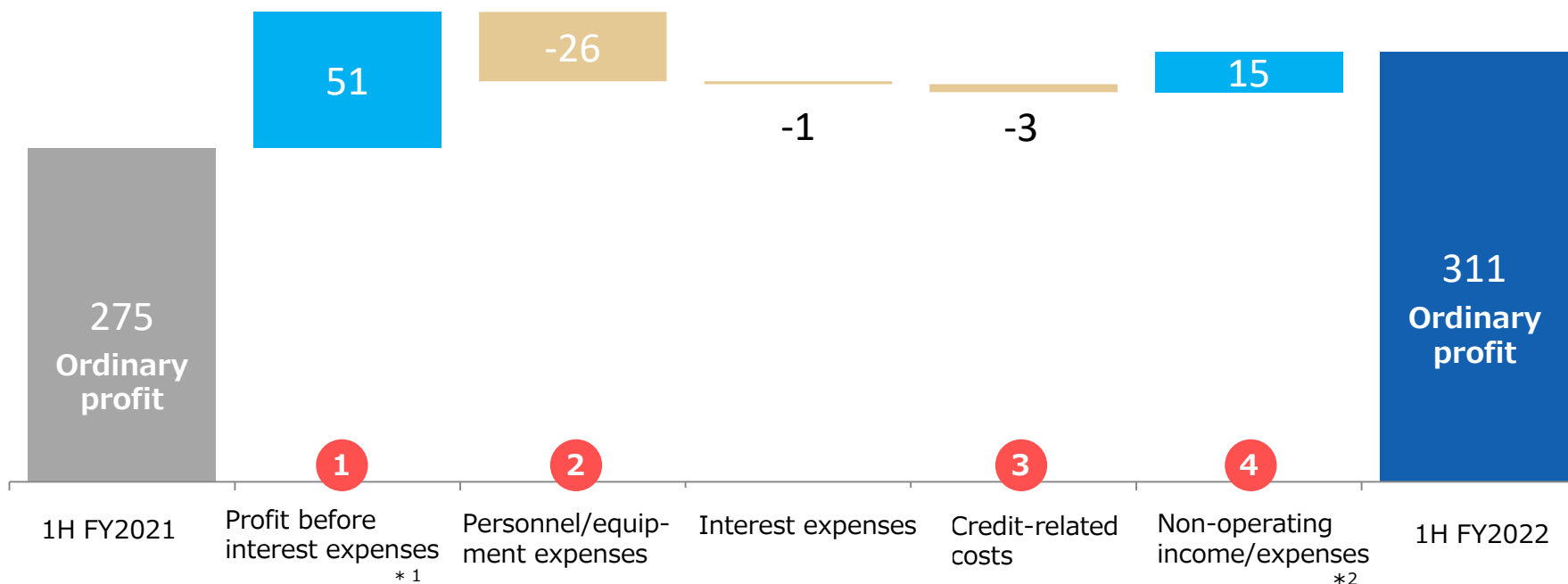
(¥100 million)

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



4 | Factor causing the increase in ordinary profit

(¥100 million)



1 Profit before interest expenses

Growth was achieved in business domains positioned as growth drivers.

2 Personnel/equipment expenses

An increase was seen mainly due to the consolidation of WorkVision Corporation (from Q3 of FY2021).

3 Credit-related cost

While there was an absence of large recoveries of receivables, which were recorded in the previous fiscal year, provision of allowance for bad-debt decreased.

4 Non-operating income/expenses

In addition to the increase in share of profit of entities accounted for using equity method, foreign exchange gains increased.

*1 Gross profit before deducting interest expenses *2 Excluding reversal of credit-related profits/losses

5 | Changes in funding

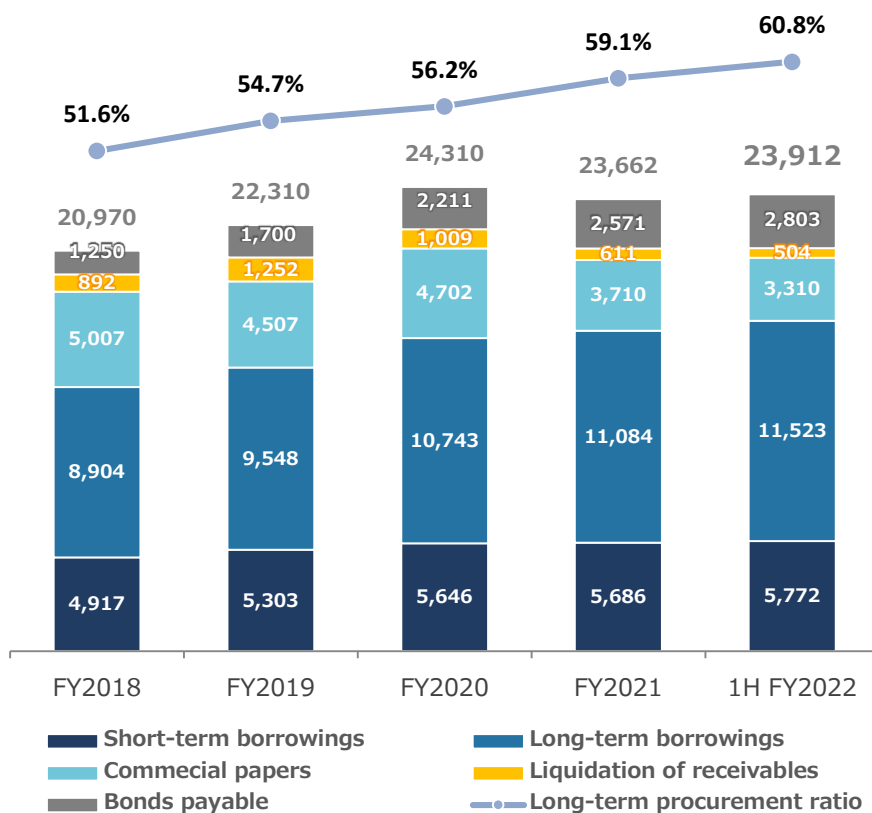
- No significant changes in structure
- Continuing efforts to improve long-term procurement ratio

6 | Net assets and the shareholders' equity ratio

- Stable profit growth enabled the steady accumulation of net assets.
- The shareholders' equity ratio also continued to increase.

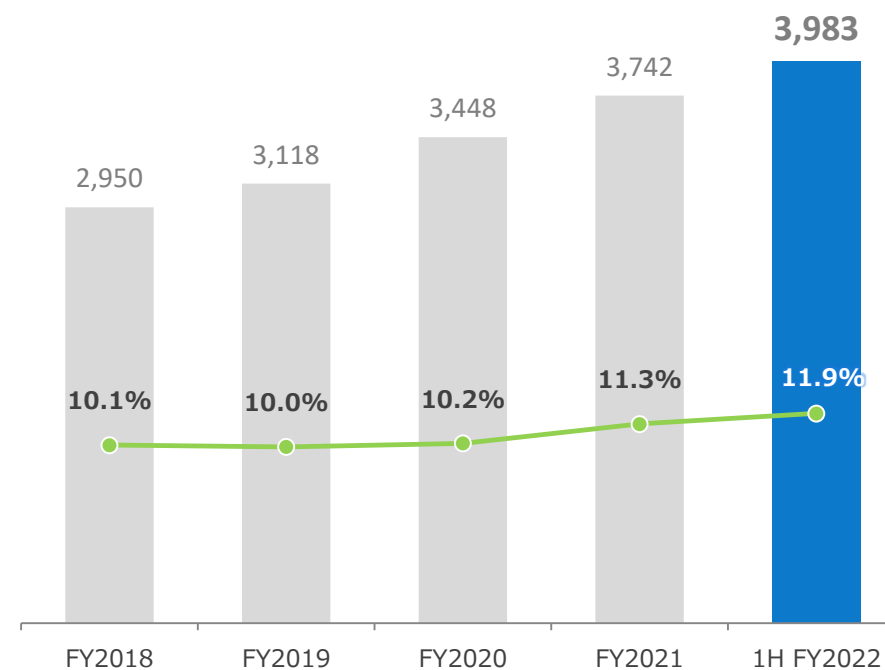
Outstanding balance

(¥100 million)



Net assets and the shareholders' equity ratio

(¥100 million)

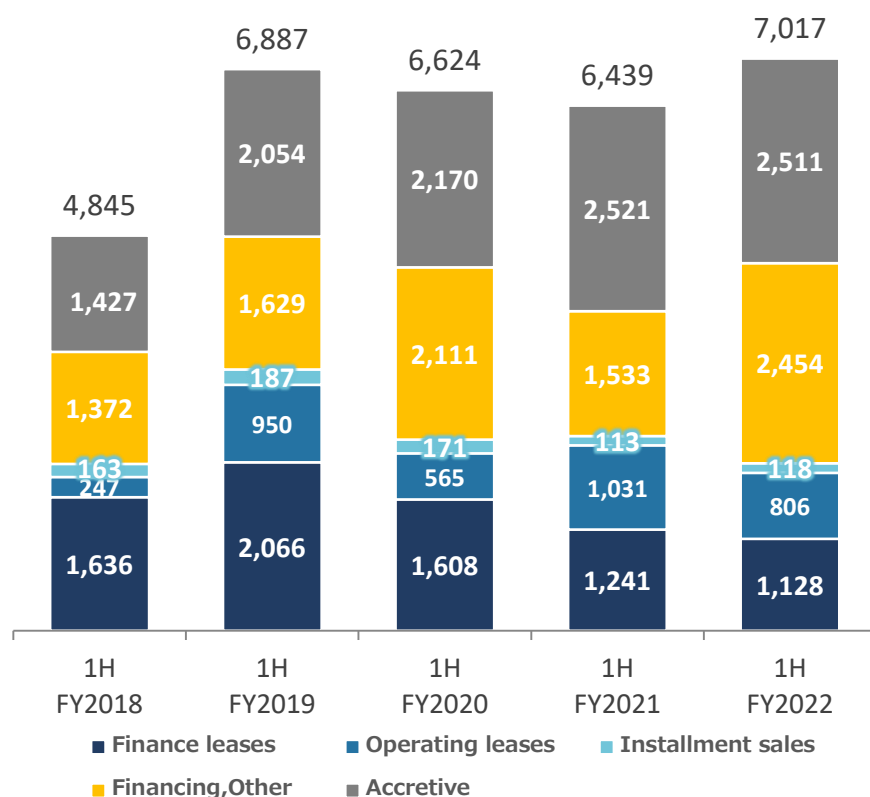


7 | Business activities

- An increase in equity investment and real estate financing which are aimed at participation in the renewable energy business in energy and environment led to growth in the newly executed contract volume of Financing.
- Operating assets also increased in Operating leases and Financing driven by energy and environment, and real estate.
- ROA improved steadily due to advanced conversion to a highly profitable portfolio and expansion of business domains.

Newly executed contract volume

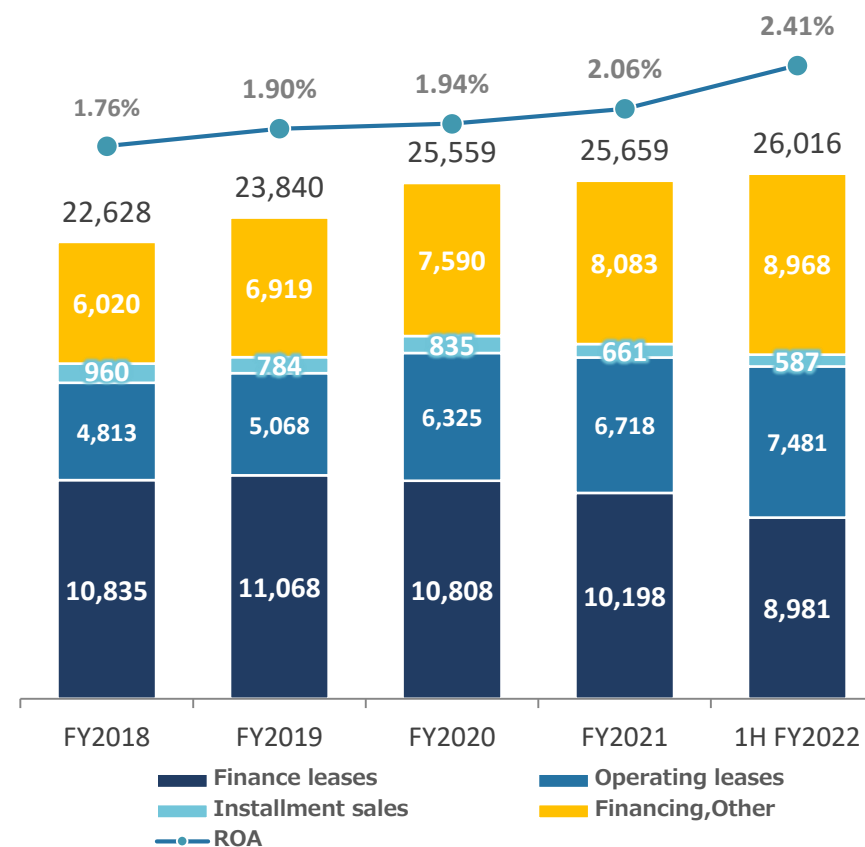
(¥100 million)



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)	1H FY2022 results	FY2022 forecast
Net sales	3,561	7,000
Operating profit	270	515
Ordinary profit	311	560
Profit attributable to owners of parent	203	360
Basic earnings per share	¥677.63	¥1,202.97

2 | FY2022 dividend forecast

	1H FY2022 results	FY2022 forecast
Dividend per share	¥158	¥316
Dividend payout ratio	—	26.3%

Appendix

1 | Summary of consolidated operating results

*1 Excluding interest expenses

*2 Gross profit before interest expenses

(¥100 million)	1H FY2018	1H FY2019	1H FY2020	1H FY2021	1H FY2022	YoY (amount) (1H FY2021 to 1H FY2022)
Net sales	2,957	3,445	3,574	2,854	3,561	706
Cost of sales *1	2,595	3,029	3,114	2,373	3,028	655
Profit before interest expenses *2	362	416	459	481	533	51
Interest expenses	41	47	50	47	48	1
Gross profit	321	369	409	435	485	50
SG&A	139	164	200	200	215	15
[Credit-related costs]	[2]	[5]	[9]	[14]	[4]	[-11]
Operating profit	182	205	209	235	270	35
Non-operating income/expenses	14	15	18	40	41	1
[Reversal of credit-related profits/losses]	[1]	[1]	[2]	[15]	[1]	[-14]
Ordinary profit	196	220	228	275	311	36
Extraordinary income/losses	2	2	-0	1	-1	-2
Profit attributable to owners of parent	127	137	139	181	203	22
Basic earnings per share(¥)	419.54	455.81	462.79	602.58	677.63	75.05

2 | Segment results

*1 Gross profit before interest expenses

	Leases				Installment sales				Leases and installment sales total			
	1H FY2021	1H FY2022	YoY change (amount)	YoY change (%)	1H FY2021	1H FY2022	YoY change (amount)	YoY change (%)	1H FY2021	1H FY2022	YoY change (amount)	YoY change (%)
(¥100 million)												
Net sales	2,388	3,033	645	27.0%	168	157	-11	-6.3%	2,556	3,190	634	24.8%
Cost of sales	2,119	2,737	618	29.2%	160	151	-9	-5.8%	2,279	2,888	609	26.7%
Profit before interest expenses *1	269	296	26	9.7%	8	6	-1	-17.6%	277	302	25	9.0%
Interest expenses	27	25	-2	-7.3%	1	1	-0	-11.4%	28	26	-2	-7.5%
Gross profit	243	271	28	11.6%	6	5	-1	-18.7%	249	276	27	10.8%

	Financing				Other				Total			
	1H FY2021	1H FY2022	YoY change (amount)	YoY change (%)	1H FY2021	1H FY2022	YoY change (amount)	YoY change (%)	1H FY2021	1H FY2022	YoY change (amount)	YoY change (%)
Net sales	116	121	5	4.4%	182	250	67	36.9%	2,854	3,561	706	24.7%
Cost of sales	2	2	0	23.1%	92	138	46	49.7%	2,373	3,028	655	27.6%
Profit before interest expenses *1	114	119	5	4.1%	90	112	22	23.9%	481	533	51	10.6%
Interest expenses	18	21	4	19.5%	1	1	-0	-39.7%	47	48	1	2.1%
Gross profit	96	97	1	1.2%	89	111	22	24.6%	435	485	50	11.5%

3 | Operating assets

(¥100 million)	FY2018	FY2019	FY2020	FY2021	1H FY2022	YoY (amount) (FY2021 to 1H FY2022)	YoY (%) (FY2021 to 1H FY2022)
Leases	15,648	16,136	17,133	16,916	16,462	-454	-2.7%
Finance leases	[10,835]	[11,068]	[10,808]	[10,198]	[8,981]	[-1,217]	[-11.9%]
Operating leases	[4,813]	[5,068]	[6,325]	[6,718]	[7,481]	[762]	[11.3%]
Installment sales	960	784	835	661	587	-74	-11.2%
Financing, Other	6,020	6,919	7,590	8,083	8,968	885	10.9%
Total	22,628	23,840	25,559	25,659	26,016	356	1.4%

4 | Newly executed contract volume

(¥100 million)	1H FY2018	1H FY2019	1H FY2020	1H FY2021	1H FY2022	YoY (amount) (1H FY2021 to 1H FY2022)	YoY (%) (1H FY2021 to 1H FY2022)
Leases	1,884	3,016	2,173	2,272	1,934	-338	-14.9%
Finance leases	[1,636]	[2,066]	[1,608]	[1,241]	[1,128]	[-113]	[-9.1%]
Operating leases	[247]	[950]	[565]	[1,031]	[806]	[-225]	[-21.8%]
Installment sales	163	187	171	113	118	5	4.8%
Financing, Other	2,799	3,684	4,281	4,054	4,964	910	22.5%
Total	4,845	6,887	6,624	6,439	7,017	578	9.0%

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

(¥100 million)	1H FY2020	1H FY2021	1H FY2022	YoY (amount) (1H FY2021 to 1H FY2022)
IT & office equipment	869	662	636	-26
Industrial machinery	136	92	66	-26
Civil engineering and construction machinery	42	16	14	-3
Transportation equipment	180	356	185	-171
Medical devices	98	84	101	17
Commercial/services equipment	119	86	65	-21
Buildings, etc.	625	881	783	-98
Other	103	95	85	-10
Total	2,173	2,272	1,934	-338

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.