

**FUYO LEASE GROUP**

# **Summary of Financial Results for the Nine 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 Q3 consolidated operating results

- Record-high Q3 earnings at all levels on a profit before interest expenses growth basis from continuous expansion of business areas(Record ordinary profit and profit for the seventh consecutive period).
- A high level of ROA was achieved due to combination of accumulation and turnover of operating assets mainly in business domains positioned as growth drivers. Making high rate of progress toward achieving FY2023 forecasts.

(¥100 million)	Q3 FY2022 results	Q3 FY2023 results	YoY change (amount)	YoY change (%)
Profit before interest expenses	823	1,001	+178	+21.6%
Gross profit	746	863	+117	+15.7%
Operating profit	414	477	+63	+15.2%
Ordinary profit	470	547	+77	+16.4%
Profit	307	399	+91	+29.7%
Basic earnings (¥)	1,025.45	1,326.59	+301.14	+29.4%
ROA	2.41%	2.58%	+0.17pt	—
Newly executed contract Volume	10,856	13,425	+2,568	+23.7%
Operating assets	27,045	29,375	+2,330	+8.6%

\* As of march 31, 2023

## 2 | Profit before interest expenses

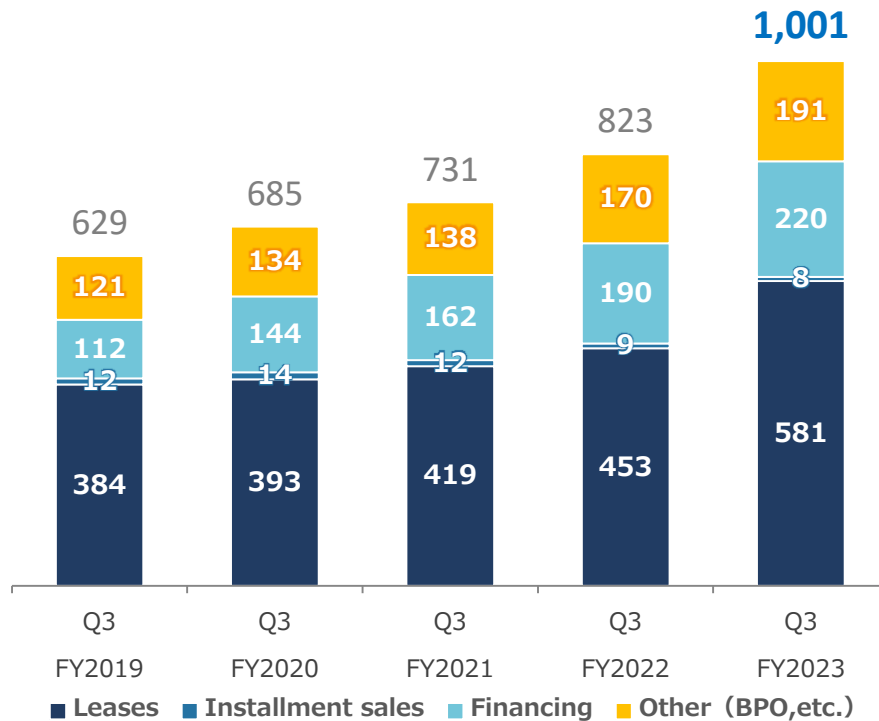
- Growth in businesses positioned as growth drivers contributed to growth in profit before interest expenses
- Balanced profit growth was achieved in each segment, particularly in lease

## 3 | Ordinary profit and profit

- Renew record-highs for ordinary profit and profit
- Making high rate of progress toward achieving FY2023 forecasts

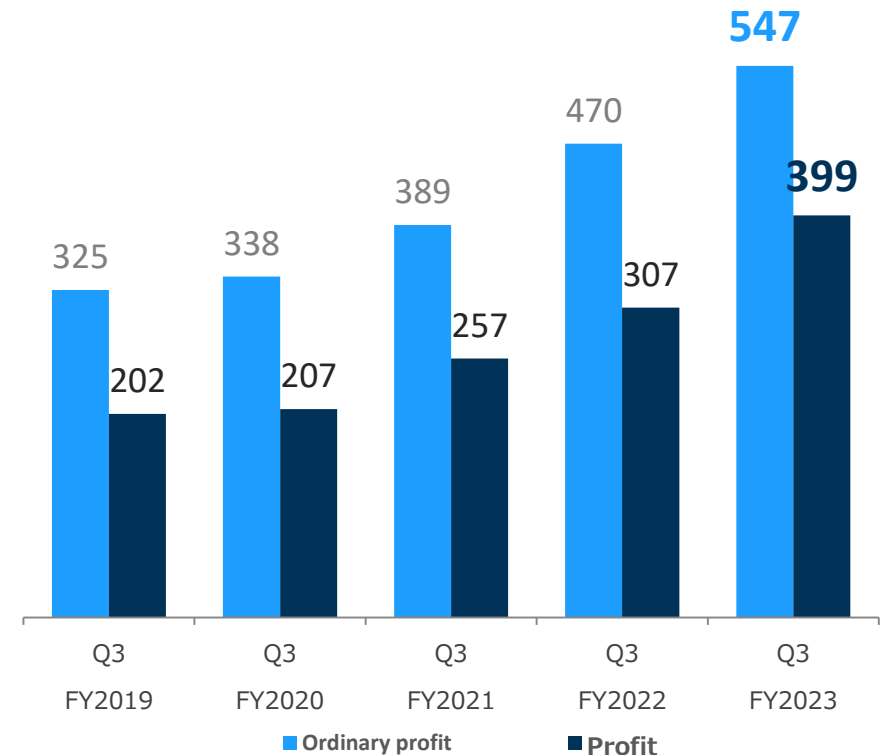
### Profit before interest expenses

(¥100 million)



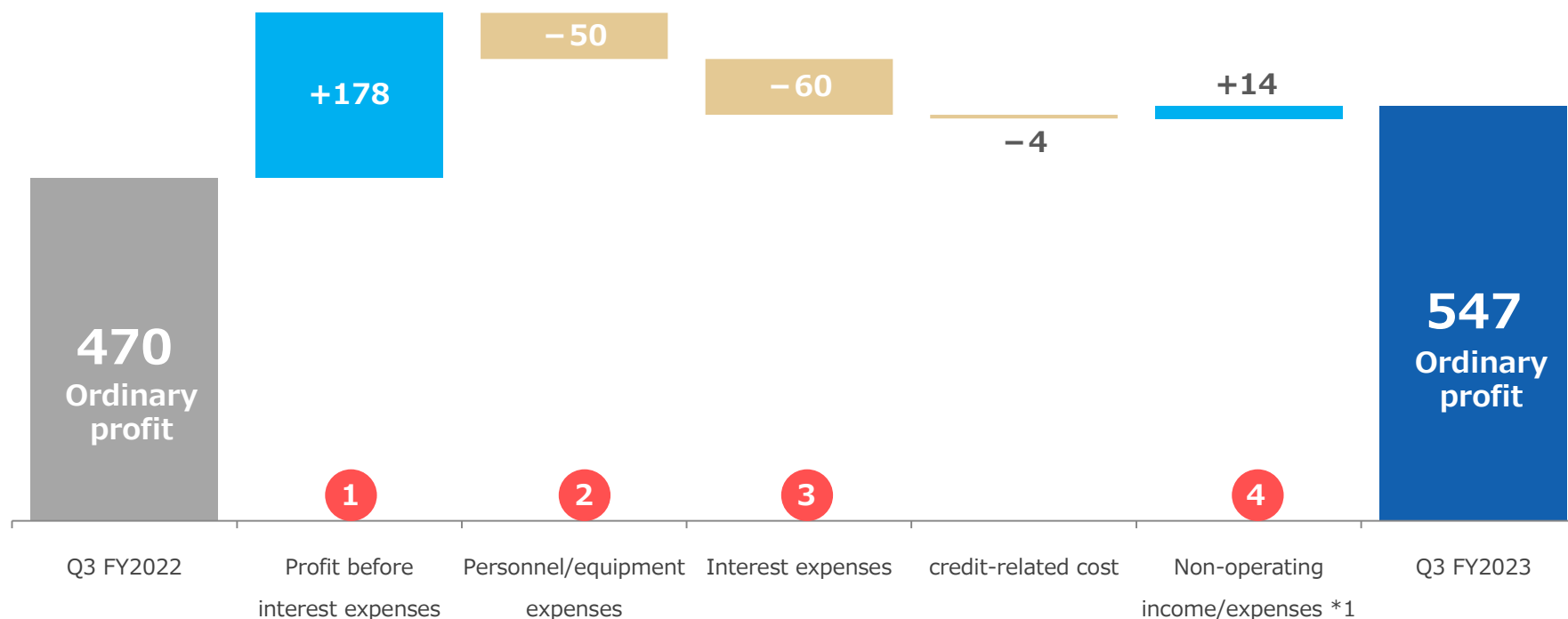
### Ordinary profit and profit

(¥100 million)



## 4 | Factor causing the increase in ordinary profit

(¥100million)



**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 Interest expenses**

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

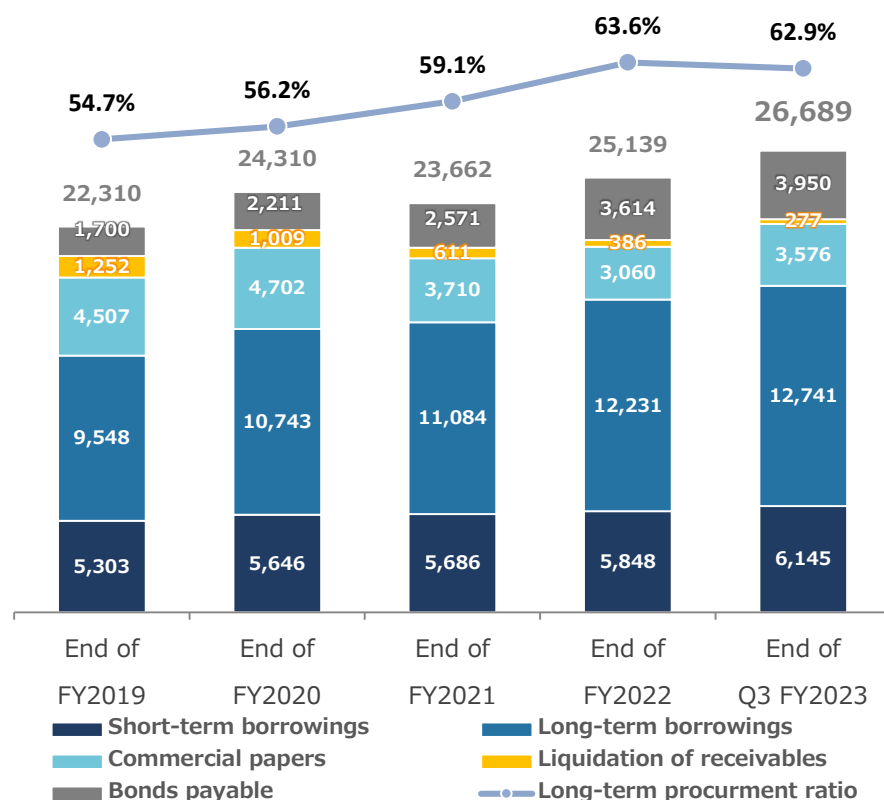
- Outstanding balance increased due to accumulation of operating assets.
- Promotion of funding diversification through active use of sustainable finance and conclusion of financial agreement with Japan Bank for International Cooperation

## 6 | Net assets and the shareholders' equity ratio

- Stable profits enabled the continued accumulation of net assets.
- The shareholders' equity ratio is also increasing.

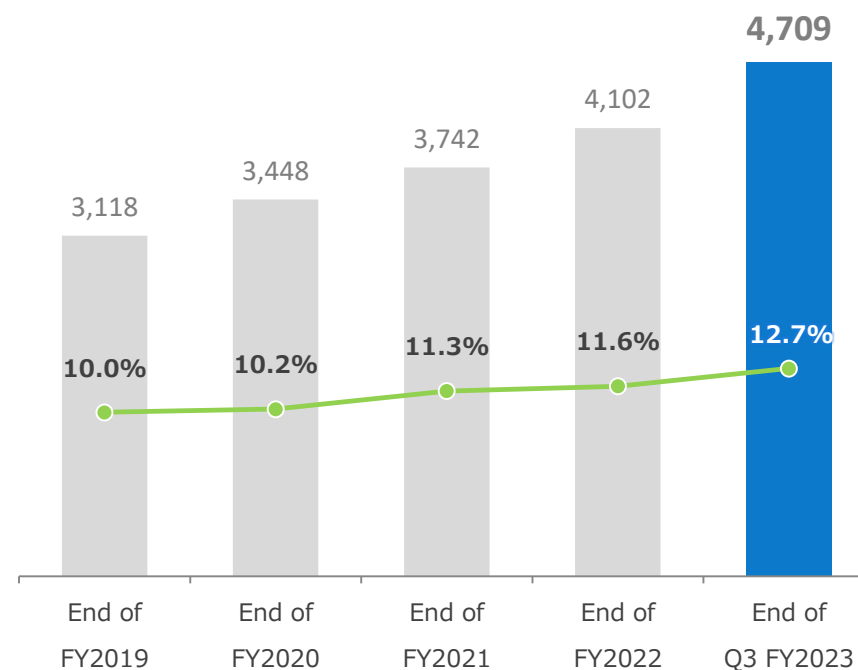
### Outstanding balance

(¥100 million)



### Net assets and the shareholders' equity ratio

(¥ 100 million)

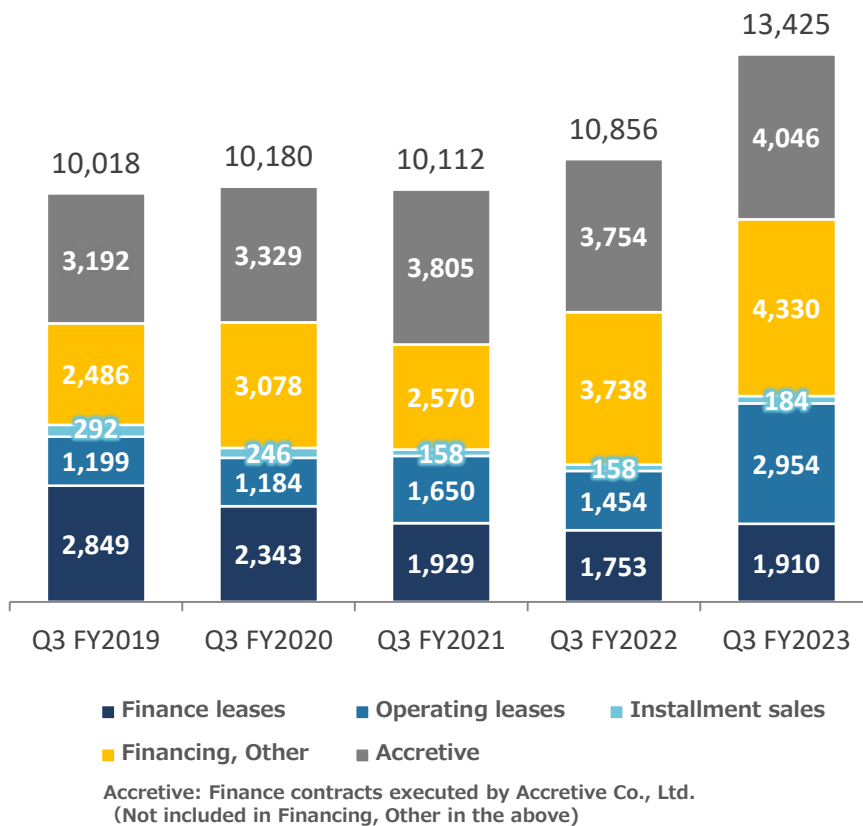


During 3Q FY2023, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for end of FY2022 reflect the finalization of the provisional accounting treatment.

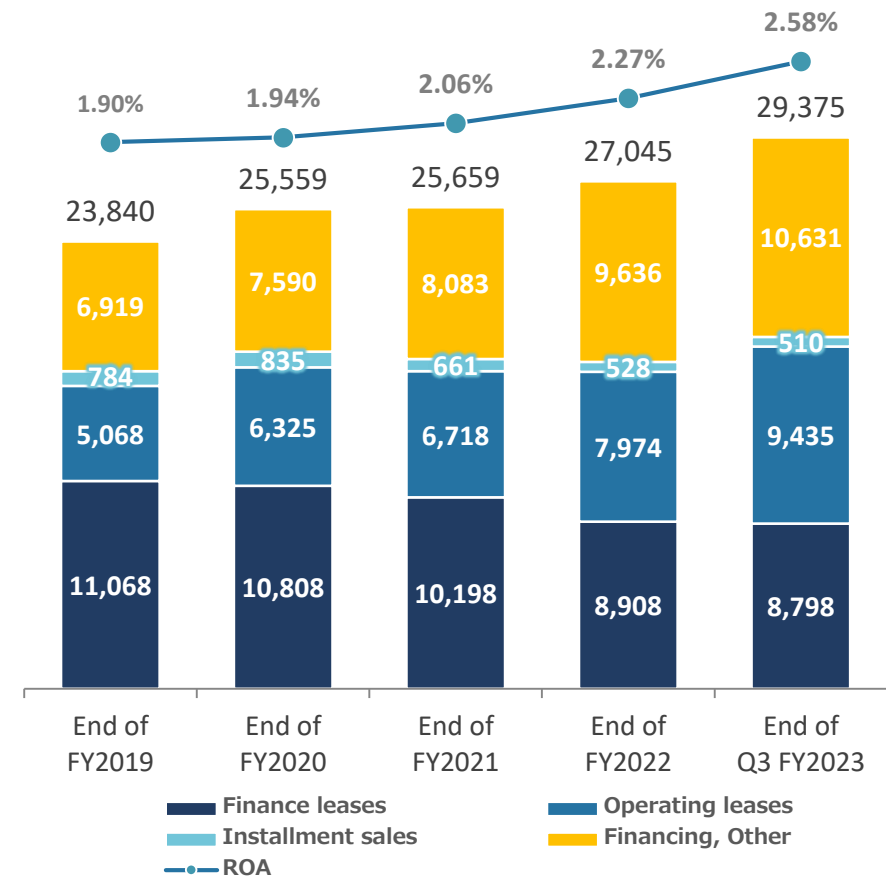
## 7 | Business activities

- Newly executed contract volume and balance of operating assets both grew. The contributing factors include the expansion of initiatives in energy & environment, real estate and aircraft, which are positioned as growth drivers.
- Aimed for portfolio replacement through combination of accumulation and turnover of operating assets, and achieved high level of ROA

### Newly executed contract volume (¥ 100 million)



### Operating assets (¥100 million)





# Earnings forecast and dividend forecast

## 1 | FY2023 consolidated earnings forecast

	Q3 FY2023 results	FY2023 forecast
(¥100 million)		
Net sales	5,206	7,000
Operating profit	477	570
Ordinary profit	547	640
Profit attributable to owners of parent	399	430
Basic earnings per (¥)	1,326.59	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)	Q3 FY2019 results	Q3 FY2020 results	Q3 FY2021 results	Q3 FY2022 results	Q3 FY2023 results	YoY (amount) (Q3 FY2022 to Q3 FY2023)
Net sales	5,295	5,538	4,631	5,338	5,206	-132
Cost of sales (Excluding interest expenses)	4,667	4,854	3,900	4,515	4,205	-310
Profit before interest expenses	629	685	731	823	1,001	+178
Interest expenses	72	75	72	77	137	+60
Gross profit	557	610	658	746	863	+117
SG&A	251	296	313	332	386	+54
[Credit-related costs]	(6)	(15)	(23)	(10)	(14)	(+4)
Operating profit	306	314	345	414	477	+63
Non-operating income/expenses	19	24	44	56	70	+14
[Reversal of credit- related profit/losses]	(1)	(2)	(15)	(1)	(1)	(+0)
Ordinary profit	325	338	389	470	547	+77
Extraordinary income/losses	-3	-0	7	-11	2	+13
Profit attributable to owners of parent	202	207	257	307	399	+91
Basic earnings per share (¥)	672.07	689.58	856.63	1,025.45	1,326.59	+301.14

## 2 | Segment results

(¥ 100 million)	Leases				Installment sales				Leases and Installment sales total			
	Q3 FY2022	Q3 FY2023	YoY change (amount)	YoY change (%)	Q3 FY2022	Q3 FY2023	YoY change (amount)	YoY change (%)	Q3 FY2022	Q3 FY2023	YoY change (amount)	YoY change (%)
Net sales	4,552	4,350	-202	-4.4%	218	210	-8	-3.6%	4,770	4,560	-210	-4.4%
Cost of sales	4,099	3,769	-330	-8.1%	209	202	-7	-3.4%	4,308	3,971	-337	-7.8%
Profit before interest expenses	453	581	+128	+28.2%	9	8	-1	-7.6%	462	589	+127	+27.5%
Interest expenses	39	61	+22	+57.0%	2	2	+0	+29.7%	40	63	+23	+55.9%
Gross profit	414	520	+106	+25.5%	8	6	-1	-15.7%	422	526	+104	+24.8%

	Financing				Other				Total			
	Q3 FY2022	Q3 FY2023	YoY change (amount)	YoY change (%)	Q3 FY2022	Q3 FY2023	YoY change (amount)	YoY change (%)	Q3 FY2022	Q3 FY2023	YoY change (amount)	YoY change (%)
Net sales	193	233	+40	+20.6%	375	413	+38	+10.3%	5,338	5,206	-132	-2.5%
Cost of sales	2	13	+10	+445.6%	205	222	+17	+8.4%	4,515	4,205	-310	-6.9%
Profit before interest expenses	190	220	+29	+15.5%	170	191	+21	+12.5%	823	1,001	+178	+21.6%
Interest expenses	35	72	+36	+102.2%	1	3	+2	+144.5%	77	137	+60	+78.5%
Gross profit	155	148	-7	-4.3%	169	189	+20	+11.7%	746	863	+117	+15.7%

## 3 | Operating assets

(¥100 million)	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End of Q3 FY2023	YoY (amount) (End of FY2022 to End of Q3 FY2023)	YoY (%) (End of FY2022 to End of Q3 FY2023)
Leases	16,136	17,133	16,916	16,882	18,233	+1,352	+8.0%
Finance leases	(11,068)	(10,808)	(10,198)	(8,908)	(8,798)	(-110)	(-1.2%)
Operating leases	(5,068)	(6,325)	(6,718)	(7,974)	(9,435)	(+1,462)	(+18.3%)
Installment sales	784	835	661	528	510	-18	-3.4%
Financing, other	6,919	7,590	8,083	9,636	10,631	+996	+10.3%
<b>Total</b>	<b>23,840</b>	<b>25,559</b>	<b>25,659</b>	<b>27,045</b>	<b>29,375</b>	<b>+2,330</b>	<b>+8.6%</b>

## 4 | Newly executed contract volume

(¥100 million)	Q3 FY2019 results	Q3 FY2020 results	Q3 FY2021 results	Q3 FY2022 results	Q3 FY2023 results	YoY (amount) (Q3 FY2022 to Q3 FY2023)	YoY (%) (Q3 FY2022 to Q3 FY2023)
Leases	4,048	3,527	3,579	3,207	<b>4,865</b>	+1,658	+51.7%
Finance leases	(2,849)	(2,343)	(1,929)	(1,753)	<b>(1,910)</b>	(+158)	(+9.0%)
Operating leases	(1,199)	(1,184)	(1,650)	(1,454)	<b>(2,954)</b>	(+1,501)	(+103.2%)
Installment sales	292	246	158	158	<b>184</b>	+26	+16.2%
Financing, other	5,678	6,408	6,375	7,492	<b>8,376</b>	+885	+11.8%
<b>Total</b>	<b>10,018</b>	<b>10,180</b>	<b>10,112</b>	<b>10,856</b>	<b>13,425</b>	<b>+2,568</b>	<b>+23.7%</b>

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

(¥100 million)	Q3 FY2021 results	Q3 FY2022 results	Q3 FY2023 results	YoY (amount) (Q3 FY2022 to Q3 FY2023)
IT & office equipment	948	978	<b>1,022</b>	+44
Industrial machinery	144	82	<b>86</b>	+4
Civil engineering and construction machinery	34	23	<b>20</b>	-3
Transportation equipment	453	285	<b>1,368</b>	+1,083
Medical devices	120	153	<b>143</b>	-10
Commercial/services equipment	120	114	<b>92</b>	-22
Buildings, etc.	1,622	1,451	<b>1,992</b>	+541
Other	138	121	<b>143</b>	+22
<b>Total</b>	<b>3,579</b>	<b>3,207</b>	<b>4,865</b>	<b>+1,658</b>



“Going Where  
No One Has Gone Before”

**FUYO LEASE GROUP**

FUYO GENERAL LEASE CO., LTD.