

FUYO LEASE GROUP

Summary of Financial Results for the Nine 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 Q3 consolidated operating results

- Amid steady growth of profit before interest expenses, each tier of profit realized record-high results for Q3 (9 months). (Ordinary profit and profit have achieved record-high results for six consecutive periods.)
- We are expanding the business areas that we target as growth drivers, and our highly profitable assets are accumulating. Through dual focus on ROA improvement and increased operating assets, we aim to achieve sustainable profit growth.

(¥100 million)	Q3 FY2021 results	Q3 FY2022 results	YoY change (amount)	YoY change (%)	
Profit before interest expenses*1	731	823	92	12.6%	* 1 Gross profit before deducting interest expenses
Gross profit	658	746	87	13.3%	
Operating profit	345	414	69	19.9%	
Ordinary profit	389	470	80	20.7%	
Profit *2	257	307	50	19.6%	* 2 Profit attributable to owners of parent
Basic earnings per share	¥856.63	¥1,025.45	¥168.82	19.7%	
ROA *3	2.02%	2.41%	0.39pt	—	* 3 Ordinary profit (annualized) / Operating assets(average balance)
Newly executed contract volume	10,112	10,856	744	7.4%	
Operating assets	25,659	26,315	656	2.6%	* 4 As of March 31, 2022

2 | Profit before interest expenses

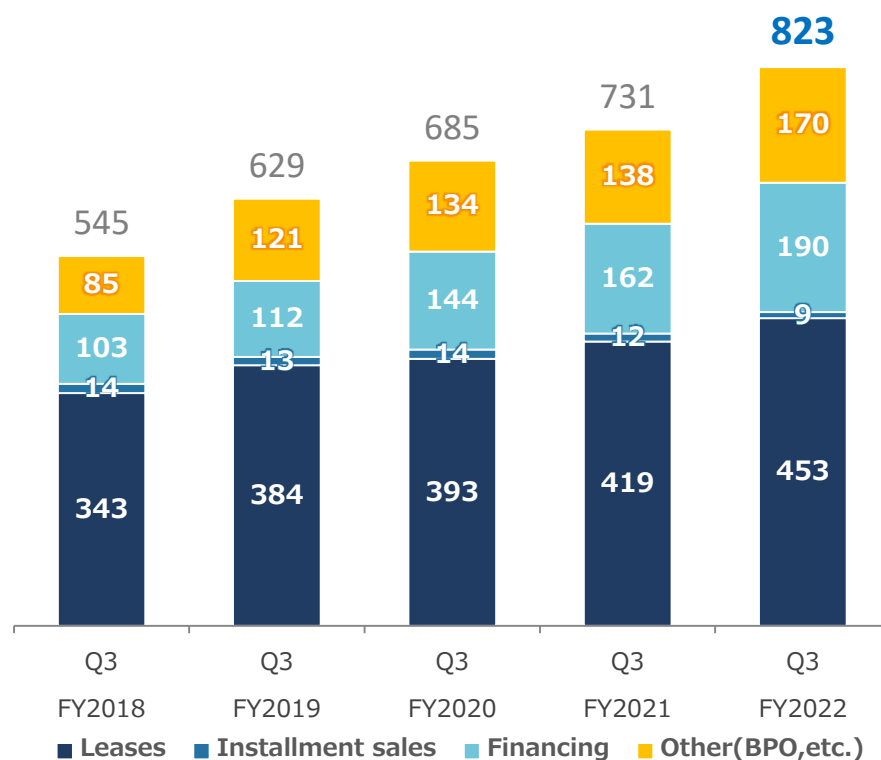
- Balanced profit growth was achieved in each segment
- A main contributor to profit gains in Financing was growth in business-participation-type business.

3 | Ordinary profit and profit

- Reset record-highs for ordinary profit and profit
- Progressing well to achieve FY2022 forecast (Ordinary profit: 84% Profit: 85%)

Profit before interest expenses

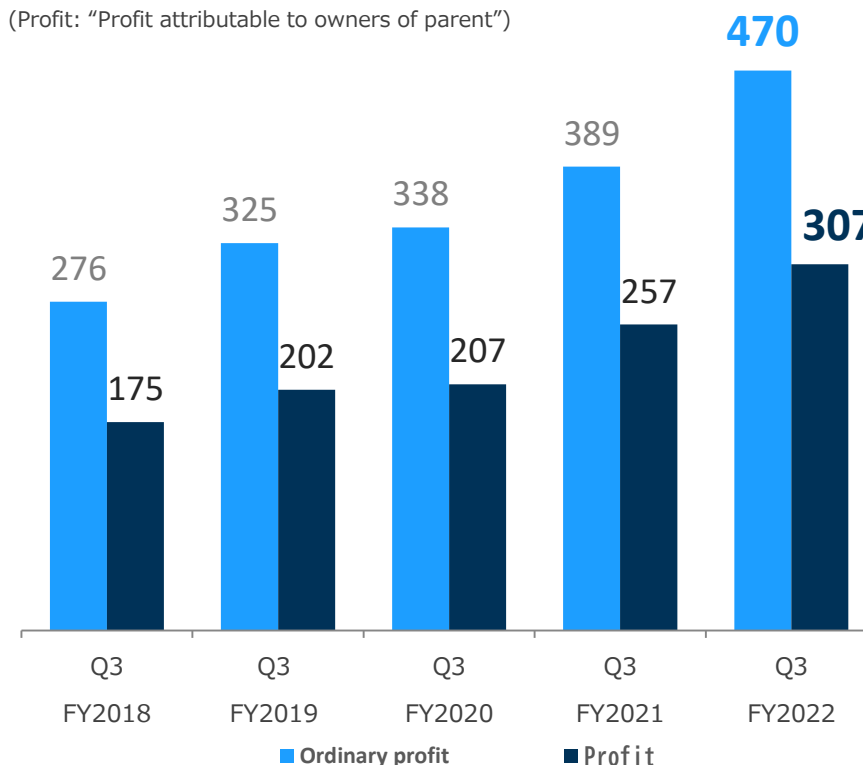
(¥100 million)



Ordinary profit and profit

(¥100 million)

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



4 | Changes in funding

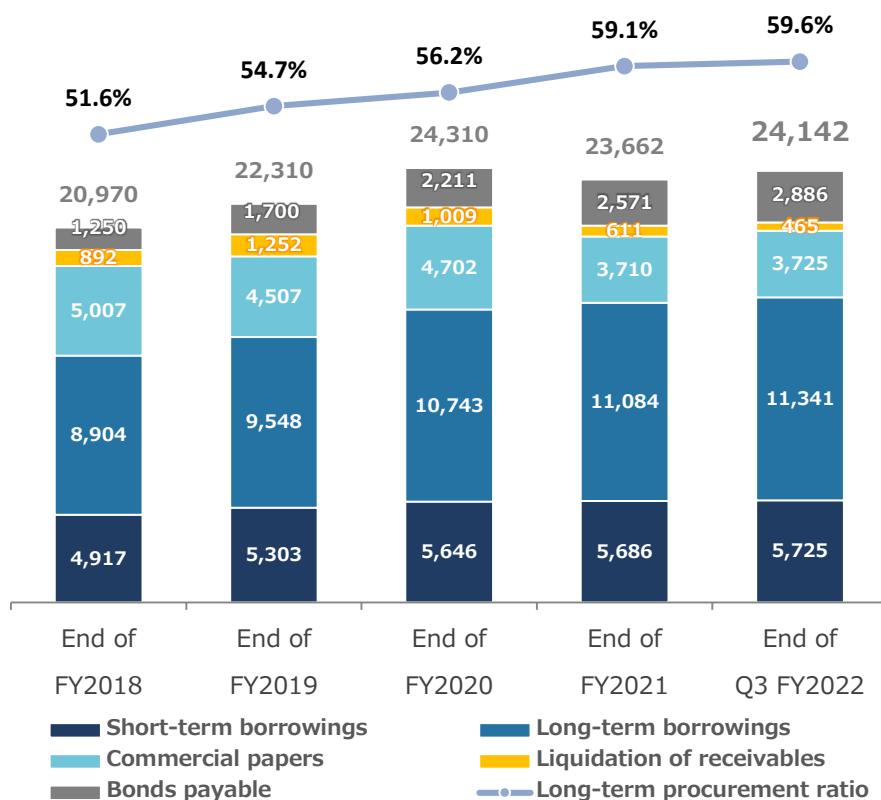
- Company's first ever issuance of hybrid corporate bonds in December 2022 (total issue amount: ¥30.0 billion)
- Continuing efforts to improve long-term procurement ratio

5 | Net assets and the shareholders' equity ratio

- Accumulation of net assets amid stable posting of profit
- The shareholders' equity ratio also continued to increase.

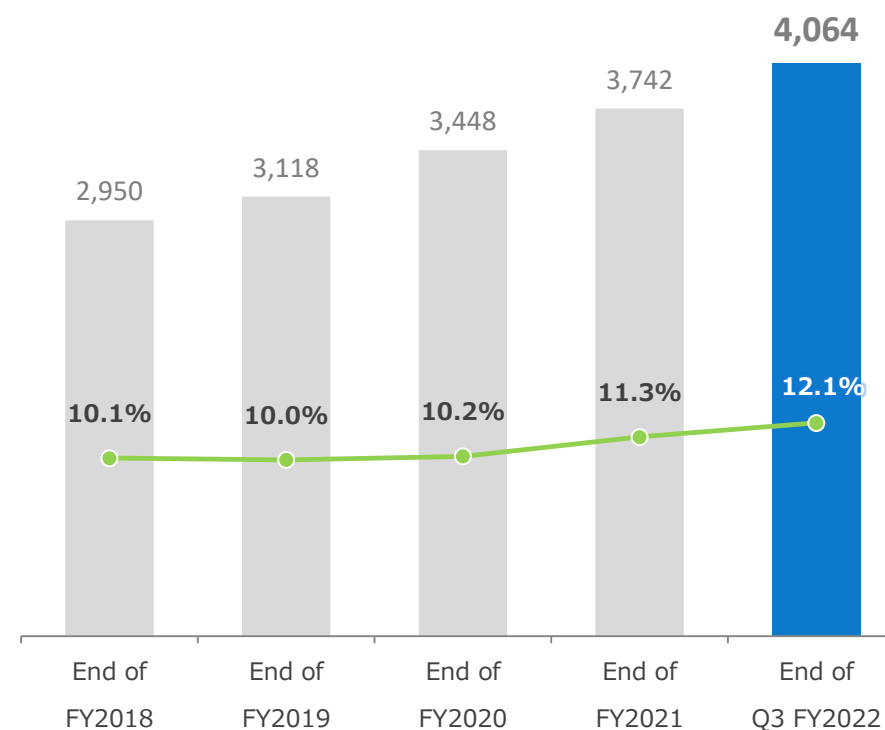
Outstanding balance

(¥100 million)



Net assets and the shareholders' equity ratio

(¥100 million)

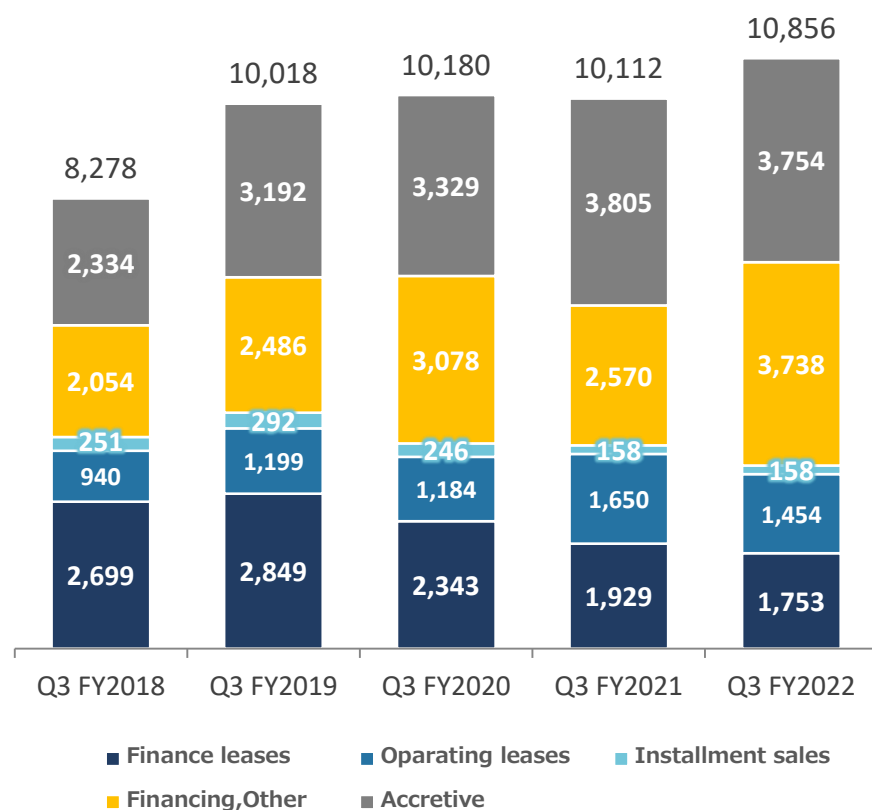


6 | Business activities

- Increased results achieved for newly executed contract volume (YoY) and operating assets (from the previous year-end)
- The drop in finance leases that was due to large real estate lease exit was offset by build-up of operating leases, and overall, leases were about level with FY2021-end.
- Growth in newly executed contract volume and operating assets in financing was driven by business fields that are becoming growth drivers, such as energy and environment, and real estate.

Newly executed contract volume

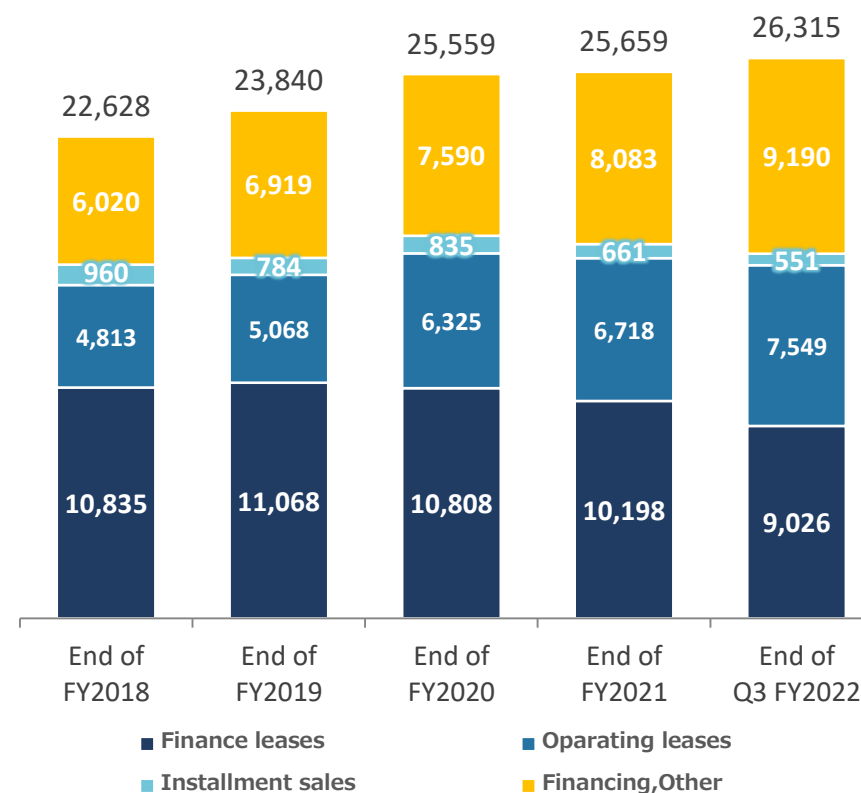
(¥100 million)



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)	Q3 FY2022 results	FY2022 forecast
Net sales	5,338	7,000
Operating profit	414	515
Ordinary profit	470	560
Profit attributable to owners of parent	307	360
Basic earnings per share	¥1,025.45	¥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)	Q3 FY2018	Q3 FY2019	Q3 FY2020	Q3 FY2021	Q3 FY2022	YoY (amount) (Q3 FY2021 to Q3 FY2022)
Net sales	4,566	5,295	5,538	4,631	5,338	707
Cost of sales *1	4,021	4,667	4,854	3,900	4,515	615
Profit before interest expenses *2	545	629	685	731	823	92
Interest expenses	64	72	75	72	77	5
Gross profit	481	557	610	658	746	87
SG&A	227	251	296	313	332	19
[Credit-related costs]	[5]	[6]	[15]	[23]	[10]	[-13]
Operating profit	253	306	314	345	414	69
Non-operating income/expenses	23	19	24	44	56	12
[Reversal of credit-related profits/losses]	[1]	[1]	[2]	[15]	[1]	[-14]
Ordinary profit	276	325	338	389	470	80
Extraordinary income/losses	5	-3	-0	7	-11	-18
Profit attributable to owners of parent	175	202	207	257	307	50
Basic earnings per share(¥)	580.20	672.07	689.58	856.63	1,025.45	168.82

2 | Segment results

*1 Gross profit before interest expenses

(¥100 million)	Leases				Installment sales				Leases and installment sales total			
	Q3 FY2021	Q3 FY2022	YoY change (amount)	YoY change (%)	Q3 FY2021	Q3 FY2022	YoY change (amount)	YoY change (%)	Q3 FY2021	Q3 FY2022	YoY change (amount)	YoY change (%)
Net sales	3,930	4,552	622	15.8%	243	218	-25	-10.2%	4,173	4,770	597	14.3%
Cost of sales	3,512	4,099	587	16.7%	231	209	-22	-9.7%	3,743	4,308	565	15.1%
Profit before interest expenses *1	419	453	34	8.2%	12	9	-2	-21.4%	430	462	32	7.4%
Interest expenses	41	39	-2	-4.9%	2	2	-0	-10.0%	43	40	-2	-5.1%
Gross profit	378	414	36	9.6%	10	8	-2	-23.6%	388	422	34	8.7%

	Financing				Other				Total			
	Q3 FY2021	Q3 FY2022	YoY change (amount)	YoY change (%)	Q3 FY2021	Q3 FY2022	YoY change (amount)	YoY change (%)	Q3 FY2021	Q3 FY2022	YoY change (amount)	YoY change (%)
Net sales	164	193	29	17.7%	294	375	81	27.6%	4,631	5,338	707	15.3%
Cost of sales	2	2	0	19.3%	156	205	49	31.7%	3,900	4,515	615	15.8%
Profit before interest expenses *1	162	190	29	17.7%	138	170	32	23.0%	731	823	92	12.6%
Interest expenses	28	35	7	25.7%	2	1	-0	-25.2%	72	77	5	6.5%
Gross profit	134	155	21	16.0%	137	169	32	23.5%	658	746	87	13.3%

3 | Operating assets

(¥100 million)	End of FY2018	End of FY2019	End of FY2020	End of FY2021	End of Q3 FY2022	YoY (amount) (FY2021 to Q3 FY2022)	YoY (%) (FY2021 to Q3 FY2022)
Leases	15,648	16,136	17,133	16,916	16,575	-341	-2.0%
Finance leases	[10,835]	[11,068]	[10,808]	[10,198]	[9,026]	[-1,172]	[-11.5%]
Operating leases	[4,813]	[5,068]	[6,325]	[6,718]	[7,549]	[830]	[12.4%]
Installment sales	960	784	835	661	551	-110	-16.7%
Financing, Other	6,020	6,919	7,590	8,083	9,190	1,108	13.7%
Total	22,628	23,840	25,559	25,659	26,315	656	2.6%

4 | Newly executed contract volume

(¥100 million)	Q3 FY2018	Q3 FY2019	Q3 FY2020	Q3 FY2021	Q3 FY2022	YoY (amount) (Q3 FY2021 to Q3 FY2022)	YoY (%) (Q3 FY2021 to Q3 FY2022)
Leases	3,639	4,048	3,527	3,579	3,207	-372	-10.4%
Finance leases	[2,699]	[2,849]	[2,343]	[1,929]	[1,753]	[-176]	[-9.1%]
Operating leases	[940]	[1,199]	[1,184]	[1,650]	[1,454]	[-196]	[-11.9%]
Installment sales	251	292	246	158	158	-0	-0.2%
Financing, Other	4,388	5,678	6,408	6,375	7,492	1,117	17.5%
Total	8,278	10,018	10,180	10,112	10,856	744	7.4%

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

(¥100 million)	Q3 FY2020	Q3 FY2021	Q3 FY2022	YoY (amount) (Q3 FY2021 to Q3 FY2022)
IT & office equipment	1,248	948	978	30
Industrial machinery	216	144	82	-62
Civil engineering and construction machinery	68	34	23	-11
Transportation equipment	284	453	285	-168
Medical devices	143	120	153	33
Commercial/services equipment	165	120	114	-6
Buildings, etc.	1,259	1,622	1,451	-171
Other	143	138	121	-18
Total	3,527	3,579	3,207	-372

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.