February 4, 2020

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Fuyo General Lease Announces Summary of Results for the First Nine Months of the Fiscal Year Ending March 31, 2020

Fuyo General Lease Co., Ltd. today announced a summary of results for the first nine months of the fiscal year ending March 31, 2020 (fiscal 2019). This announcement should be read in conjunction with the Consolidated Financial Report for the First Nine Months of the Fiscal Year Ending March 31, 2020 (Fiscal 2019), also released today.

1. Overview of Results for the First Nine Months of Fiscal 2019 (Consolidated)

In the first nine months of fiscal 2019 (April to December 2019), the Fuyo Lease Group's total newly executed contract volume increased 21.0% year on year to ¥1,001,758 million. By segment , Total leases grew 11.2% year-on-year, and Financing grew 33.1% year-on-year.

As a result, operating assets (after subtracting the deferred profit on installment sales) increased to ¥2,388,003 million, up 5.5% from the previous fiscal year-end (March 31, 2019).

In terms of performance, total revenues, operating profit, ordinary profit and profit attributable to owners of parent hit our record high for the third quarter. We are making good progress against our full-year forecast.

Summary of Consolidated Operating Results for the First Nine Months of Fiscal 2019

(April 1–December 31, 2019)

(¥ million)

	Q3 FY2019	YoY change		Full-year forecast
		Amount	%	
Total revenues	529,527	72,932	16.0%	700,000
Operating profit	30,646	5,302	20.9%	39,500
Ordinary profit	32,504	4,876	17.7%	42,000
Profit attributable to owners of parent	20,198	2,661	15.2%	26,000

2. Year-on-year Comparison (Consolidated)

A comparison of operating results for the first nine months of fiscal 2019 with the same period of the previous fiscal year is as follows:

(¥100 million; amounts are rounded to the nearest 100 million yen)

	Q3 FY2018 Apr. 2018–Dec. 2018	Q3 FY2019 Apr. 2019–Dec. 2019	YoY change	
			Amount	%
Total revenues	4,566	5,295	729	16.0
Total costs	4,085	4,738	653	16.0
Interest expenses	64	72	8	12.0
Gross profit	481	557	77	15.9
Selling, general and administrative expenses	227	251	23	10.3
Credit-related costs	5	6	1	16.8
Operating profit	253	306	53	20.9
Non-operating income	23	19	(4)	(18.6)
Reversal of credit-related costs	1	1	(0)	(4.8)
Ordinary profit	276	325	49	17.7
Extraordinary gains	5	△ 3	(8)	(169.5)
Profit before income taxes	281	322	41	14.6
Profit attributable to owners of parent	175	202	27	15.2

Basic earnings per share	¥580.20	¥672.07		
Net assets per share	¥8,680.32	¥9,365.01		

Note:

Calculation of year-on-year amount and percentage changes are derived from figures that include fractions less than 100 million yen.

3. Segment Results (Consolidated)

Operating results for each segment for the first nine months of fiscal 2019 were as follows.

Fiscal 2019 Q3 Consolidated Operating Results (April 1, 2019 – December 31, 2019)

(¥100 million; amounts are rounded to the nearest 100 million yen)

		Revenues	Costs	Profit before interest expenses	Interest expenses	Gross profit
	Lease	3,675	3,291	384	38	345
	Installment Sales	269	256	12	3	10
Lease and Installment Sales total		3,944	3,548	396	41	355
Financing		114	2	112	30	82
Other		1,238	1,117	121	1	120
Total		5,295	4,667	629	72	557

For reference:

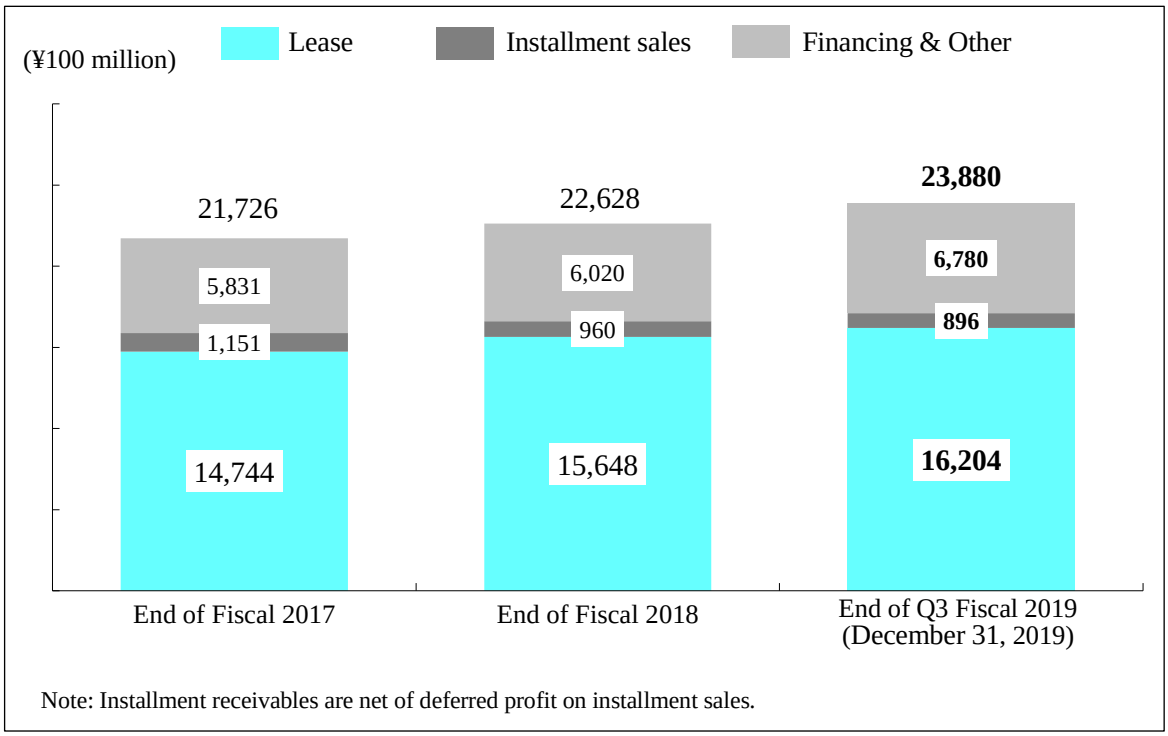
Fiscal 2018 Q3 Consolidated Operating Results (April 1, 2018 – December 31, 2018)

(¥100 million; amounts are rounded to the nearest 100 million yen)

		Revenues	Costs	Profit before interest expenses	Interest expenses	Gross profit
	Lease	3,703	3,360	343	34	309
	Installment Sales	292	278	14	3	11
Lease and Installment Sales total		3,995	3,638	357	37	319
Financing		104	1	103	27	76
Other		467	382	85	0	85
Total		4,566	4,021	545	64	481

4. Operating Assets (Consolidated)

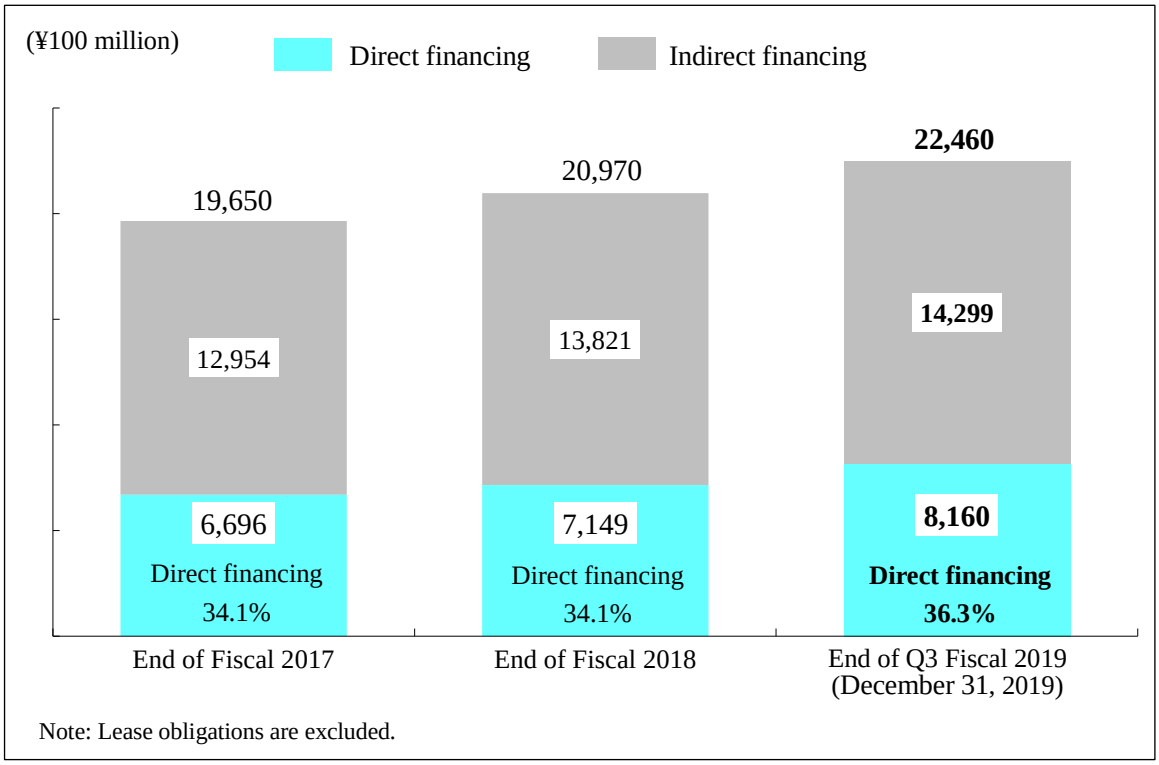
Total operating assets at December 31, 2019 were ¥2,388.0 billion, up ¥125.2 billion, or 5.5%, from the end of fiscal 2018 (March 31, 2019).



Note: Installment receivables are net of deferred profit on installment sales.

5. Fund Procurement (Consolidated)

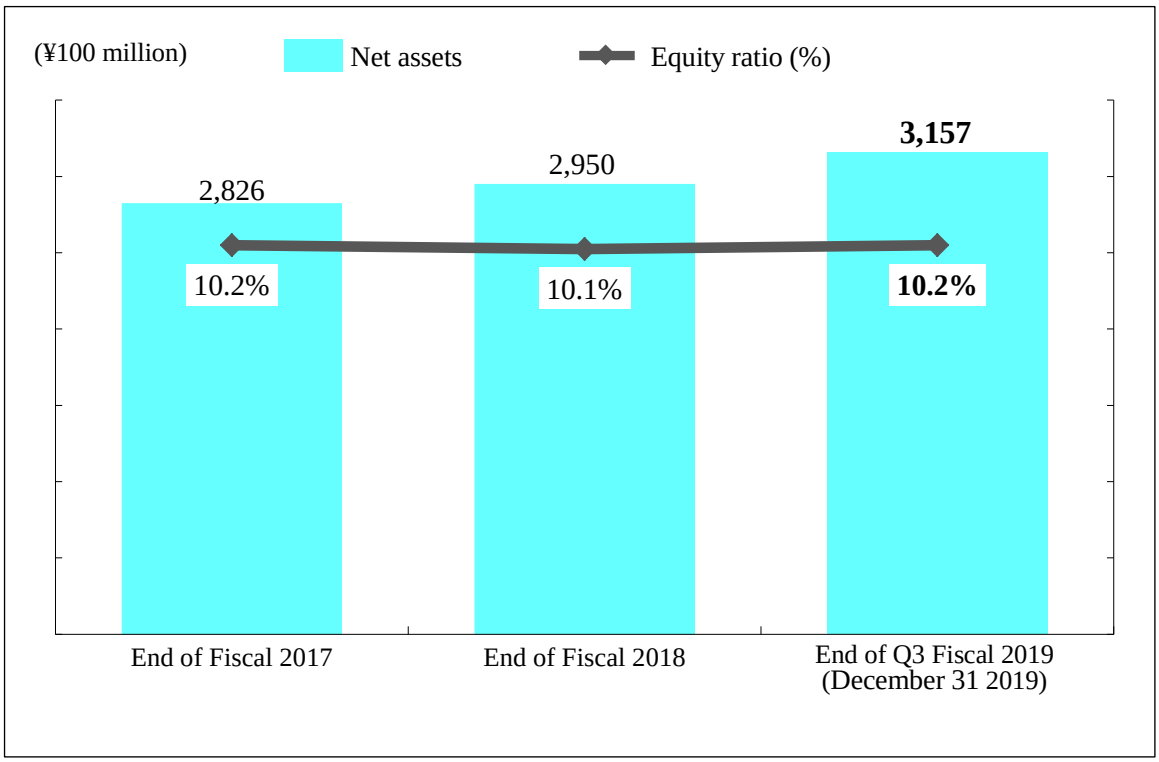
The funding balance at December 31, 2019 was ¥2,246.0 billion, up ¥149.0 billion, or 7.1%, from the end of fiscal 2018 (March 31, 2019). Direct financing provided 36.3% of total funds procured.



Note: Lease obligations are excluded.

6. Net Assets (Consolidated)

Net assets at December 31, 2019 totaled ¥315.7 billion, up ¥20.7 billion, or 7.0%, from the end of fiscal 2018 (March 31, 2019). The equity ratio was 10.2%.



7. Consolidated Full-year Earnings Forecast and Dividend Forecast for Fiscal 2019

The Company's consolidated full-year earnings forecast and cash dividend forecast for fiscal 2019 are unchanged from those announced on May 9, 2019.

(1) Consolidated Full-year Earnings Forecast for Fiscal 2019

(¥ million, except per share amounts)

	Total revenues	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Full year	700,000	39,500	42,000	26,000	¥862.49

(2) Cash Dividend Forecast for Fiscal 2019

	Interim results	Year-end	Full year
Dividend per share	¥100	¥100	¥200

Note: The above forecasts are based on currently available data and are subject to change due to various factors.

Reference: Newly Executed Contract Volume in the Lease Segment, by Equipment Type (Consolidated)

(¥100 million)

	Q3 FY2018	Q3 FY2019
IT & Office Equipment	1,457	1,632
Industrial Machinery	222	333
Civil Engineering & Construction Machinery	76	74
Transportation Equipment	557	424
Medical Devices	191	209
Commercial/Services Equipment	221	256
Other	915	1,119
Total	3,639	4,048

Composition

