

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 31, 2023

Company name: RICOH LEASING COMPANY, LTD.
 Stock exchange listing: Tokyo
 Stock code: 8566 URL <https://www.r-lease.co.jp/>
 Representative: President and Chief Executive Officer Tokuharu Nakamura
 Managing Executive Officer and General
 Inquiries: Hiroshi Osawa TEL 050-1702-4203
 Manager of Corporate Management Division
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	155,341	4.2	11,454	(5.8)	11,632	(6.1)	5,374	(36.6)
Six months ended September 30, 2022	149,066	(3.0)	12,159	5.0	12,388	6.5	8,474	6.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	174.37		-	
Six months ended September 30, 2022	274.93		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	1,232,421	217,314	17.6	7,050.03
As of March 31, 2023	1,236,921	211,701	17.1	6,867.91

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	-	65.00	-	80.00	145.00
Year ending March 31, 2024	-	75.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	75.00	150.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	306,000	2.4	20,600	(3.0)	20,700	(4.0)	14,400	(3.2)	467.16

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	31,243,223 shares	As of March 31, 2023	31,243,223 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	418,544 shares	As of March 31, 2023	418,481 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	30,824,727 shares	Six months ended September 30, 2022	30,824,897 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	14,119	9,090
Notes and accounts receivable - trade	242	241
Installment receivables	181,611	175,644
Lease payments receivable	27,369	26,504
Lease receivables and investments in leases	509,737	505,901
Accounts receivable - operating loans	253,706	252,924
Accounts receivable - other loans to customers	31,198	24,945
Other operating assets	12,528	12,507
Accounts receivable - lease	13,406	13,898
Other current assets	45,537	50,985
Allowance for doubtful accounts	(12,338)	(11,802)
Total current assets	1,077,120	1,060,841
Non-current assets		
Property, plant and equipment		
Assets for lease	69,141	71,960
Own-used assets	36,952	38,785
Total property, plant and equipment	106,094	110,746
Intangible assets		
Assets for lease	42	25
Other intangible assets	7,014	8,586
Total intangible assets	7,057	8,611
Investments and other assets		
Investment securities	31,234	31,921
Distressed receivables	602	665
Other	15,403	20,287
Allowance for doubtful accounts	(592)	(653)
Total investments and other assets	46,649	52,221
Total non-current assets	159,800	171,579
Total assets	1,236,921	1,232,421

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,995	16,603
Current portion of bonds payable	30,000	35,000
Current portion of long-term borrowings	103,000	110,000
Current portion of long-term payables under securitization of lease receivables	14,577	12,681
Commercial papers	36,000	18,000
Income taxes payable	4,308	4,029
Deferred profit on installment sales	24,033	25,079
Provision for bonuses	1,364	1,475
Provision for bonuses for directors (and other officers)	65	–
Other current liabilities	60,379	58,738
Total current liabilities	293,724	281,606
Non-current liabilities		
Bonds payable	85,000	85,000
Long-term borrowings	612,000	619,500
Long-term payables under securitization of lease receivables	21,017	14,992
Retirement benefit liability	764	765
Asset retirement obligations	1,132	1,436
Other noncurrent liabilities	11,580	11,806
Total non-current liabilities	731,495	733,499
Total liabilities	1,025,219	1,015,106
Net assets		
Shareholders' equity		
Share capital	7,896	7,896
Capital surplus	10,159	10,159
Retained earnings	195,040	197,949
Treasury shares	(1,680)	(1,673)
Total shareholders' equity	211,416	214,332
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(253)	2,510
Deferred gains or losses on hedges	640	593
Remeasurements of defined benefit plans	(102)	(121)
Total accumulated other comprehensive income	285	2,981
Total net assets	211,701	217,314
Total liabilities and net assets	1,236,921	1,232,421

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	149,066	155,341
Cost of sales	127,131	132,257
Gross profit	21,934	23,084
Selling, general and administrative expenses	9,775	11,630
Operating profit	12,159	11,454
Non-operating income		
Interest income	50	45
Dividend income	107	165
Gain on investments in investment partnerships	85	148
Other	28	12
Total non-operating income	271	372
Non-operating expenses		
Interest expenses	21	29
Commission expenses	9	–
Bond issuance costs	–	118
Other	11	46
Total non-operating expenses	41	194
Ordinary profit	12,388	11,632
Extraordinary losses		
Loss on valuation of investment securities	–	3,782
Total extraordinary losses	–	3,782
Profit before income taxes	12,388	7,849
Income taxes - current	4,437	3,761
Income taxes - deferred	(523)	(1,287)
Total income taxes	3,914	2,474
Profit	8,474	5,374
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	8,474	5,374

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	8,474	5,374
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,273)	2,763
Deferred gains or losses on hedges	226	(47)
Remeasurements of defined benefit plans, net of tax	(25)	(19)
Total other comprehensive income	(2,072)	2,696
Comprehensive income	6,402	8,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,402	8,071
Comprehensive income attributable to non-controlling interests	—	—