

**Third Quarter of
Fiscal Year
Ending March
2024 (FY2023)**

**Financial
Highlights**

RICOH
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February 7, 2024

Ricoh Leasing Company, Ltd.



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1. Consolidated Results for the Third Quarter of Fiscal Year Ending March 2024



Financial Performance Overview for the Third Quarter of Fiscal Year Ending March 2024

1. Net sales increased, but profit fell.

Gross profit increased as a result of the improvement in profitability to absorb the decline due to the previous year's COVID-19- related rental special demand for rentals.

Net income declined chiefly due to Extraordinary loss (loss on valuation of investment securities) of 5.2 billion yen.

2. Operating assets stood at 1,092.9 billion yen (Increased 2.6 billion yen from the end of the previous fiscal year).

Operating assets in the investment business, increased, primarily in the Real Estate Business.

3. The full-year income forecast and dividend forecast for the fiscal year ending March 2024 remains unchanged from the initial forecast.

Operating Profit was 82.6% of the full-year forecast. Steady progress was made.

The Company applies mark-to-market accounting to securities and makes reversal entries.

The amount of loss on valuation of investment securities may change or not be recorded due to the share price at the end of the fiscal year. There have been no changes to the initial forecast.

* In this document, securitized lease receivables are not deducted from operating assets.

* In this document, "Profit Attributable to Owners of Parent" is listed as "Net Income."

- The early repayment of large receivables and improved yields contributed to of profitability Leases & Finance Business and services Business.
- Selling, General and Administrative Expenses increased due to investing in strengthening the business foundation (human resources and IT Infrastructure, etc.) .
- Steady progress was made toward the full-year forecast except for net income.

(Billion Yen)

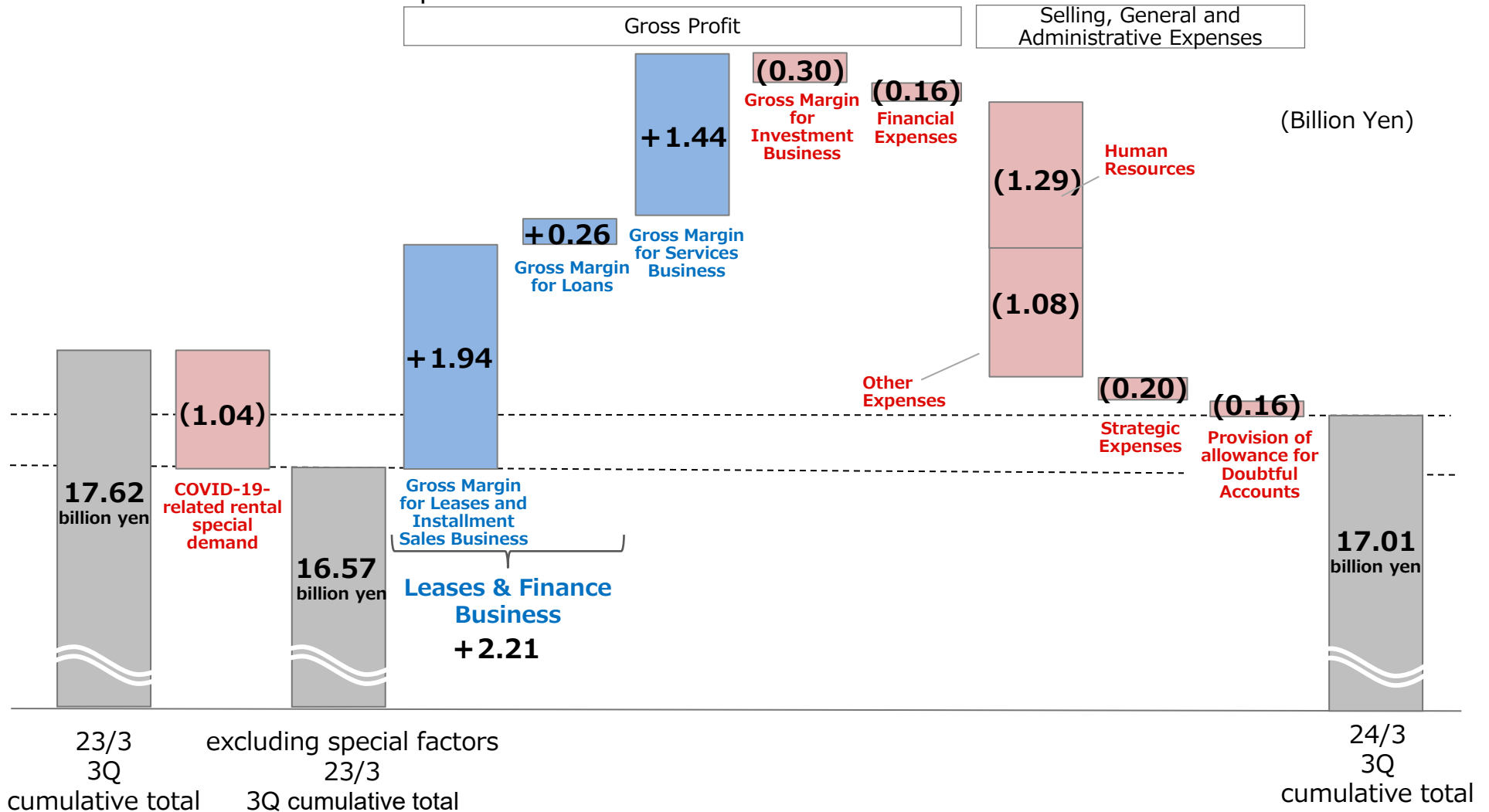
	2023/3 3Q Cumulative total	2024/3		2024/3 Full-year Forecast	Progress Rate
		3Q Cumulative total	Growth Rate		
Net Sales	224.6	234.9	4.6%	306.0	76.8%
Gross Profit	32.3	34.5	6.6%	45.0	76.7%
Selling, General and Administrative Expenses	14.7	17.5	18.7%	24.4	71.7%
Operating Profit	17.6	17.0	(3.4%)	20.6	82.6%
Ordinary Profit	17.9	17.2	(3.5%)	20.7	83.5%
Net Income	12.3	8.2	(33.0%)	14.4	57.5%
			<u>YoY change</u>		
Dividend per Share(yen)	–	–	–	150.00	–
Earnings per Share(yen)	400.29	268.39	(131.91)	467.16	–
Dividend Payout Ratio	–	–	–	32.1%	–
ROA (Return on Asset Ratio)	1.38%	0.89%	(0.49%)	1.15%	–
ROE (Return on Equity Ratio)	8.0%	5.1%	(2.9%)	6.7%	–

* Actual ROA and ROE are annualized numerical figures



Factors Affecting Operating Profit

- Results at Welfare Suzuran, which became a subsidiary in December 2022, were reflected in consolidated results, and the gross margin for Services Business increased, as were human resources and other expenses.



Consolidated Balance Sheets

- Operating assets and interest-bearing debt increased due to the accumulation of assets for lease and assets for solar power generation business included in other assets.

(Billion Yen)

	2023/3	2024/3			2023/3	2024/3	
	Actual	End of 3Q Actual	Increase/ Decrease at the End of the Previous Term		Actual	End of 3Q Actual	Increase/ Decrease at the End of the Previous Term
Cash and deposits	14.1	6.9	(7.1)	Short-term Interest-Bearing Debt	169.0	209.2	40.2
Lease receivables and investments in leases	509.7	499.2	(10.5)	Long-term Interest-Bearing Debt	697.0	670.3	(26.7)
Installment receivables	181.6	171.4	(10.1)	Long-term payables under securitization of lease receivables	35.5	24.1	(11.4)
Accounts receivable - operating loans	253.7	256.0	2.3	Other liabilities	123.6	107.9	(15.6)
Assets for lease	69.1	84.5	15.3	Total Liabilities	1,025.2	1,011.6	(13.5)
Allowance for doubtful accounts	(12.9)	(12.2)	0.7	Total net assets	211.7	217.7	6.0
Other assets	221.4	223.4	1.9				
Total assets	1,236.9	1,229.4	(7.5)	Total liabilities and net assets	1,236.9	1,229.4	(7.5)

* Allowance for doubtful accounts shows the total of current assets and non-current assets.

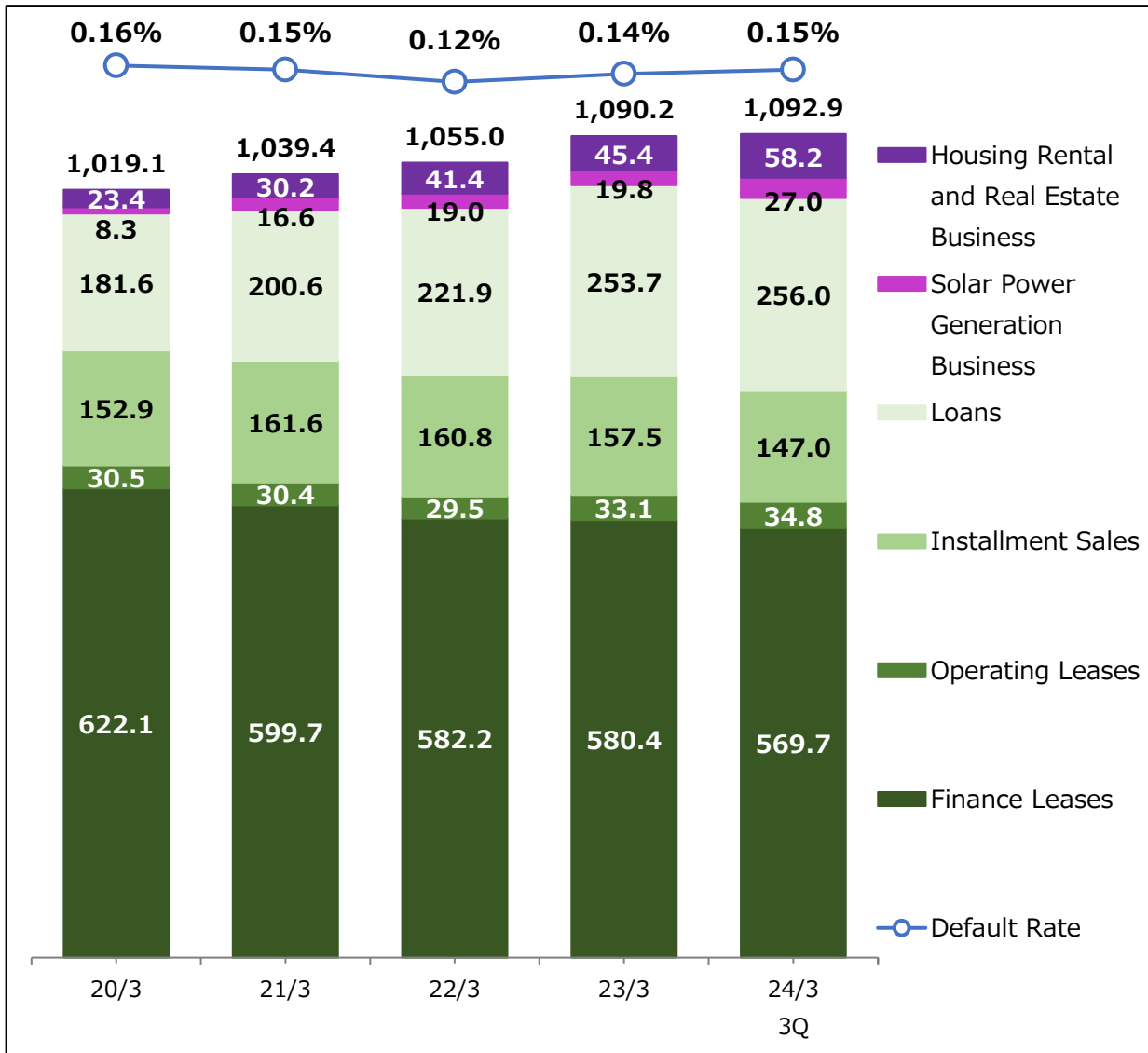
* Long-term debt within one year (Bonds payable, Long-term borrowings) is included in short-term Interest-Bearing Debt.

* The accounting method for the business combination with Welfare Suzuran was determined at the end of the first quarter of the fiscal year ending March 31, 2024, and the figures at the end of the fiscal year ended March 31, 2023 are figures revised after the determination of the accounting method.



Operating Assets and Default Rate

(Billion yen)



- Operating assets increased due to investment in investment business in real estate-related businesses and solar power generation while the early repayment of several large receivables occurred.
- The default loss amount and the default rate remained at a low level.

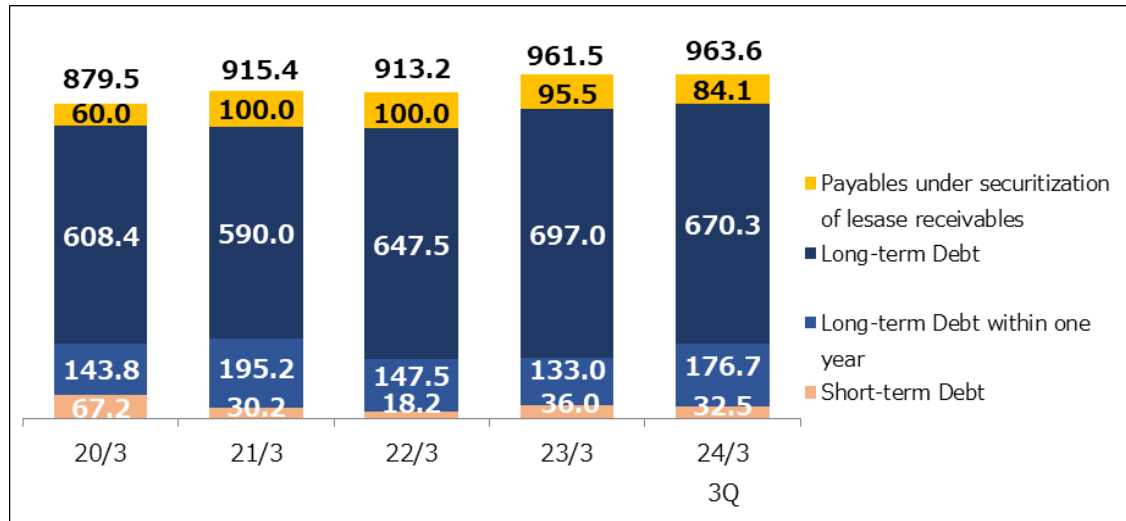
* Amount of Securitized Lease Receivables for the Third quarter of 24/3: 70.5 billion yen.
 * Default rate = Default loss amount / Average balance of operating assets (default rate has been calculated by annualizing the default loss amount for the Third quarter of 24/3)



Total Procurement Amount and Financial Expenses

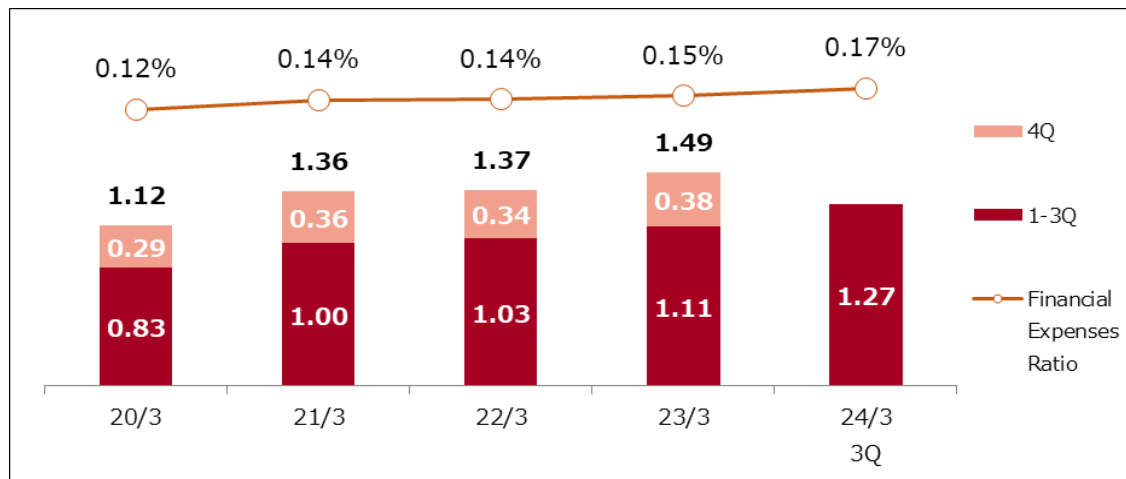
■ Total Procurement Amount

(Billion yen)



■ Financial Expenses and Financial Expenses Ratio

(Billion yen)



- Raise funds while managing and controlling interest rate fluctuation risk and liquidity risk.

- Financial expenses and financial expenses ratio increased.

* Payables under securitization of lease receivables includes off-balance sheet financing.
 * Financial expenses ratio = Financial expenses / Average balance of operating assets
 * For the Third quarter of 24/3, financial expenses ratio has been calculated by annualizing financial expenses.

2. Performance by Business field



Overview of Business Fields

- We have defined seven business fields under three business growth strategies to clarify markets where the Group provides value and allocate resources to highly profitable fields where there are greater opportunities and thereby to achieve sustainable profit growth.

Strategy	Business field	Overview	Segments involved		
			Leases & Finance Business	Services Business	Investment Business
Expansion and improved efficiency	Office	Leasing and installment sales, particularly of office and IT-related equipment, for the office market	○		
	Capital investment	Capital expenditures particularly in three priority fields (construction machinery, vehicles and agriculture)	○		
	Medical and healthcare	Leasing and installment sales of medical equipment, loans to doctors in private practice, and operation of nursing-care facilities	○	○	
Diversification through the addition of businesses and services	Real estate	Real estate loans, Housing Rental Business, real estate-related business investment	○		○
	The environment	Leasing and installment sales related to the environment, the Solar Power Generation Business	○		○
Taking on the challenge of a new business model	as a Service	Rental primarily in the fields of ICT, industry and measuring	○		
	BPO	Settlement services, including collection agency services, factoring service for nursing-care facilities and credit guarantee, and services for business travelers from overseas		○	

Performance by Business field

- Gross profit before deducting Financial Expenses increased due to growth such as Medical and Healthcare and Real estate Field.
- Executed contracts volume increased of The Real estate and Environmental Field, where multiple large-scale projects started operation.
- Yields on new contracts continued to improve and asset-yield enhancement continues.

(Billion Yen)

	Gross profit before deducting Financial Expenses			Executed contracts volume		
	2023/3	2024/3		2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate	3Q cumulative total	3Q cumulative total	Growth Rate
Office	10.4	10.7	3.2%	79.2	81.1	2.4%
Capital investment	7.3	7.7	4.2%	78.1	69.2	(11.4%)
Medical and healthcare	3.2	4.3	35.2%	20.7	21.5	3.6%
Real estate	4.6	5.2	11.4%	62.3	86.1	38.2%
The environment	2.8	3.1	12.8%	16.1	32.3	100.5%
as a Service	2.5	2.0	(20.7%)	7.8	9.2	17.6%
BPO	2.3	2.5	7.5%	-	-	-
Total	33.4	35.7	6.9%	264.5	299.6	13.3%

* Executed contracts volume = Cost of acquisition of assets for lease (leases) or installments receivable minus unrealized profit on installment sales (installment sales)

Office field

- Gross profit before deducting Financial Expenses increased, chiefly reflecting an improvement in asset yields, etc.
- The executed contract volume, particularly IT-related equipment contracts increased.

Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	86.4	85.7	(0.9%)
Cost of Sales	76.0	74.9	(1.4%)
Gross profit before deducting Financial Expenses	10.4	10.7	3.2%

Executed contracts volume

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Leases and Installment Sales	79.2	81.1	2.4%
Total of Office field	79.2	81.1	2.4%

Capital Investment field

- Gross profit before deducting Financial Expenses increased, chiefly reflecting an improvement in asset yields, etc.
- The executed contract volume fell due to the absence of large projects in the previous fiscal year.

Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	72.7	73.4	1.0%
Cost of Sales*	65.3	65.7	0.6%
Gross profit before deducting Financial Expenses	7.3	7.7	4.2%

Executed contracts volume

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Leases and Installment Sales	77.1	69.1	(10.3%)
Loans*	1.0	0.1	(87.2%)
Total of Capital investment field	78.1	69.2	(11.4%)

* Some transactions had been recorded as cost of sales for Capital Investment field until the second quarter settlement of 24/3 are recorded as cost of sales for Office field based on the attribute of customers since the third quarter of 24/3.

* Executed contracts volume for Loans was recorded in the Capital Investment field in the First Quarter of 24/3.

From the second Quarter of 24/3 onward, capital investment field/medical and healthcare field/the environment field according to customers' attributes To be accounted for by category.



Results in Medical and Healthcare and Real Estate

Medical and Healthcare Field

- Results at Welfare Suzuran was reflected in consolidated results, Gross profit before deducting Financial Expenses grown.
- Primarily in Loans for practitioners growth and Executed contracts volume increased.

■ Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	20.0	20.7	3.5%
Cost of Sales	16.7	16.3	(2.7%)
Gross profit before deducting Financial Expenses	3.2	4.3	35.2%

■ Executed contracts volume

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Leases and Installment Sales	18.1	18.2	0.7%
Loans	2.6	3.2	23.1%
Total of Medical and healthcare field	20.7	21.5	3.6%

Real Estate Field

- Results expanded by improving asset yield and reflecting an increase in operating assets.
- Loans for logistics and residential facilities and investment in trust beneficial interests are steady, and Executed contracts volume is progressing to exceed plan.

■ Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	10.5	11.7	11.8%
Cost of Sales	5.8	6.5	12.1%
Gross profit before deducting Financial Expenses	4.6	5.2	11.4%

■ Executed contracts volume

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Leases and Installment Sales	0.8	1.0	29.2%
Loans	47.7	63.1	32.3%
Housing Rental	2.6	2.3	(10.2%)
Real Estate Business	11.1	19.5	75.3%
Total of Real estate field	62.3	86.1	38.2%



Results in The Environment and as a Service Fields

The Environmental Field

- Both sales and profits increased due to early repayment of large-scale projects, etc.
- Executed contracts volume is progressing above plan due to multiple large-scale installment projects and investments in solar power generation.

■ Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	16.8	24.6	46.8%
Cost of Sales	14.0	21.5	53.6%
Gross profit before deducting Financial Expenses	2.8	3.1	12.8%

■ Executed contracts volume

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Leases and Installment Sales	14.9	22.2	48.8%
Loans	0.0	1.1	-
Solar Power Generation Business	1.0	8.9	760.8%
Others	0.1	0.0	(100.0%)
Total of The environment field	16.1	32.3	100.5%

as a Service Field

- Profit declined after COVID-19-related rental special demand in the previous year.
- The executed contract volume, particularly in the ICT field, rose, and operating assets increased.

■ Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	13.2	13.4	1.7%
Cost of Sales	10.6	11.4	7.1%
Gross profit before deducting Financial Expenses	2.5	2.0	(20.7%)

■ Executed contracts volume

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Leases and Installment Sales	7.8	9.2	17.6%
Total of as a Service field	7.8	9.2	17.6%



Results in BPO Field, Leases, Installment Sales, Executed Contract Volume

BPO Field

- In both collection agency services and Factoring services for nursing-care facilities, transactions with existing customers increased steadily, and new customers acquisition continued to be strong, Sales results and results progressed steadily.

Results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Net Sales	4.9	5.2	6.9%
Cost of Sales	2.5	2.7	6.2%
Gross profit before deducting Financial Expenses	2.3	2.5	7.5%

Sales results

(Billion Yen)

	2023/3	2024/3	
	3Q cumulative total	3Q cumulative total	Growth Rate
Number of Transactions in Collection Agency Services(million cases)	21.28	22.76	6.9%
Transaction Volume of Factoring Services for Healthcare & Nursing-Care Facilities	58.6	67.1	14.5%

Leases, Installment Sales, Executed Contract Volume (by Product)

- Industrial machinery increased by the overall executed contracts volume due to the large contracts for solar power generation equipment.
- Yields on new lease and installment sales contracts continued to improve.

(Billion Yen)

	2023/3	2024/3		Japan Leasing Association (cumulative total from 23/4 to 23/12) Lease capital investment growth rate
	3Q cumulative total	3Q cumulative total	Growth Rate	
Office and It-Related Equipment	97.8	95.2	(2.6%)	8.2%
Medical Equipment	20.4	20.2	(0.7%)	6.1%
Industrial Machinery	14.5	26.0	79.2%	3.4%
Commercial and Service Equipment	10.6	9.0	(15.1%)	5.5%
Transport Equipment	18.7	16.2	(13.3%)	20.3%
Others	35.8	34.1	(4.8%)	(0.6%)
Leases and Installment Sales	198.1	201.0	1.5%	7.9%

3 . Consolidated Income Forecast for Fiscal Year Ending March 2024

(The initial forecast announced on May 9, 2023 has
remain unchanged.)

* The accounting method for the business combination with Welfare Suzuran was determined in the first quarter of the fiscal year ending March 31, 2024. The full-year results in the fiscal year ended March 31, 2023 and the year-on-year growth rates in the fiscal year ended March 31, 2024 are figures revised after the determination of the accounting method.

Consolidated Income Forecast

- An increase in gross profit will be more than offset by an increase in selling, general and administrative expenses, resulting in a decrease in profit.
- The annual dividend per share is 150 yen. Expects dividend increases for the 29th consecutive year* since listing.

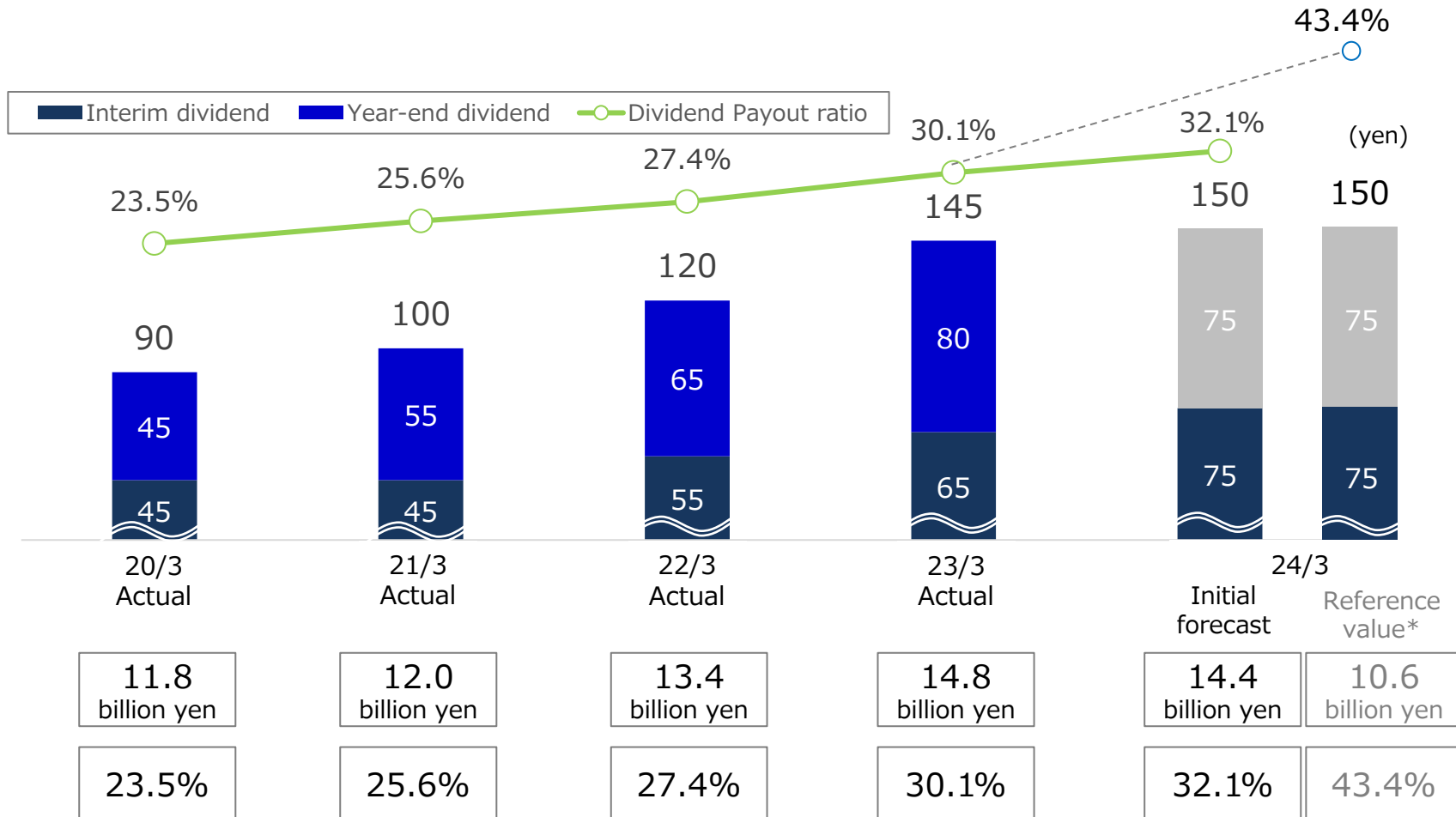
(Billion Yen)

	2023/3		2024/3	
	Full-year Actual	Growth Rate	Full-year Forecast	Growth Rate
Net Sales	298.8	(1.6%)	306.0	2.4%
Gross Profit	43.2	8.1%	45.0	4.0%
Selling, General and Administrative Expenses	22.0	6.2%	24.4	10.7%
Operating Profit	21.2	10.1%	20.6	(3.0%)
Ordinary Profit	21.5	10.5%	20.7	(4.0%)
Net Income	14.8	10.3%	14.4	(3.2%)
		<u>YoY change</u>		<u>YoY change</u>
Dividend per Share(yen)	145.00	25.00	150.00	5.00
Earnings per Share(yen)	482.48	45.13	467.16	(15.32)
Dividend Payout Ratio	30.1%	2.6%	32.1%	2.1%
ROA (Return on Asset Ratio)	1.23%	0.08%	1.15%	(0.08%)
ROE (Return on Equity Ratio)	7.2%	0.3%	6.7%	(0.5%)

* Consecutive dividend increases include the substantial dividend increase due to the stock split in Fiscal Year Ended March 2000.

Dividend forecast for Fiscal Year Ending March 2024

- If an extraordinary loss of 5.2 billion yen similar to the Third quarter results is recorded in the full-year financial results, For the year ending March 31, 2024, Net Income 10.6 billion yen and Dividend Payout Ratio 43.4% (The annual dividend per share 150 yen)

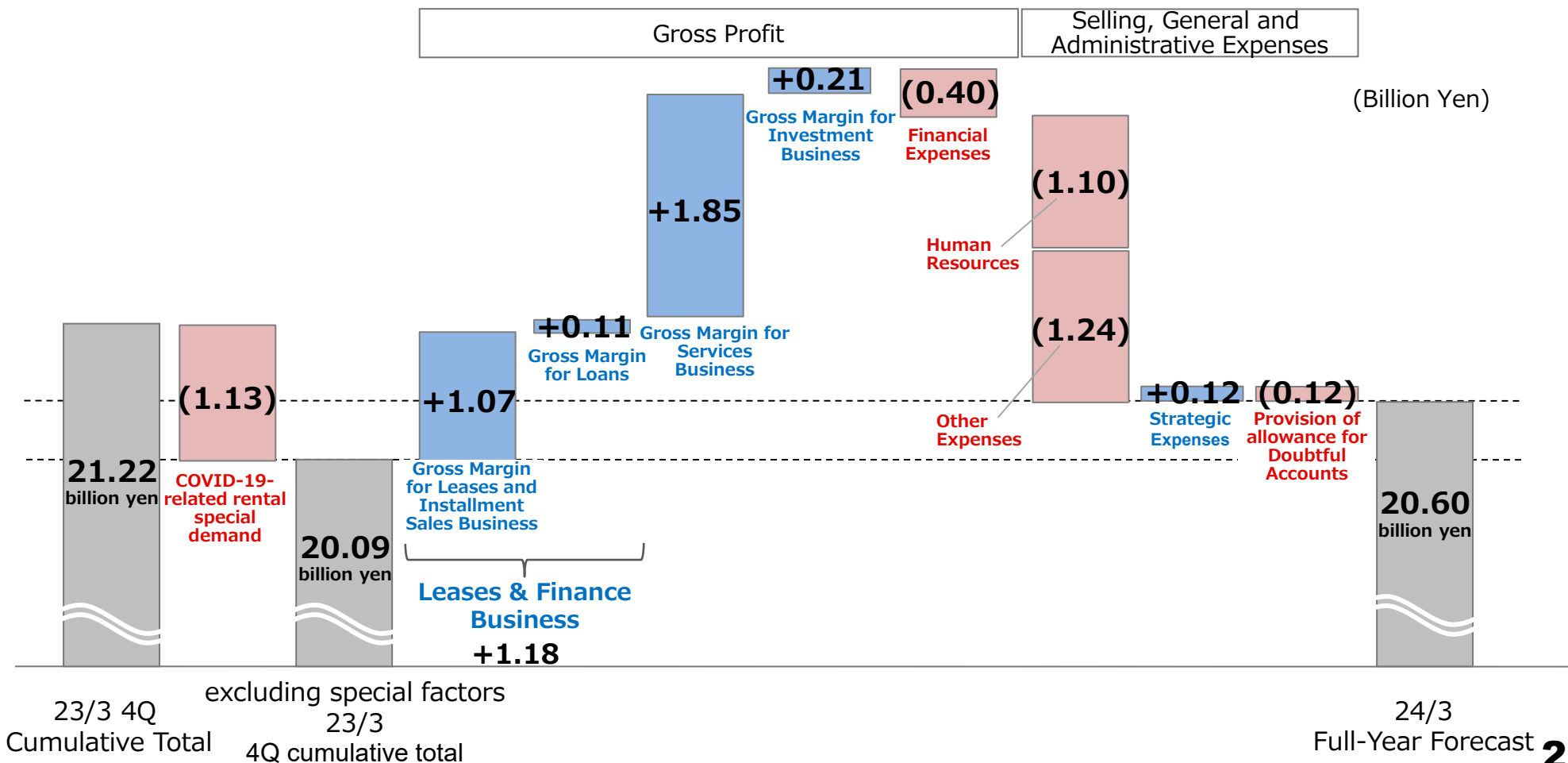


* Figures for Net Income and Dividend Payout Ratio assuming an extraordinary loss of 5.2 billion yen (loss on valuation of investment securities) as in the third quarter of FY 3/2024.



Forecast on Factors Affecting Operating Profit

- Operating profit will expect to increase, except for special demand linked to COVID-19 in the rental business in the previous fiscal year, given increases in Services Business and Leases & Finance Business.
- Results at Welfare Suzuran will be reflected in consolidated results from the fiscal year ending March 31, 2024, and the gross margin for Services Business will increase, as will human resources and other expenses.
- Financial expenses and the provision of an allowance for doubtful accounts will increase due to market conditions. In strategic expenses, priority management will be strengthened.





Breakdown of Operating Assets — Forecast

- Operating assets forecast to rise 62.4 billion yen due to recovery in transaction volume and business investment amount.
- Leases & Finance Business expects an increase with a focus on loans. Investment Business also expects an increase with a focus on real estate-related investments and solar power generation.

(Billion Yen)

	2023/3		2024/3	
	Actual	Increase/ Decrease	Forecast	Increase/ Decrease
Finance Leases	580.4	(1.8)	585.0	4.5
Operating Leases	33.1	3.6	35.0	1.8
Total Leases	613.6	1.8	620.0	6.3
Installment Sales	157.5	(3.2)	160.0	2.4
Total Leases and Installment Sales	771.2	(1.3)	780.0	8.7
Loans	253.7	31.7	270.0	16.2
Leases & Finance Business	1,024.9	30.3	1,050.0	25.0
Investment Business	65.3	4.8	102.7	37.3
Total Operating Assets	1,090.2	35.2	1,152.7	62.4

4 . Reference Material

Consolidated Statements of Income

(Billion yen)

	2023/3		2024/3		2024/3	
	3Q cumulative total	Growth Rate	3Q cumulative total	Growth Rate	Full-year Forecast	Growth Rate
Net Sales	224.6	(2.8%)	234.9	4.6%	306.0	2.4%
Cost of Sales	192.3	(4.2%)	200.4	4.2%	261.0	2.1%
Finacial Expenses	1.1	7.7%	1.2	15.0%	1.9	26.8%
Gross Profit	32.3	6.4%	34.5	6.6%	45.0	4.0%
Selling, General and Administrative Expenses	14.7	11.2%	17.5	18.7%	24.4	10.7%
Personnel Expenses	7.7	7.1%	9.0	16.6%	12.0	10.1%
Provision of Allowance for Doubtful Accountnts	0.3	860.7%	0.4	54.6%	1.4	10.1%
Operating Profit	17.6	2.7%	17.0	(3.4%)	20.6	(3.0%)
Ordinary Profit	17.9	3.7%	17.2	(3.5%)	20.7	(4.0%)
Net Income	12.3	3.3%	8.2	(33.0%)	14.4	(3.2%)

Performance by Segment

■ Net Sales and profit

(Billion yen)

	2023/3		2024/3	
	3Q cumulative total	Growth Rate	3Q cumulative total	Growth Rate
Net Sales	224.6	(2.8%)	234.9	4.6%
Leases & Finance Business	215.6	(3.4%)	224.1	3.9%
Services Business	4.9	3.2%	6.5	32.1%
Investment Business	4.0	27.4%	4.2	5.9%
Segment Profit	19.1	4.0%	18.7	(2.2%)
Leases & Finance Business	17.1	3.6%	16.9	(1.4%)
Services Business	1.0	(4.8%)	1.0	3.0%
Investment Business	0.9	23.5%	0.7	(22.1%)

■ Operating Assets

(Billion yen)

	2023/3		2024/3	
	Actual	Increase/Decrease	End of 3Q Actual	Increase/Decrease at the End of the Previous Term
Operating Assets	1,090.2	35.2	1,092.9	2.6
Leases & Finance Business	1,024.9	30.3	1,007.6	(17.2)
Investment Business	65.3	4.8	85.3	19.9

Forward-looking statements including earnings forecasts contained in this document are based on certain assumptions deemed to be rational in light of the information available to the Company at the time of preparing the document, and are not intended to be guarantees of future performance. Actual results may differ significantly from plans and forecasts due to a variety of factors.

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