

FUYO LEASE GROUP

Summary of Financial Results for 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 | FY2022 results

- Profit before interest expenses surpassed ¥100.0 billion as result of achieving balanced profit growth in business domains positioned as growth drivers.
- Profit at each level reached a record high due to achievement of improved ROA at the same time as continuing to increase operating assets. (for six consecutive periods for ordinary profit, for eight consecutive periods for profit)

(¥100million)	FY2021 results	FY2022 results	YoY change (amount)	YoY change (%)
Profit before interest expenses *1	982	1,083	100	10.2%
Gross profit	889	973	85	9.5%
Operating profit	460	516	55	12.0%
Ordinary profit	527	597	70	13.2%
Profit *2	339	389	51	14.9%
Basic earnings per share	¥1,130.52	¥1,299.27	¥168.75	14.9%
ROE (Return on equity)	10.6%	11.1%	0.5pt	—
ROA *3	2.06%	2.27%	0.21pt	—
Newly executed contract volume	13,844	15,308	1,464	10.6%
Operating assets	25,659	27,045	1,386	5.4%

* 1 Gross profit before deducting interest expenses * 2 Profit attributable to owners of parent * 3 Ordinary profit / Operating assets(average balance)

2 | Profit before interest expenses

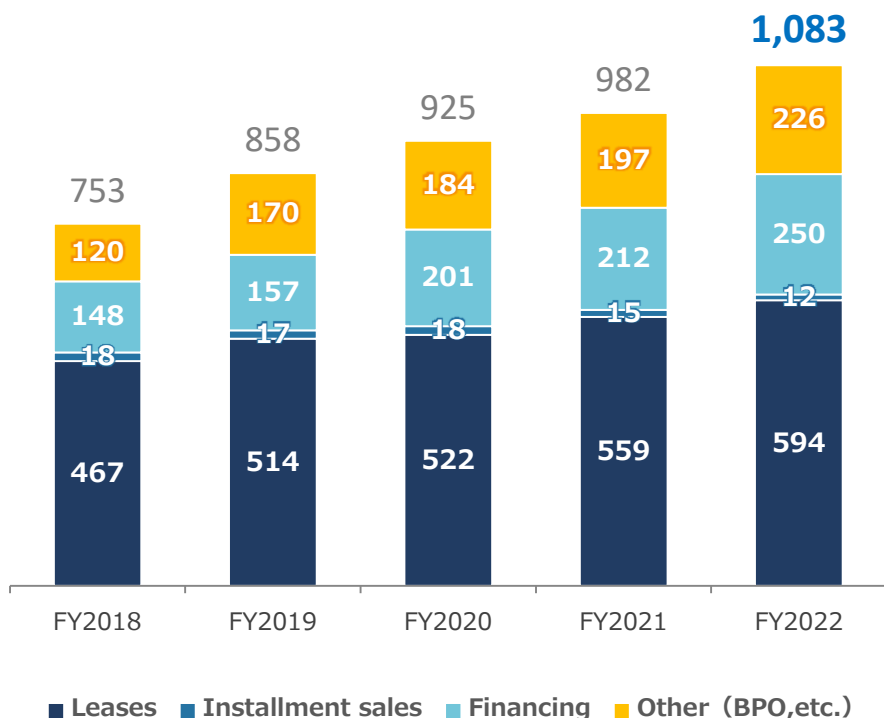
- Profits in Lease continued to increase mainly owing to growth in aircraft and real estate.
- Business-participation-type business in Energy & Environment, etc. led to growth in Financing.

3 | Ordinary profit , profit and ROE

- Reset record-highs for ordinary profit and profit for consecutive years.
- Maintained favorable ROE through improving profitability.

Profit before interest expenses

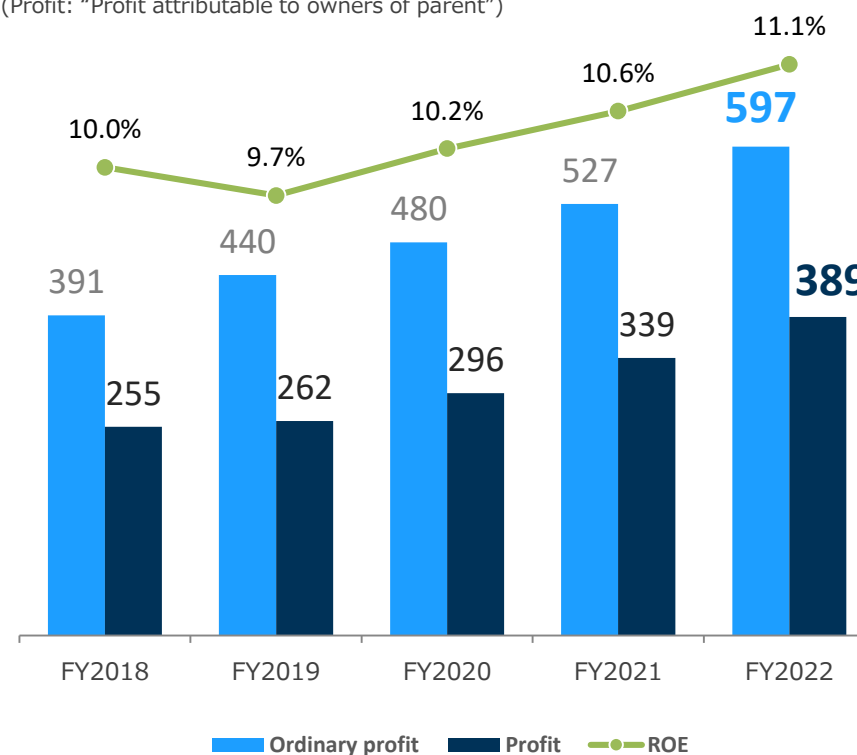
(¥ 100million)



Ordinary profit , profit and ROE

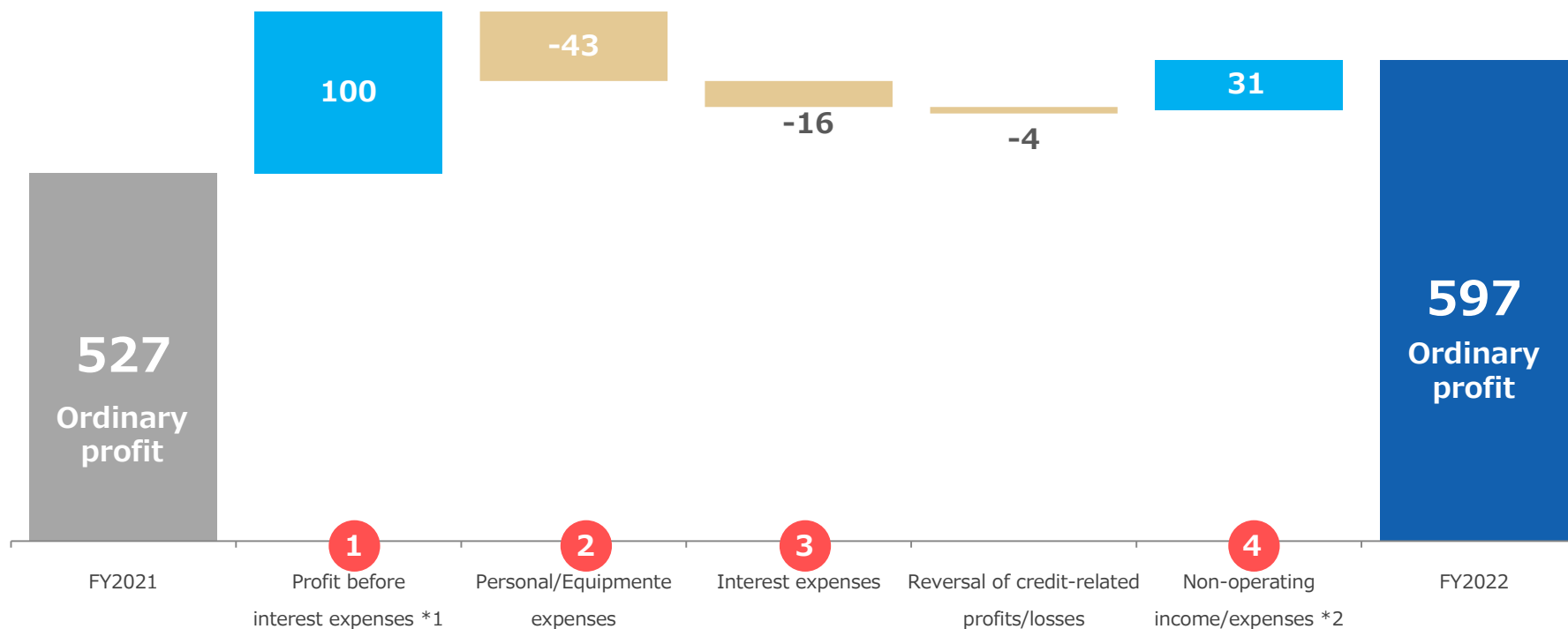
(¥ 100million)

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



4 | Factors causing the increase in ordinary profit

(¥100million)



1 Profit before interest expenses

Growth was achieved in business domains positioned as growth drivers.

2 Personnel/equipment expenses

Increased mainly due to the Group's expansion.

3 Interest expenses

Resulting from the increase in outstanding balance and increased foreign currency procurement cost due to US interest rate hike.

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

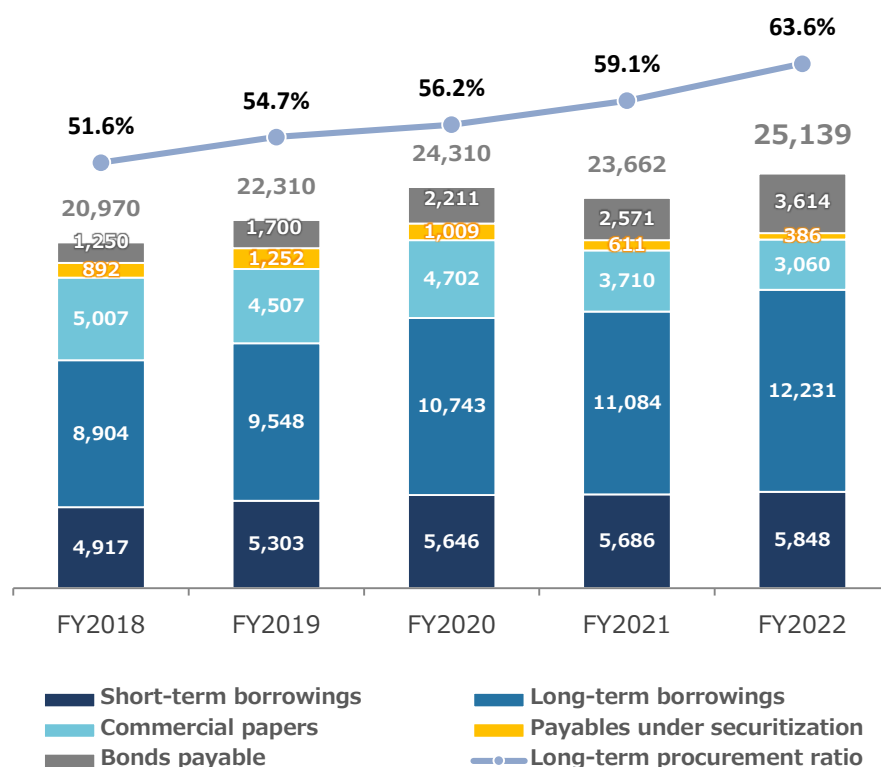
- Financing from bonds payable (including hybrid bonds) and long-term borrowings was expanded amid continuing increases in operating assets.
- Promoted ESG finance initiatives, which are linked to non-financial goals.

6 | Net assets and the shareholders' equity ratio

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

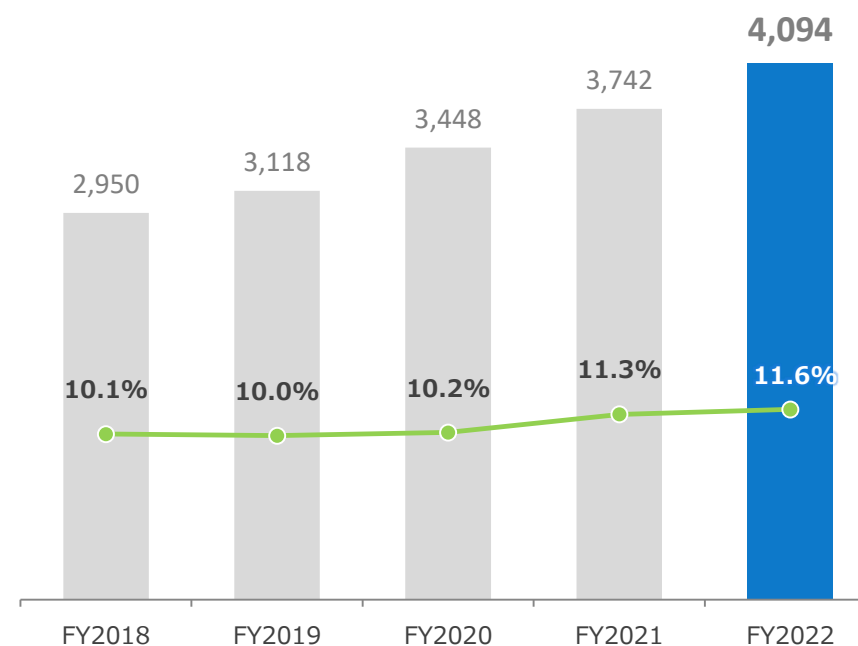
Outstanding balance

(¥ 100million)



Net assets and the shareholders' equity ratio

(¥ 100million)

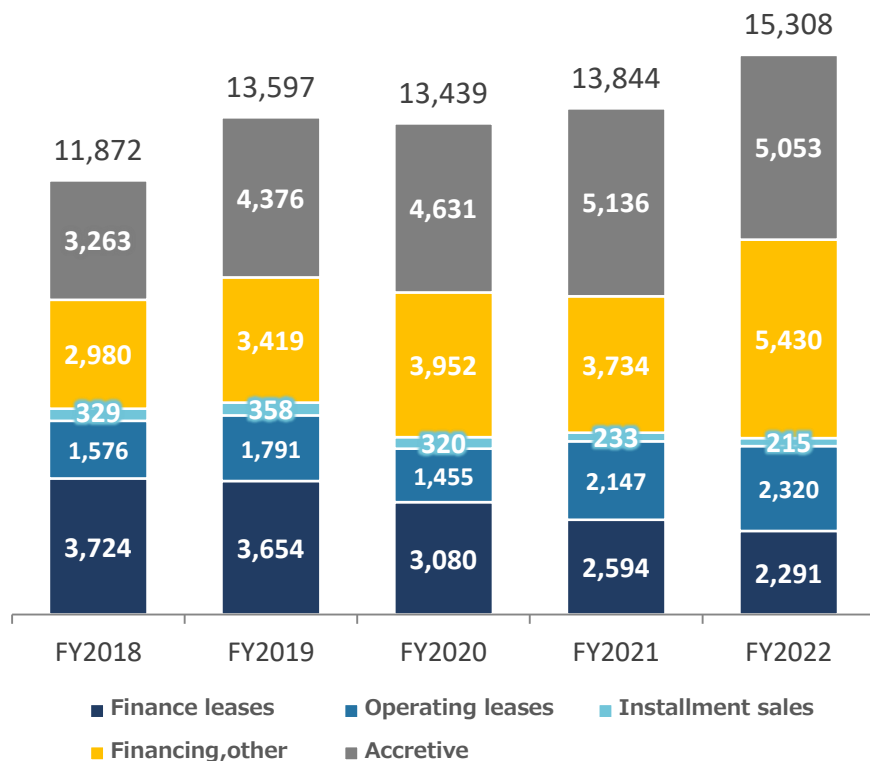


7 | Overview of business activities

- Shifted to highly profitable operating leases and newly executed contract volume exceeded finance leases.
- Energy & environment and real estate were drivers for the continuing increase in operating assets and there was growth in Operating Leases and Financing.
- ROA improved steadily as assets continued to increase following higher profitability.

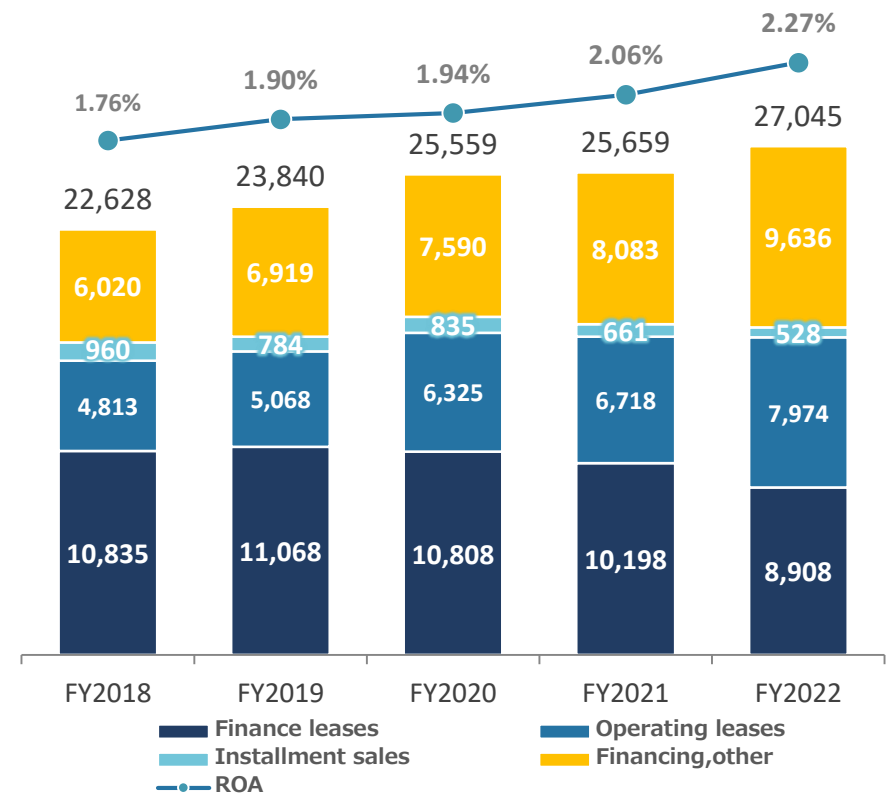
Newly executed contract volume

(¥100million)



Operating assets, ROA*

(¥100million)



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

* Ordinary profit/ operating assets (average balance)

Earnings forecast and dividend policy

1 | FY2023 Consolidated earnings forecast

	(¥100million)	FY2022 results	FY2023 forecast
Net sales		6,887	7,000
Operating profit		516	570
Ordinary profit		597	640
Profit attributable to owners of parent		389	430
Basic earnings per share		¥1,299.27	¥1,434.09

2 | Dividend policy

FY2022 results

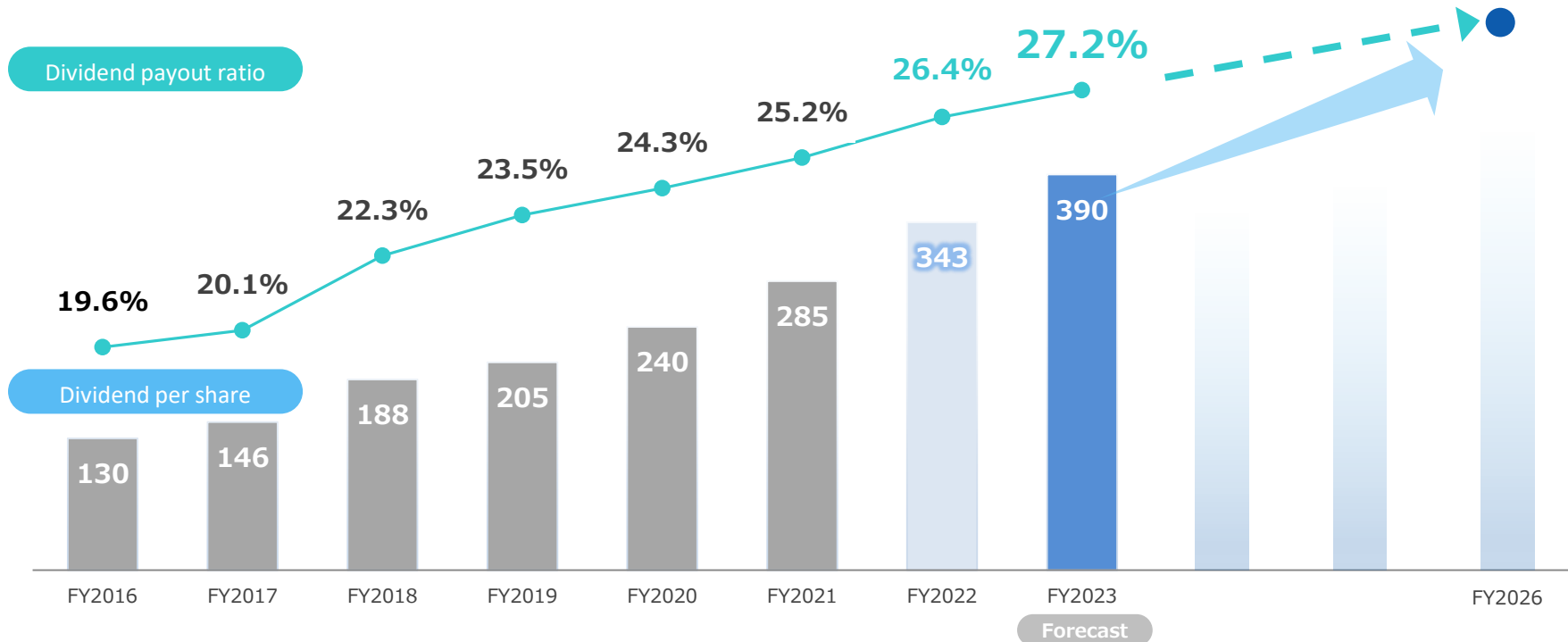
Total dividend is ¥343, which is ¥27 higher than the year beginning dividend forecast (¥316). Dividend payout ratio is 26.4%.

FY2023 forecast

Total dividend forecast is ¥390 (increased ¥47 year on year), and dividend payout is 27.2% (increased 0.8pt year on year).

Change in dividend, dividend payout ratio

FY2026 Dividend payout ratio
Aim for more than **30%**



Appendix

1 | Summary of consolidated operating results

(¥100million)	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change
Net sales	6,181	7,123	7,403	6,578	6,887	308
Cost of sales*1	5,428	6,265	6,478	5,596	5,804	208
Profit before interest expenses*2	753	858	925	982	1,083	100
Interest expenses	86	94	98	94	109	16
Gross profit	667	763	827	889	973	85
SG&A	310	349	382	428	458	29
[Credit-related costs]	[8]	[14]	[18]	[30]	[17]	[-13]
Operating profit	357	414	446	460	516	55
Non-operating income/expenses	34	26	34	67	81	14
[reversal of credit-related profits/losses]	[3]	[3]	[3]	[19]	[2]	[-17]
Ordinary profit	391	440	480	527	597	70
Extraordinary income/losses	9	-20	-0	-1	-17	-15
Profit attributable to owners of parent	255	262	296	339	389	51
Basic earnings per share (¥)	¥844.69	¥871.95	¥986.18	¥1,130.52	¥1,299.27	¥168.75

* 1 Excluding interest expenses

* 2 Gross profit before interest expenses

2 | Segment results (Consolidated)

* 1 Gross profit before interest expenses

(¥ 100million)	Leases				Installment sales				Leases and installment sales total			
	FY2021	FY2022	YoY Change (amount)	YoY Change (%)	FY2021	FY2022	YoY Change (amount)	YoY Change (%)	FY2021	FY2022	YoY Change (amount)	YoY Change (%)
Net sales	5,586	5,818	232	4.2%	336	301	-36	-10.6%	5,922	6,119	197	3.3%
Cost of sales	5,027	5,224	197	3.9%	321	289	-33	-10.1%	5,348	5,513	164	3.1%
Profit before interest expenses*1	559	594	36	6.4%	15	12	-3	-19.9%	574	606	33	5.7%
Interest expenses	53	54	1	2.1%	2	2	-0	-1.0%	55	56	1	2.0%
Gross profit	506	540	34	6.8%	13	10	-3	-23.3%	519	550	32	6.1%

	Financing				Other				Total			
	FY2021	FY2022	YoY Change (amount)	YoY Change (%)	FY2021	FY2022	YoY Change (amount)	YoY Change (%)	FY2021	FY2022	YoY Change (amount)	YoY Change (%)
Net sales	221	262	41	18.4%	435	506	71	16.2%	6,578	6,887	308	4.7%
Cost of sales	10	12	2	25.1%	238	279	41	17.3%	5,596	5,804	208	3.7%
Profit before interest expenses*1	212	250	38	18.1%	197	226	29	14.9%	982	1,083	100	10.2%
Interest expenses	37	52	15	39.4%	2	2	-0	-0.2%	94	109	16	16.7%
Gross profit	175	198	24	13.6%	195	225	29	15.0%	889	973	85	9.5%

3 | Operating assets

(¥100million)	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change (amount)	YoY Change (%)
Leases	15,648	16,136	17,133	16,916	16,882	-34	-0.2%
Finance leases	[10,835]	[11,068]	[10,808]	[10,198]	[8,908]	[-1,290]	[-12.6%]
Operating leases	[4,813]	[5,068]	[6,325]	[6,718]	[7,974]	[1,255]	[18.7%]
Installment sales	960	784	835	661	528	-133	-20.1%
Financing, other	6,020	6,919	7,590	8,083	9,636	1,553	19.2%
Total	22,628	23,840	25,559	25,659	27,045	1,386	5.4%

4 | Newly executed contract volume

(¥100million)	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change (amount)	YoY Change (%)
Leases	5,300	5,445	4,536	4,741	4,611	-131	-2.8%
Finance leases	[3,724]	[3,654]	[3,080]	[2,594]	[2,291]	-303	-11.7%
Operating leases	[1,576]	[1,791]	[1,455]	[2,147]	[2,320]	172	8.0%
Installment sales	329	358	320	233	215	-18	-7.8%
Financing, other	6,243	7,794	8,583	8,870	10,483	1,613	18.2%
Total	11,872	13,597	13,439	13,844	15,308	1,464	10.6%

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

(¥100million)	FY2020	FY2021	FY2022	YoY Change (amount)
IT & office equipment	1,588	1,254	1,217	-37
Industrial machinery	276	224	105	-119
Civil engineering and construction machinery	91	61	36	-25
Transportation equipment	383	606	537	-69
Medical devices	188	162	201	39
Commercial/services equipment	203	158	140	-19
Buildings, etc.	1,617	2,126	2,185	59
Other	191	150	191	41
Total	4,536	4,741	4,611	-131

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.