

FUYO LEASE GROUP

Summary of Financial Results for the 1st Three Months of FY2023

FUYO LEASE GROUP

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Definitions of figures and terms used in this document

Profit before interest expenses	:	Gross profit before deducting interest expenses
Profit	:	Profit attributable to owners of parent
ROA	:	Ordinary profit (annualized) / Operating assets(average balance)

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 2023 Q1 consolidated operating results

- As a result of growth in profit before interest expenses due to continuous expansion of business domains, profit at each level reached a record-high in Q1. (For seven consecutive periods for ordinary profit, for three consecutive periods for profit)
- Performance was strong in businesses positioned as growth drivers. By offsetting the increased costs accompanying changes in the business environment, the initially planned profit level was secured. It was a solid start toward achieving the FY2023 forecast.

(¥100 million)	Q1 FY2022	Q1 FY2023	YoY change (amount)	YoY change (%)
Profit before interest expenses	246	292	+46	+18.8%
Gross profit	222	251	+30	+13.3%
Operating profit	114	123	+9	+8.0%
Ordinary profit	130	139	+9	+6.6%
Profit	82	94	+11	+13.9%
Basic earnings per share	274.30円	311.91円	+37.61円	+13.7%
ROA	2.04%	2.04%	+0.00pt	—
Newly executed contract Volume	3,688	3,677	-11	-0.3%
Operating assets	27,045 [*]	27,341	+295	+1.1%

* As of March 31, 2023

2 | Profit before interest expenses

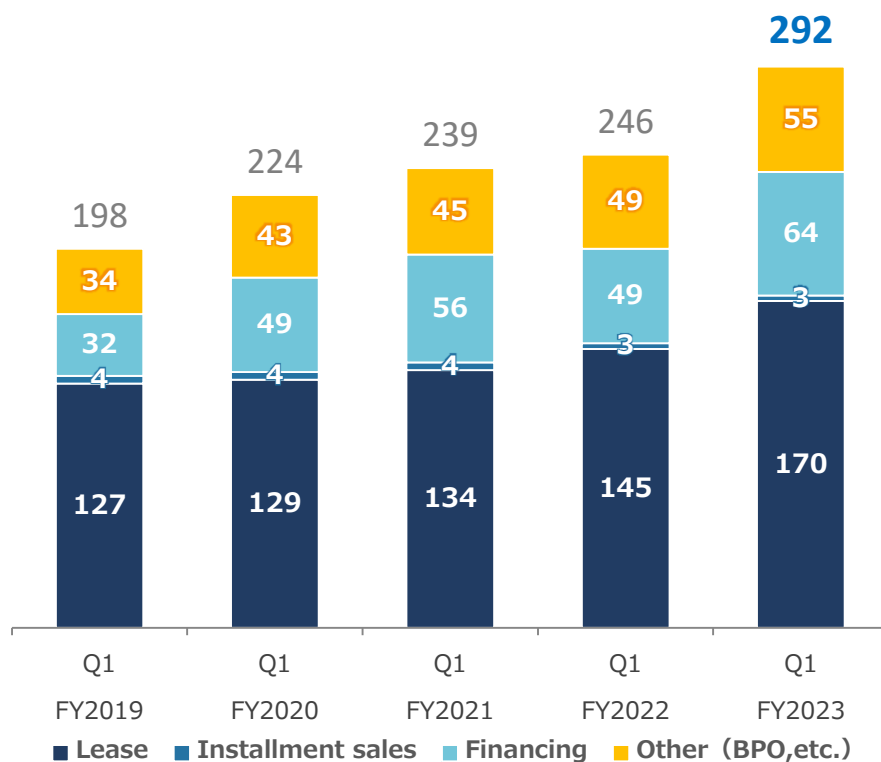
- Balanced profit growth was achieved in each segment
- A main contributor was expansion of business domains positioned as growth drivers

3 | Ordinary profit and profit

- Reset record-highs for ordinary profit and profit
- Progressing as planned to achieve the FY2023 forecast

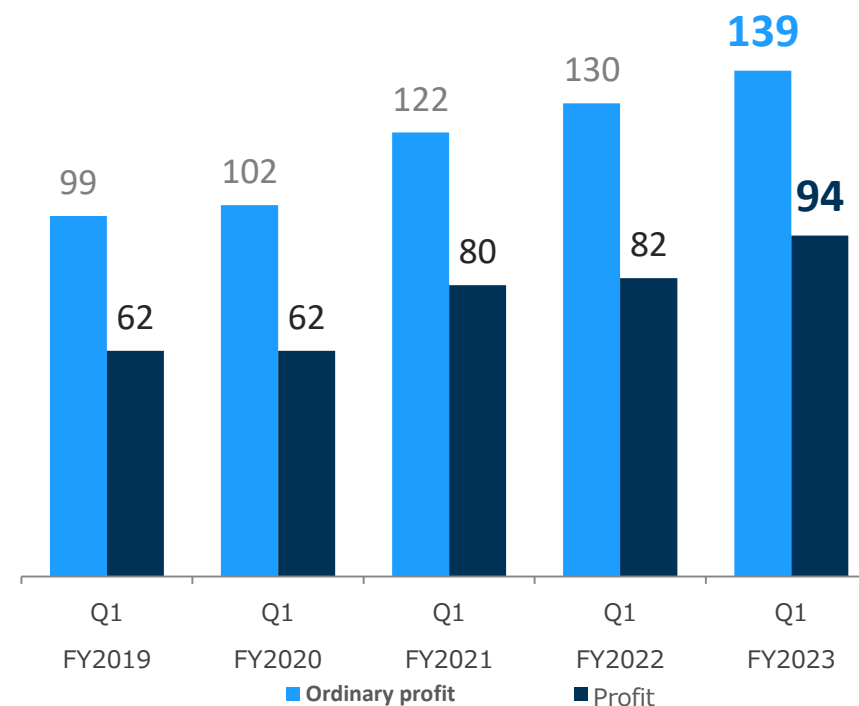
Profit before interest expenses

(¥100 million)



Ordinary profit and profit

(¥100 million)



4 | Changes in funding

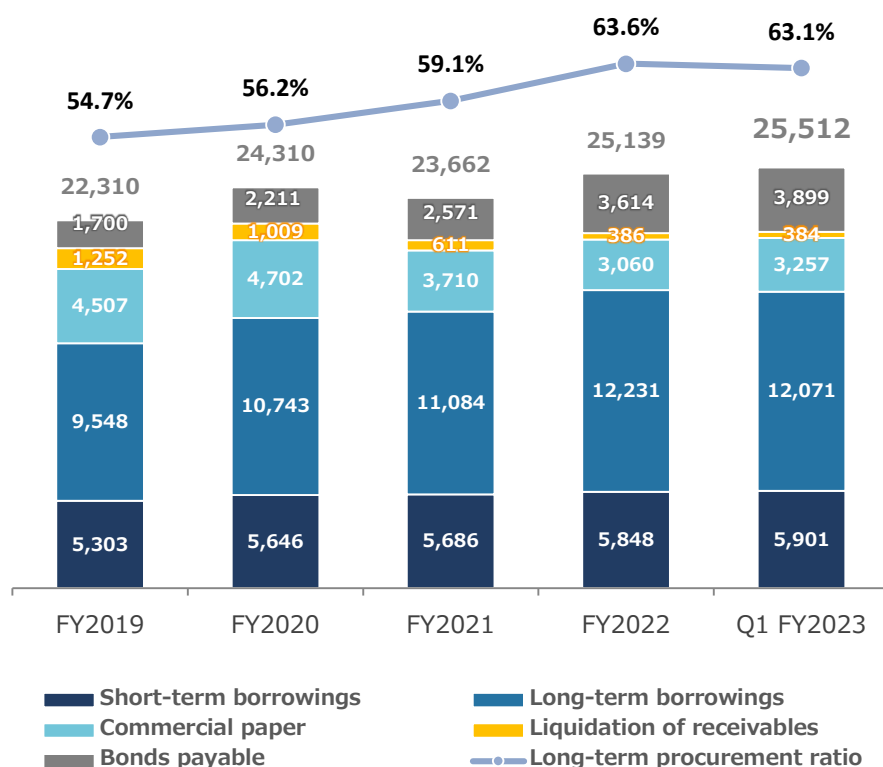
- No significant changes in structure
- Actively used corporate bonds against the backdrop of a favorable financing environment

5 | Net assets and the shareholders' equity ratio

- Continuing accumulation of net assets amid stable posting of profit
- Shareholders' equity ratio also improved

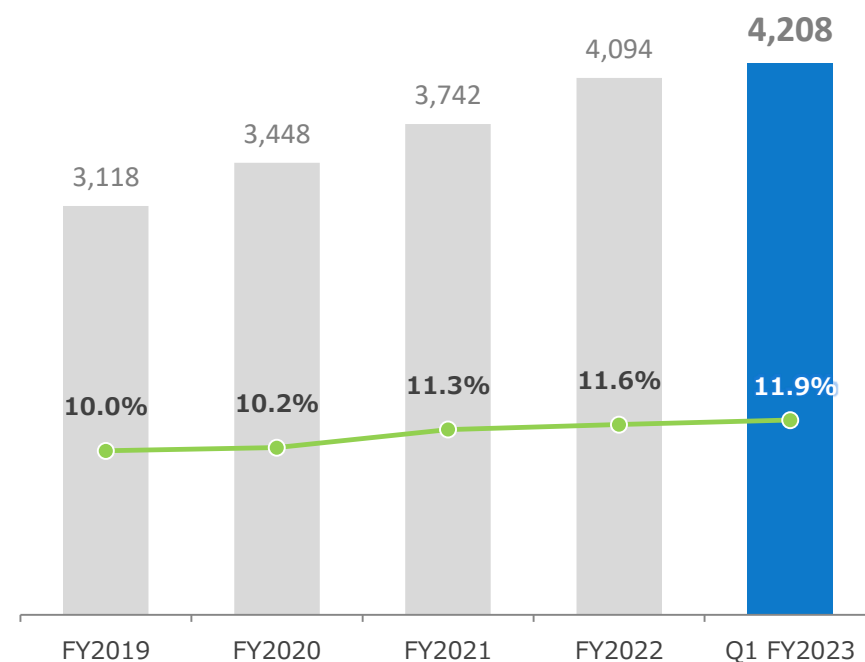
Outstanding balance

(¥100 million)



Net assets and the shareholders' equity ratio

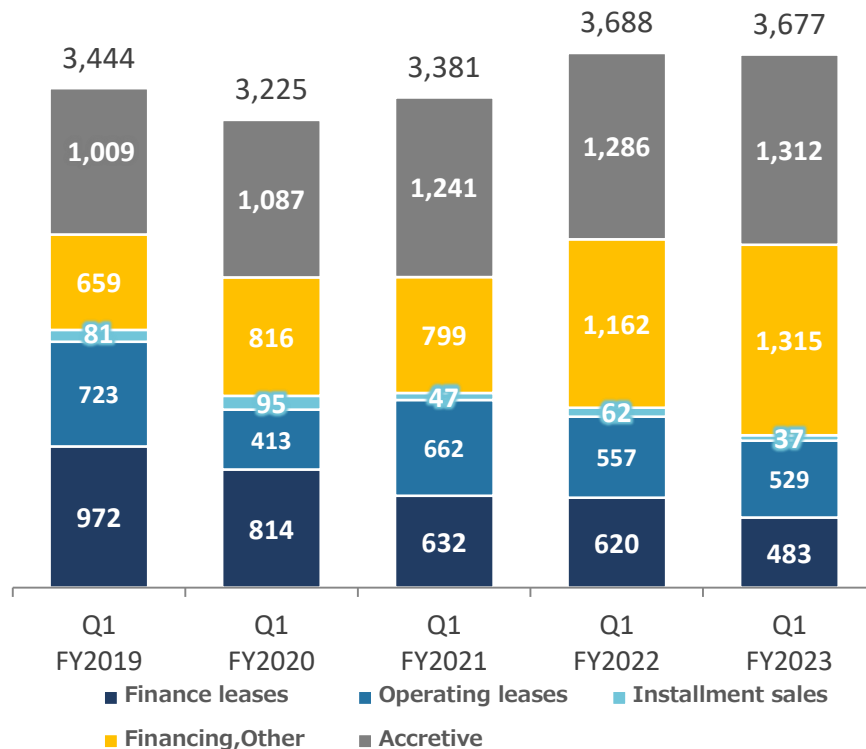
(¥100 million)



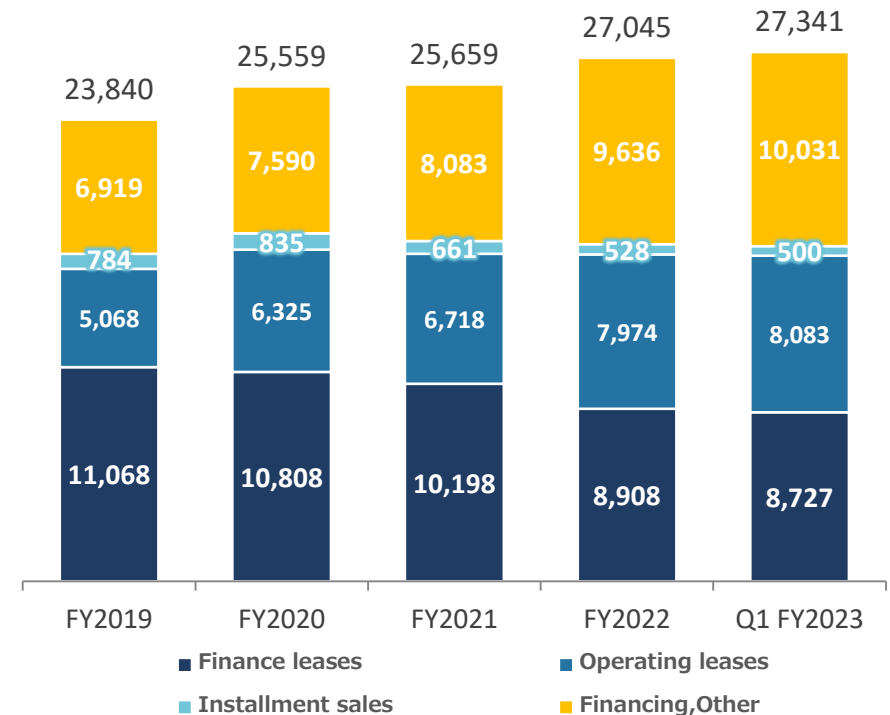
6 | Business activities

- Secured the same level as in the previous fiscal year for newly executed contract volume. In the Energy & Environment business, start of commercial operation at a solar power plant in Japan led to growth in "Financing, other."
- Operating assets have steadily accumulated, mainly in business domains positioned as growth drivers. The results were driven by the Energy & Environment business and the Real Estate business.

Newly executed contract volume (¥100 million)



Operating assets (¥100 million)



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

Earnings forecast and dividend forecast

1 | FY2023 consolidated earnings forecast

	Q1 FY2023	FY2023 Forecast
(¥100 million)		
Net sales	1,572	7,000
Operating profit	123	570
Ordinary profit	139	640
Profit attributable to owners of parent	94	430
Basic earnings per share	311.91	1,434.09

2 | FY2023 dividend forecast

	FY2022	FY2023 Forecast
Dividend per share	343	390
Dividend payout ratio	26.4%	27.2%

Appendix

1 | Summary of consolidated operating results

(¥100 million)	Q1 FY2019	Q1 FY2020	Q1 FY2021	Q1 FY2022	Q1 FY2023	YoY Change (amount)
Net sales	1,650	1,790	1,416	2,174	1,572	-602
Cost of sales (Excluding interest expenses)	1,452	1,566	1,177	1,929	1,280	-649
Profit before interest expenses	198	224	239	246	292	+46
Interest expenses	24	26	25	24	40	+17
Gross profit	174	198	215	222	251	+30
SG&A	81	103	105	108	129	+20
[Credit-related costs]	(2)	(6)	(12)	(1)	(7)	(+6)
Operating profit	93	96	110	114	123	+9
Non-operating income/expenses	6	6	12	16	16	-0
[Reversal of credit-related profits/losses]	(0)	(1)	(2)	(0)	(1)	(+0)
Ordinary profit	99	102	122	130	139	+9
Extraordinary income/losses	-0	-0	-1	-0	3	+3
Profit attributable to owners of parent	62	62	80	82	94	+11
Basic earnings per share(¥)	204.23	206.71	266.37	274.30	311.91	+37.61

2 | Segment results

Leases	Leases				Installment sales				Leases and installment sales total			
	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)
(¥100 million)												
Net sales	1,923	1,320	-603	-31.3%	82	58	-24	-29.1%	2,005	1,379	-627	-31.3%
Cost of sales	1,778	1,150	-628	-35.3%	79	56	-23	-29.7%	1,857	1,206	-651	-35.1%
Profit before interest Expenses	145	170	+25	+17.3%	3	3	-1	-15.5%	148	173	+25	+16.6%
Interest Expenses	13	19	+6	+47.1%	1	1	+0	+23.7%	13	19	+6	+46.1%
Gross Profit	132	151	+19	+14.4%	3	2	-1	-23.3%	135	154	+18	+13.7%

Financing	Financing				Other				Total			
	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)
Net sales	50	65	+15	+30.0%	119	128	+9	+7.8%	2,174	1,572	-602	-27.7%
Cost of sales	2	1	-1	-30.8%	70	73	+3	+4.6%	1,929	1,280	-649	-33.6%
Profit before interest Expenses	49	64	+16	+32.2%	49	55	+6	+12.3%	246	292	+46	+18.8%
Interest Expenses	10	20	+10	+96.1%	0	1	+1	+234.1%	24	40	+17	+70.2%
Gross Profit	38	44	+6	+15.2%	48	54	+5	+10.9%	222	251	+30	+13.3%

3 | Operating assets

(¥100 million)	FY2019	FY2020	FY2021	FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)
Leases	16,136	17,133	16,916	16,882	16,810	-71	-0.4%
Finance leases	(11,068)	(10,808)	(10,198)	(8,908)	(8,727)	(-181)	(-2.0%)
Operating leases	(5,068)	(6,325)	(6,718)	(7,974)	(8,083)	(+109)	(+1.4%)
Installment sales	784	835	661	528	500	-28	-5.4%
Financing, Other	6,919	7,590	8,083	9,636	10,031	+395	+4.1%
Total	23,840	25,559	25,659	27,045	27,341	+295	+1.1%

4 | Newly executed contract volume

(¥100 million)	Q1 FY2019	Q1 FY2020	Q1 FY2021	Q1 FY2022	Q1 FY2023	YoY Change (amount)	YoY change (%)
Leases	1,694	1,228	1,294	1,178	1,013	-165	-14.0%
Finance leases	(972)	(814)	(632)	(620)	(483)	-137	-22.1%
Operating leases	(723)	(413)	(662)	(557)	(529)	-28	-5.0%
Installment sales	81	95	47	62	37	-25	-40.4%
Financing, Other	1,668	1,903	2,040	2,448	2,627	+179	+7.3%
Total	3,444	3,225	3,381	3,688	3,677	-11	-0.3%

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

(¥100 million)	Q1 FY2021	Q1 FY2022	Q1 FY2023	YoY Change (amount)
IT & office equipment	354	352	247	-105
Industrial machinery	38	51	33	-18
Civil engineering and construction machinery	7	6	6	+0
Transportation equipment	259	92	230	+138
Medical devices	46	44	47	+4
Commercial/services equipment	50	36	32	-4
Buildings, etc.	490	555	369	-186
Other	51	42	48	+6
Total	1,294	1,178	1,013	-165

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.