

FUYO LEASE GROUP

Summary of Financial Results for the 1st half 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 1H consolidated operating results

- Record-high 1H earnings at all levels due to growth in marginal profit from continuous expansion of business areas (Record ordinary income for the seventh consecutive period and record net income for the ninth consecutive period).
- Operating assets accumulated mainly in business domains positioned as growth drivers; while ROA maintained at a favorable level. By offsetting the increased costs accompanying changes in the business environment, steady progress was made toward achieving the forecasts for the full fiscal year.

(¥100 million)	FY2022 1H results	FY2023 1H results	YoY change (amount)	YoY change (%)
Profit before interest expenses	533	621	+88	+16.6%
Gross profit	485	536	+51	+10.5%
Operating profit	270	278	+8	+3.0%
Ordinary profit	311	332	+21	+6.8%
Profit	203	230	+27	+13.5%
Basic earnings per share	677.63円	767.20円	+89.57円	+13.2%
ROA	2.41%	2.41%	0.00pt	—
Newly executed contract Volume	7,017	8,347	1,330	+19.0%
Operating assets	27,045*	28,144	1,098	+4.1%

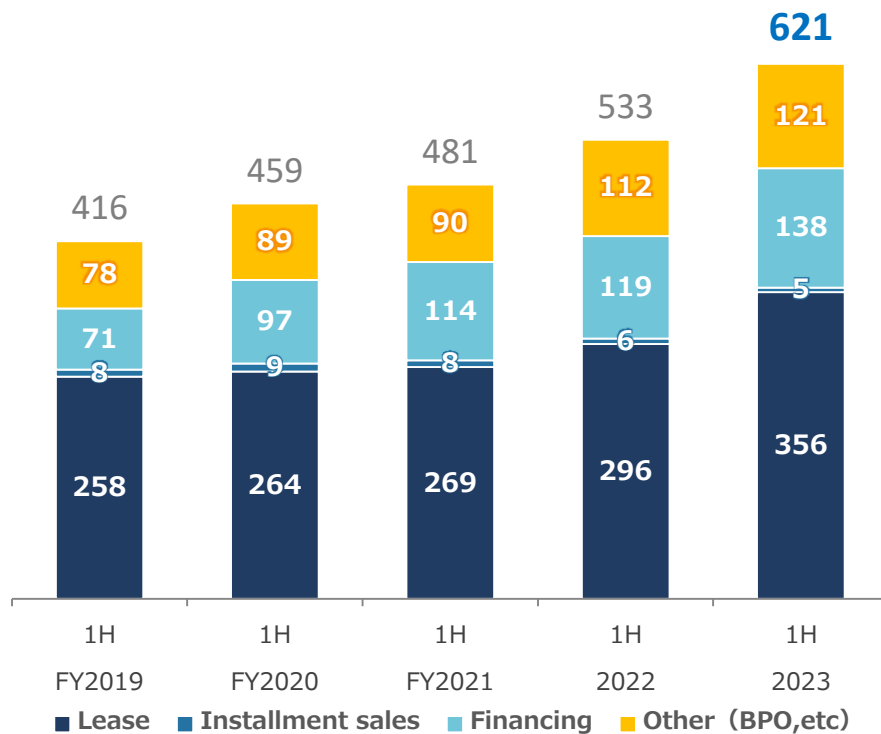
* As of March 31, 2023

2 | Profit before interest expenses

- Balanced profit growth was achieved in each segment
- Expansion of business domains positioned as growth drivers contributed to significant growth in both lease and financing

Profit before interest expenses

(¥100 million)

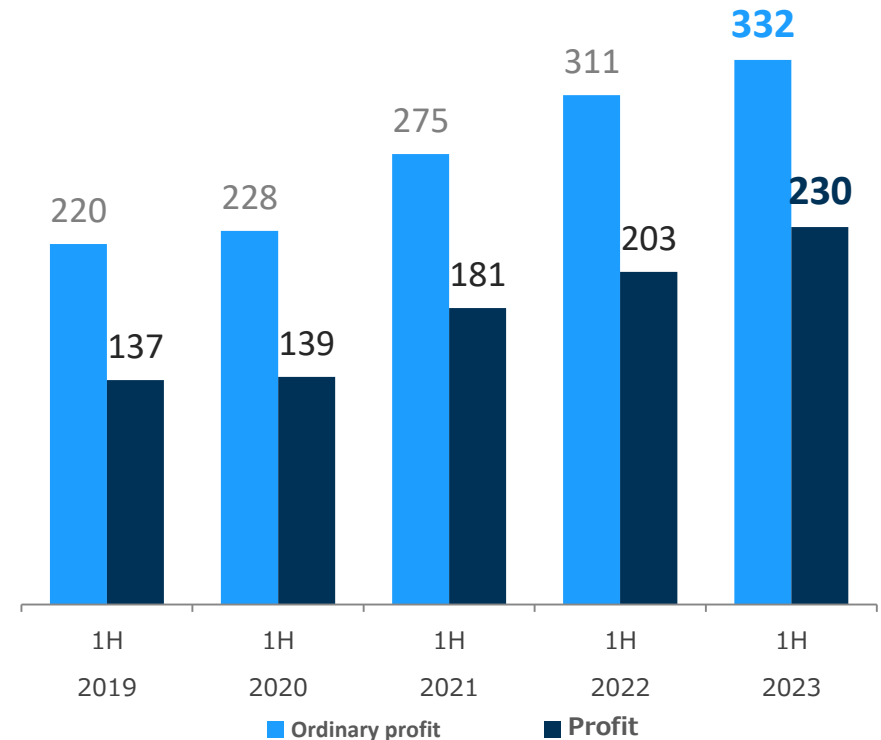


3 | Ordinary profit and profit

- Renew record-highs for ordinary profit and profit
- Making steady progress toward achieving FY2023 forecasts

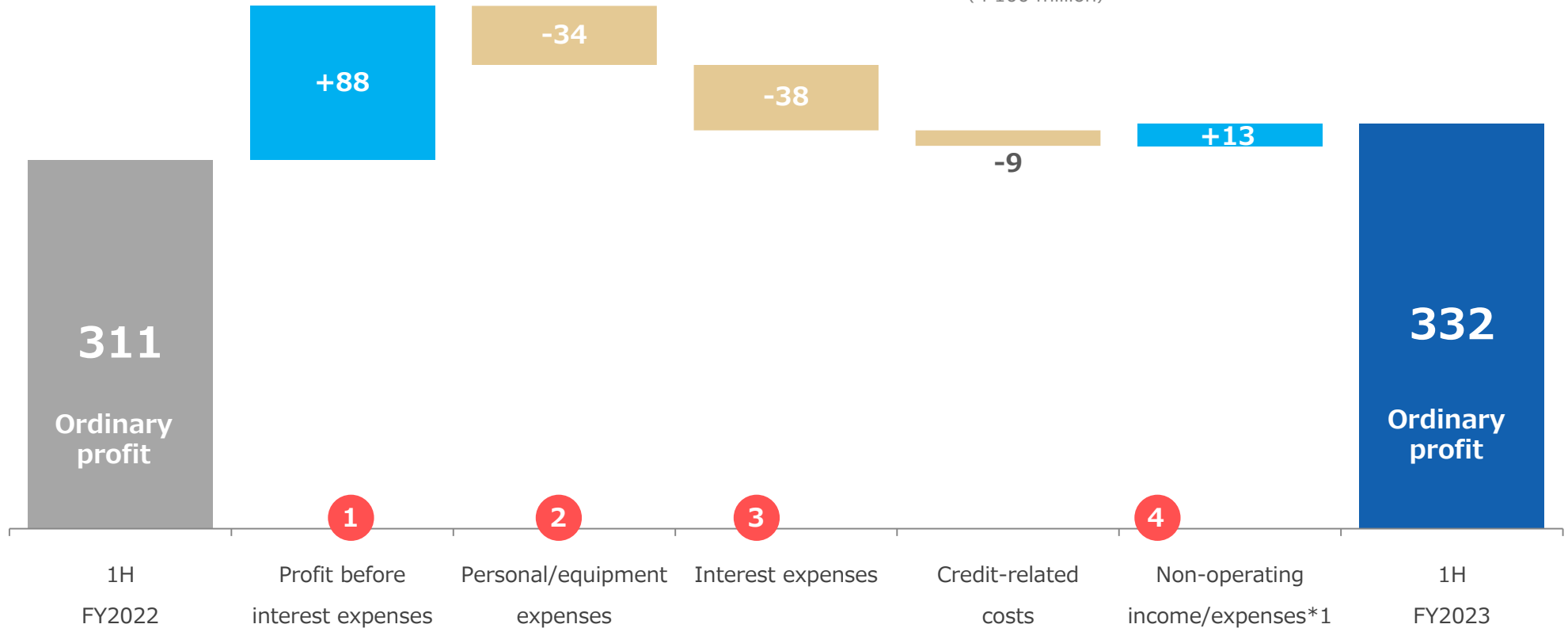
Ordinary profit and profit

(¥100 million)



4 | Factor causing the increase in ordinary profit

(¥ 100 million)



1 Profit before interest expenses

Grew in business domains positioned as growth drivers.

2 Personnel/equipment expenses

Increased mainly due to the Group's expansion.

3 Credit-related cost

Impacted by the increase in outstanding balance and increased funding rates mainly related to foreign currencies.

4 Non-operating income/expenses

Steady earnings of equity-method affiliates and increased equity-method investment income from Real Estate business.

* 1 Excluding reversal of credit-related profits/losses

5 | Changes in funding

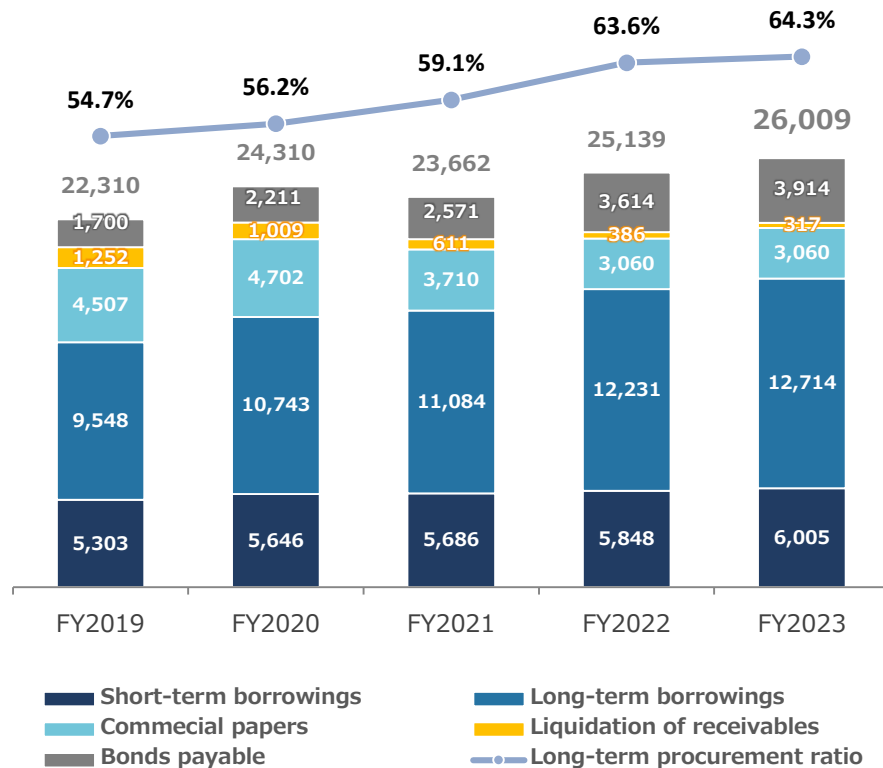
- The outstanding balance grew due to the accumulation of operating assets
- Actively raised funds with ESG financing through leveraging the Sustainable Finance Framework

6 | Net assets and the shareholders' equity ratio

- Continued accumulation of net assets against the backdrop of stable profit posting
- Shareholders' equity ratio also improved

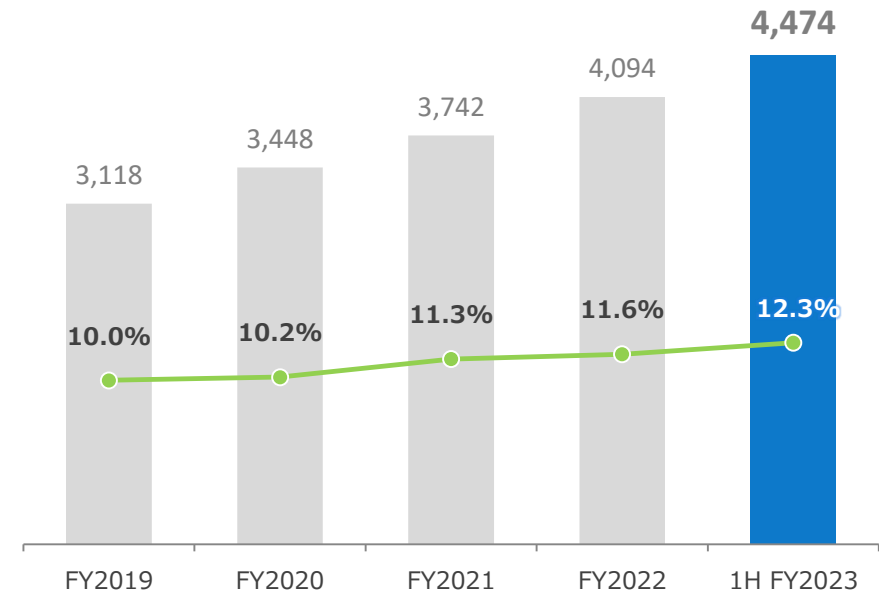
Outstanding balance

(¥100 million)



Net assets and the shareholders' equity ratio

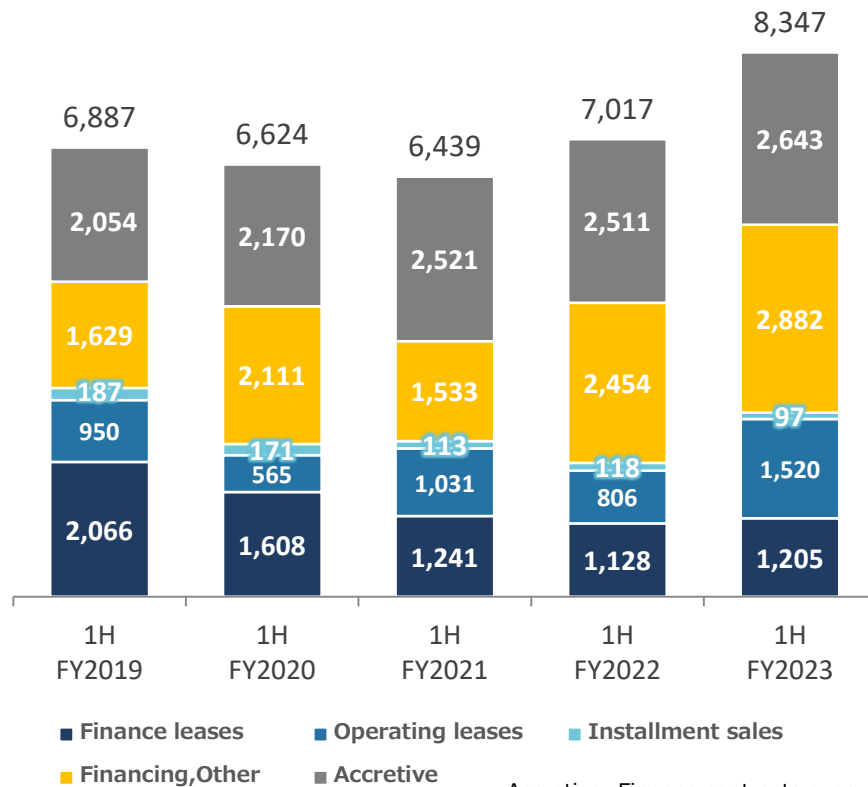
(¥100 million)



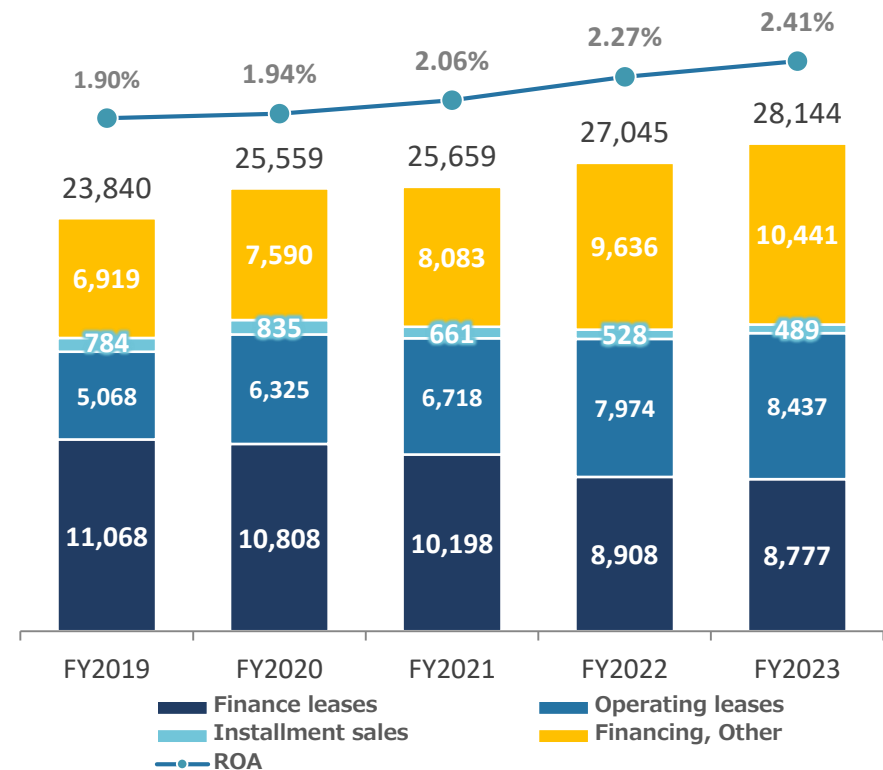
7 | Business activities

- Newly executed contract volume has grown significantly. Main contributors were the expanded initiatives in energy & environment, real estate, and aircraft.
- Operating assets have steadily accumulated, mainly in business domains positioned as growth drivers.
- Shifted to a more profitable portfolio and expanding business areas with ROA maintained at a high level.

Newly executed contract volume (¥ 100 million)



Operating assets · ROA (¥ 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

	1H FY2023 results	FY2023 forecast
(¥100 million)		
Net sales	3,504	7,000
Operating profit	278	570
Ordinary profit	332	640
Profit attributable to owners of parent	230	430
Basic earnings per share	767.20	1,434.09

2 | FY2023 dividend forecast

	1H FY2023 results	FY2023 forecast
Dividend per share	195	390
Dividend payout ratio	—	27.2%

Appendix

1 | Summary of consolidated operating results

(¥100 million)	1H FY2019	1H FY2020	1H FY2021	1H FY2022	1H FY2023	YoY (amount) (1H FY2022 to 1H FY2023)
Net sales	3,445	3,574	2,854	3,561	3,504	-57
Cost of sales	3,029	3,114	2,373	3,028	2,883	-145
Profit before interest expenses	416	459	481	533	621	+88
Interest expenses	47	50	47	48	85	+38
Gross profit	369	409	435	485	536	+51
SG&A	164	200	200	215	258	+43
[Credit-related costs]	(5)	(9)	(14)	(4)	(13)	(+9)
Operating profit	205	209	235	270	278	+8
Non-operating income/expenses	15	18	40	41	54	+13
[Reversal of credit- related profits/losses]	(1)	(2)	(15)	(1)	(1)	(-0)
Ordinary profit	220	228	275	311	332	+21
Extraordinary income/losses	2	-0	1	-1	2	+3
Profit attributable to owners of parent	137	139	181	203	230	+27
Basic earnings per share(¥)	455.81	462.79	602.58	677.63	767.20	+89.57

2 | Segment results

(単位：億円)	Leases				Installment sales				Leases and installment sales total			
	1H FY2022	1H FY2023	YoY change (amount)	YoY change (%)	1H FY2022	1H FY2023	YoY change (amount)	YoY change (%)	1H FY2022	1H FY2023	YoY change (amount)	YoY change (%)
Net sales	3,033	2,962	-71	-2.3%	157	128	-29	-18.4%	3,190	3,090	-100	-3.1%
Cost of sales	2,737	2,606	-131	-4.8%	151	123	-28	-18.6%	2,888	2,729	-160	-5.5%
Profit before interest expenses	296	356	+60	+20.4%	6	5	-1	-12.5%	302	361	+60	+19.7%
Interest expenses	25	38	+14	+55.4%	1	1	+0	+26.4%	26	40	+14	+54.2%
Gross profit	271	318	+47	+17.2%	5	4	-1	-20.3%	276	322	+46	+16.5%

	Financing				Other				Total			
	1H FY2022	1H FY2023	YoY change (amount)	YoY change (%)	1H FY2022	1H FY2023	YoY change (amount)	YoY change (%)	1H FY2022	1H FY2023	YoY change (amount)	YoY change (%)
Net sales	121	145	+24	+20.2%	250	269	+19	+7.6%	3,561	3,504	-57	-1.6%
Cost of sales	2	7	+5	+212.1%	138	147	+10	+7.0%	3,028	2,883	-145	-4.8%
Profit before interest expenses	119	138	+20	+16.5%	112	121	+9	+8.3%	533	621	+88	+16.6%
Interest expenses	21	44	+22	+104.1%	1	2	+1	+194.0%	48	85	+38	+78.5%
Gross profit	97	94	-3	-2.8%	111	119	+8	+7.2%	485	536	+51	+10.5%

3 | Operating assets

(¥100 million)	FY2019	FY2020	FY2021	FY2022	1H FY2023	YoY (amount) (FY2022 to 1H FY2023)	YoY (%) (FY2022 to 1H FY2023)
Leases	16,136	17,133	16,916	16,882	17,213	+332	+2.0%
Finance Leases	(11,068)	(10,808)	(10,198)	(8,908)	(8,777)	(-132)	(-1.5%)
Operating Leases	(5,068)	(6,325)	(6,718)	(7,974)	(8,437)	(+463)	(+5.8%)
Installment sales	784	835	661	528	489	-39	-7.4%
Financing, Other	6,919	7,590	8,083	9,636	10,441	+805	+8.4%
Total	23,840	25,559	25,659	27,045	28,144	+1,098	+4.1%

4 | Newly executed contract volume

(¥100 million)	1H FY2019	1H FY2020	1H FY2021	1H FY2022	1H FY2023	YoY (amount) (1H FY2022 to 1H FY2023)	YoY (%) (1H FY2022 to 1H FY2023)
Leases	3,016	2,173	2,272	1,934	2,725	+791	+40.9%
Finance leases	(2,066)	(1,608)	(1,241)	(1,128)	(1,205)	+77	+6.8%
Operating leases	(950)	(565)	(1,031)	(806)	(1,520)	+714	+88.6%
Installment sales	187	171	113	118	97	-21	-17.9%
Financing, other	3,684	4,281	4,054	4,964	5,524	+560	+11.3%
Total	6,887	6,624	6,439	7,017	8,347	+1,330	+19.0%

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

(¥100 million)	1H FY2021	1H FY2022	1H FY2023	YoY (amount) (1H FY2021 to 1H FY2022)
IT & office equipment	662	636	649	+14
Industrial machinery	92	66	77	+11
Civil engineering and construction machinery	16	14	13	-1
Transportation equipment	356	185	571	+385
Medical devices	84	101	89	-12
Commercial/services equipment	86	65	64	-0
Buildings, etc.	881	783	1,165	+382
Other	95	85	97	+12
Total	2,272	1,934	2,725	+791

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.