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(Member of Financial Accounting Standards Foundation) 

## Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

November 8, 2023

Company name: Fuyo General Lease Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 8424

URL: <https://www.fgl.co.jp/>

Representative: Hiroaki Oda, Representative Director, President & CEO

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Scheduled date to file quarterly securities report : November 13, 2023

Scheduled date to commence dividend payments : December 7, 2023

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results briefing : Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 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)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%
Six months ended September 30, 2023	350,393	(1.6)	27,825	3.0	33,248	6.8	23,044	13.5
September 30, 2022	356,063	24.7	27,017	14.9	31,137	13.2	20,304	12.3

Note: Comprehensive income For the six months ended September 30, 2023: ¥ 43,764 million 23.5%  
For the six months ended September 30, 2022: ¥ 35,431 million 45.3%

	Basic earnings per share	Diluted earnings per share
Six months ended	(¥)	(¥)
September 30, 2023	767.20	764.75
September 30, 2022	677.63	673.95

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	(¥ millions)	(¥ millions)	%	(¥)
September 30, 2023	3,271,619	447,407	12.3	13,435.63
March 31, 2023	3,149,740	409,437	11.6	12,227.88

Reference: Shareholders' equity

As of September 30, 2023 ¥ 403,826 million As of March 31, 2023 ¥ 366,642 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
FY2022	—	158.00	—	185.00	343.00
FY2023	—	195.00			
FY2023 (Forecast)			—	195.00	390.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast for Fiscal 2023 (April 1, 2023 - March 31, 2024)

(Percentage figures represent comparisons with fiscal 2022 full-year results)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥)
Full year	700,000	1.6	57,000	10.5	64,000	7.2	43,000	10.4	1,434.09

Note: No changes were made to the most recently announced earnings forecasts.

### \*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)
  - (i) Total number of issued shares at the end of the period (including treasury shares)
 

As of September 30, 2023	30,287,810 shares	As of March 31, 2023	30,287,810 shares
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  - (ii) Number of treasury shares at the end of the period
 

As of September 30, 2023	231,435 shares	As of March 31, 2023	303,657 shares
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  - (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
 

Six months ended September 30, 2023	30,036,982 shares	Six months ended September 30, 2022	29,964,487 shares
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Note: The Company has introduced Board Benefit Trust (BBT). Number of treasury shares includes the following Company's shares held by Board Benefit Trust (BBT) 147,700 shares as of September 30, 2023 and 149,800 shares as of March 31, 2023. Furthermore, treasury shares that are deducted in the calculation of the average number of shares during the period include the following Company's shares held by Board Benefit Trust (BBT) 147,975 shares for the six months ended September 30, 2023 and 152,928 shares for the six months ended September 30, 2022.

**\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

### \* Proper use of earnings forecasts, and other special matters

(Caution Concerning Forward-Looking Statements)

Earnings forecasts and other forward-looking statements in this report are based on certain assumptions that are deemed reasonable and information available to the Company at the time of this report's preparation. Therefore the Company does not guarantee the achievement of any projections. Actual results may differ significantly from these forecasts for a number of reasons.

(Method of Obtaining Supplementary Explanation Materials)

The materials are disclosed on the Timely Disclosure network (TDnet) on the same day as the date of this report.

## Supplementary Materials - Contents

1. Qualitative information regarding financial results for the six months ended September 30, 2023	4
(1) Explanation of operating results	4
(2) Explanation of financial position	4
(3) Explanation of consolidated earnings forecasts and other forward-looking statements	4
2. Consolidated financial statements and significant notes thereto	5
(1) Consolidated balance sheets	5
(2) Consolidated statements of income and statements of comprehensive income	9
Consolidated statements of income	9
for the six months ended September 30, 2023	
Consolidated statements of comprehensive income	11
for the six months ended September 30, 2023	
(3) Notes to the consolidated financial statements	12
Note on the going-concern assumption	12
Note on significant changes in shareholders' equity	12
Segment information	12
3. Newly executed contracts, operating assets	14
(1) Executed contracts volume	14
(2) Operating assets	14

## 1. Qualitative information regarding financial results for the six months ended September 30, 2023

### (1) Explanation of operating results

Newly executed contract volume in the six months ended September 30, 2023 totaled ¥834,675 million, up 19.0% year on year.

In terms of profits, the Company reported net sales of ¥350,393 million, down 1.6% year on year, operating profit of ¥27,825 million, up 3.0% year on year, ordinary profit of ¥33,248 million, up 6.8% year on year, and profit attributable to owners of parent of ¥23,044 million, up 13.5% year on year.

Operating profit, ordinary profit and profit attributable to owners of parent all rose year on year, with each stage of profit updating its respective record high for a six-month period. In addition, ordinary profit, which is set as a management goal in the medium-term management plan, has been the highest for a six-month period for seven consecutive years since the fiscal year ended March 31, 2018.

Operating results for each business segment are as follows. Please note that net sales for each segment are “revenues from external customers” and segment profit is the amount shown in reportable segments.

#### *Lease and Installment Sales*

Newly executed contract volume in the Lease and Installment Sales segment rose 37.5% year on year to ¥282,226 million and segment operating assets increased 1.7% from the end of the previous fiscal year to ¥1,770,240 million. Segment net sales decreased 3.1% year on year to ¥309,002 million and segment profit increased 7.1% year on year to ¥20,393 million.

#### *Financing*

Newly executed contract volume in the Financing segment rose 8.9% year on year to ¥540,643 million, and segment operating assets increased 7.5% from the end of the previous fiscal year to ¥1,004,485 million. Segment net sales rose 20.2% year on year to ¥14,536 million, and segment profit increased 5.6% year on year to ¥9,702 million.

#### *Other*

Newly executed contract volume in the Other segment rose ¥11,696 million year on year to ¥11,805 million, and segment operating assets increased 34.8% from the end of the previous fiscal year to ¥39,630 million. Segment net sales rose 7.6% year on year to ¥26,854 million, and segment profit decreased 14.7% year on year to ¥4,979 million.

### (2) Explanation of financial position

As of September 30, 2023, operating assets totaled ¥2,814,357 million, up 4.1% from the end of the previous fiscal year. Total assets amounted to ¥3,271,619 million, up 3.9% from the end of the previous fiscal year.

As of September 30, 2023, indirect procurement increased 3.5% from the end of the previous fiscal year to ¥1,871,851 million, due to increases in short-term borrowings and long-term borrowings, and direct procurement increased 3.3% from the end of the previous fiscal year to ¥729,084 million, mainly due to the issuance of bonds. As a result, the outstanding balance as of September 30, 2023 increased 3.5% from the end of the previous fiscal year to ¥2,600,935 million. The direct procurement ratio was 28.0%, a decrease of 0.1 points from the end of the previous fiscal year.

Total shareholders' equity rose 5.6% from the end of the previous fiscal year to ¥334,844 million mainly due to an increase in retained earnings. Total net assets as of September 30, 2023 amounted to ¥447,407 million, up ¥37,970 million, or 9.3%, from the end of the previous fiscal year. Shareholders' equity ratio was 12.3%, an increase of 0.7 points from the end of the previous fiscal year.

### (3) Explanation of consolidated earnings forecasts and other forward-looking statements

No revisions have been made to the consolidated earnings forecasts for the Forecast for Fiscal 2023 announced in Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 on May 10, 2023.

## 2. Consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheets

(¥ millions)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	121,227	116,645
Installment receivables	53,491	49,727
Lease receivables and investments in leases	890,802	877,652
Operating loans	328,697	346,977
Accounts receivable - other loans to customers	118,529	120,268
Operational investment securities	454,966	507,147
Other operating assets	33,210	31,270
Accounts receivable - lease	26,172	26,436
Other	72,698	84,296
Allowance for doubtful accounts	(2,672)	(2,899)
Total current assets	2,097,123	2,157,523
Non-current assets		
Property, plant and equipment		
Assets for lease		
Assets for lease	797,218	843,580
Advances for purchase of assets for lease	839	1,035
Total assets for lease	798,057	844,616
Other operating assets	29,407	39,630
Construction in progress	10,732	—
Own-used assets	3,872	3,568
Total property, plant and equipment	842,070	887,815
Intangible assets		
Assets for lease	138	112
Other intangible assets		
Goodwill	27,986	27,044
Other	11,116	10,532
Total other intangible assets	39,102	37,577
Total intangible assets	39,241	37,689

(¥ millions)

	As of March 31, 2023	As of September 30, 2023
Investments and other assets		
Investment securities	125,286	145,173
Distressed receivables	439	525
Retirement benefit asset	523	463
Deferred tax assets	2,897	2,910
Other	41,740	39,175
Allowance for doubtful accounts	(231)	(338)
Total investments and other assets	170,656	187,910
Total non-current assets	1,051,968	1,113,416
Deferred assets		
Organization expenses	4	3
Business commencement expenses	645	675
Total deferred assets	649	679
Total assets	3,149,740	3,271,619

(¥ millions)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	33,916	35,570
Short-term borrowings	584,811	600,496
Current portion of bonds payable	45,000	55,000
Current portion of long-term borrowings	393,529	346,662
Commercial papers	306,000	306,000
Payables under securitization of lease receivables	24,200	21,100
Current portion of long-term payables under securitization of lease receivables	5,628	3,626
Lease liabilities	7,500	6,388
Income taxes payable	7,359	7,002
Deferred profit on installment sales	699	832
Provision for bonuses	3,002	3,046
Provision for bonuses for directors (and other officers)	210	126
Provision for share awards for directors (and other officers)	21	—
Provision for future lease payments	4	5
Provision for loss on guarantees	24	21
Other	67,122	58,709
Total current liabilities	1,479,030	1,444,590
Non-current liabilities		
Bonds payable	316,397	336,369
Long-term borrowings	829,614	924,692
Long-term payables under securitization of lease receivables	8,725	6,987
Lease liabilities	272	173
Deferred tax liabilities	18,430	24,123
Retirement benefit liability	3,122	3,038
Provision for retirement benefits for directors (and other officers)	378	365
Provision for share awards for directors (and other officers)	606	723
Provision for maintenance costs	314	257
Provision for loss on guarantees	365	307
Asset retirement obligations	4,147	5,157
Other	78,898	77,422
Total non-current liabilities	1,261,272	1,379,620
Total liabilities	2,740,303	2,824,211

(¥ millions)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	10,532	10,532
Capital surplus	1,902	1,902
Retained earnings	306,782	324,004
Treasury shares	(2,067)	(1,594)
Total shareholders' equity	317,149	334,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,000	48,395
Deferred gains or losses on hedges	(4,608)	(9,623)
Foreign currency translation adjustment	17,936	30,086
Remeasurements of defined benefit plans	163	122
Total accumulated other comprehensive income	49,492	68,981
Share acquisition rights	541	330
Non-controlling interests	42,253	43,251
Total net assets	409,437	447,407
Total liabilities and net assets	3,149,740	3,271,619



**(2) Consolidated statements of income and statements of comprehensive income**Consolidated statements of income  
for the six months ended September 30, 2023

(¥ millions)

	FY2022 (April 1, 2022 - September 30, 2022)	FY2023 (April 1, 2023 - September 30, 2023)
Net sales	356,063	350,393
Cost of sales	307,579	296,811
Gross profit	48,483	53,581
Selling, general and administrative expenses	21,466	25,755
Operating profit	27,017	27,825
Non-operating income		
Interest income	19	140
Dividend income	1,154	1,311
Foreign exchange gains	496	—
Gain on investments in investment partnerships	322	160
Share of profit of entities accounted for using equity method	2,573	4,628
Recoveries of written off receivables	37	56
Reversal of provision for loss on guarantees	83	60
Other	297	468
Total non-operating income	4,986	6,826
Non-operating expenses		
Interest expenses	454	800
Bond issuance costs	16	22
Foreign exchange losses	—	129
Loss on investments in investment partnerships	43	25
Distributions of profit or loss on silent partnerships	296	392
Other	56	32
Total non-operating expenses	867	1,403
Ordinary profit	31,137	33,248
Extraordinary income		
Gain on sale of investment securities	1	593
Total extraordinary income	1	593

(¥ millions)

	FY2022 (April 1, 2022 - September 30, 2022)	FY2023 (April 1, 2023 - September 30, 2023)
Extraordinary losses		
Loss on sale of investment securities	—	47
Loss on valuation of investment securities	62	—
Impairment losses	0	311
Loss on disposal of non-current assets	30	23
Total extraordinary losses	93	381
Profit before income taxes	31,045	33,460
Income taxes	9,746	9,250
Profit	21,298	24,210
Profit attributable to non-controlling interests	993	1,165
Profit attributable to owners of parent	20,304	23,044

Consolidated statements of comprehensive income  
for the six months ended September 30, 2023

(¥ millions)

	FY2022 (April 1, 2022 – September 30, 2022)	FY2023 (April 1, 2023 – September 30, 2023)
Profit	21,298	24,210
Other comprehensive income		
Valuation difference on available-for-sale securities	(885)	12,377
Deferred gains or losses on hedges	(2,269)	(4,904)
Foreign currency translation adjustment	15,920	11,232
Remeasurements of defined benefit plans, net of tax	220	(57)
Share of other comprehensive income of entities accounted for using equity method	1,147	906
Total other comprehensive income	14,132	19,554
Comprehensive income	35,431	43,764
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,354	42,532
Comprehensive income attributable to non-controlling interests	1,076	1,232

### (3) Notes to the consolidated financial statements

#### Note on the going-concern assumption

Not applicable

#### Note on significant changes in shareholders' equity

Not applicable

#### Segment information

I Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

1. Disclosure of sales and profit (loss) for each reportable segment

(¥ millions)

	Lease and Installment Sales	Financing	Other	Total
Sales				
Revenues from external customers	319,004	12,092	24,966	356,063
Transactions with other segments	378	1,719	1,749	3,847
Net sales	319,382	13,812	26,716	359,911
Segment profit	19,043	9,191	5,835	34,071

2. Description of nature of differences between amounts of profit (loss) of reportable segments total and consolidated financial statements

(¥ millions)

Profit	Amount
Reportable segments total	34,071
Eliminations	(1,336)
Corporate expenses (Note)	(5,717)
Operating profit reported on the consolidated statements of income	27,017

Note: Corporate expenses are mainly selling, general and administrative expenses that are not attributable to any reportable segment.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Material impairment losses on non-current assets)

There are no material impairment losses on non-current assets.

(Material change in amount of goodwill)

There is no material change in amount of goodwill.

(Material gain on bargain purchase)

There is no material gain on bargain purchase.

II Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

1. Disclosure of sales and profit (loss) for each reportable segment

(¥ millions)

	Lease and Installment Sales	Financing	Other	Total
Sales				
Revenues from external customers	309,002	14,536	26,854	350,393
Transactions with other segments	356	2,669	1,168	4,194
Net sales	309,359	17,205	28,023	354,588
Segment profit	20,393	9,702	4,979	35,075

2. Description of nature of differences between amounts of profit (loss) of reportable segments total and consolidated financial statements

(¥ millions)

Profit	Amount
Reportable segments total	35,075
Eliminations	(911)
Corporate expenses (Note)	(6,338)
Operating profit reported on the consolidated statements of income	27,825

Note: Corporate expenses are mainly selling, general and administrative expenses that are not attributable to any reportable segment.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Material impairment losses on non-current assets)

There are no material impairment losses on non-current assets.

(Material change in amount of goodwill)

There is no material change in amount of goodwill.

(Material gain on bargain purchase)

There is no material gain on bargain purchase.

### 3. Newly executed contracts, operating assets

#### (1) Executed contracts volume

Segment by business		For the six months ended September 30, 2022		For the six months ended September 30, 2023		Net change	
		Executed contracts volume	Composition	Executed contracts volume	Composition	Amount	Pct.
		(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Lease and installment sales	Finance leases	112,844	16.1	120,518	14.4	7,674	6.8
	Operating leases	80,598	11.5	152,022	18.2	71,423	88.6
	Total leases	193,443	27.6	272,541	32.6	79,098	40.9
	Installment sales	11,797	1.7	9,685	1.2	(2,111)	(17.9)
	Lease and installment sales total	205,240	29.3	282,226	33.8	76,986	37.5
Financing		496,337	70.7	540,643	64.8	44,306	8.9
Other		109	0.0	11,805	1.4	11,696	—
Total		701,687	100.0	834,675	100.0	132,988	19.0

Notes:

1. Operating leases are recorded at the acquisition costs of lease assets. The executed volume of re-lease transactions is not included.
2. The figures for the lease segment are the purchase prices of lease assets acquired during each respective six-month period. The figures for the installment sales segment are the installment receivables net of the deferred profit on installment sales on an execution basis.
3. A dash represents the percentage year-on-year net change for Other because the value exceeds 1,000%.

#### (2) Operating assets

Segment by business		As of March 31, 2023		As of September 30, 2023		Net change	
		Balance	Composition	Balance	Composition	Amount	Pct.
		(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Lease and installment sales	Finance leases	890,802	32.9	877,652	31.2	(13,150)	(1.5)
	Operating leases	797,356	29.5	843,693	30.0	46,336	5.8
	Total leases	1,688,159	62.4	1,721,345	61.2	33,186	2.0
	Installment sales	52,791	2.0	48,894	1.7	(3,896)	(7.4)
	Lease and installment sales total	1,740,951	64.4	1,770,240	62.9	29,289	1.7
Financing		934,167	34.5	1,004,485	35.7	70,317	7.5
Other		29,407	1.1	39,630	1.4	10,223	34.8
Total		2,704,526	100.0	2,814,357	100.0	109,830	4.1

Note: The figures for the installment sales segment are the installment receivables net of the deferred profit on installment sales.