FUYO LEASE GROUP

Summary of Financial Results for the 1st Three Months of FY2024

Fuyo General Lease Co., Ltd. Securities code:8424 2024.07.26

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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）

During the fiscal year ended March 31, 2024, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the first quarter ended June 30, 2024 reflect the finalization of the provisional accounting treatment.

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 2024 Q1 consolidated operating results

- Sustainable and stable profit increases continued, and profit at each level reached a record-high in Q1. (For eight consecutive periods for ordinary profit, and for four consecutive periods for profit)
- Profit before interest expenses grew, mainly in business domains positioned as growth drivers.
  Improvement of ROA and accumulation of operating assets were both achieved through business management with an awareness of profitability.

(¥100million)	Q1 FY2023	Q1 FY2024	YoY change (amount)	YoY change (%)
Profit before interest expenses	292	353	+61	+21.0%
Gross profit	251	284	+33	+13.1%
Operating profit	122	149	+27	+22.1%
Ordinary profit	138	163	+25	+18.0%
Profit	93	100	+6	+6.5%
Basic earnings per share（¥）	311.40	330.81	+19.41	+6.2%
ROA	2.04%	2.24%	+0.20pt	—
Newly executed contract Volume	3,677	4,187	+511	+13.9%
Operating assets	28,774*	29,482	+708	+2.5%

＊ As of March 31, 2024

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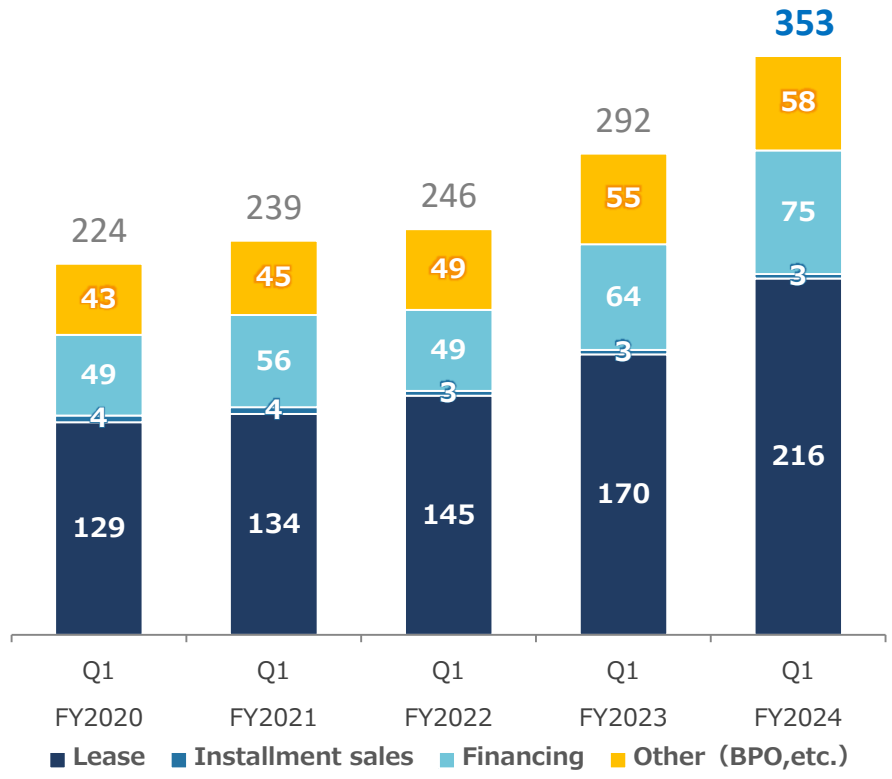
2 | Profit before interest expenses

- Steady improvement in the profit level in each segment
- Expansion of business domains positioned as growth drivers contributed

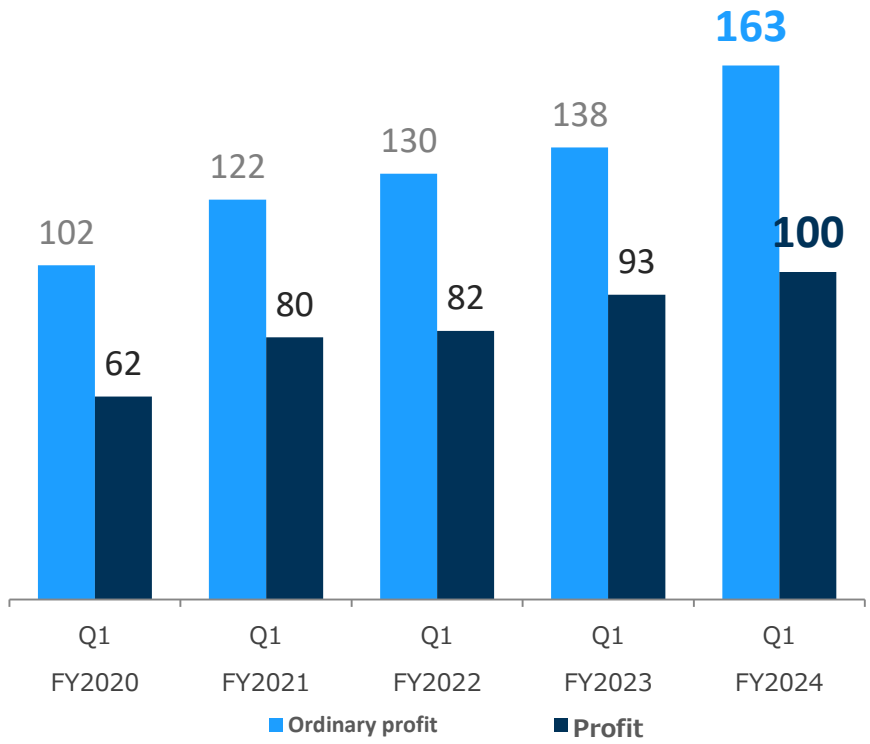
3 | Ordinary profit and profit

- Renewed record-highs for ordinary profit and profit
- Strong start to achieving the FY2024 forecasts

Profit before interest expenses (¥100million)



Ordinary profit and profit (¥100million)



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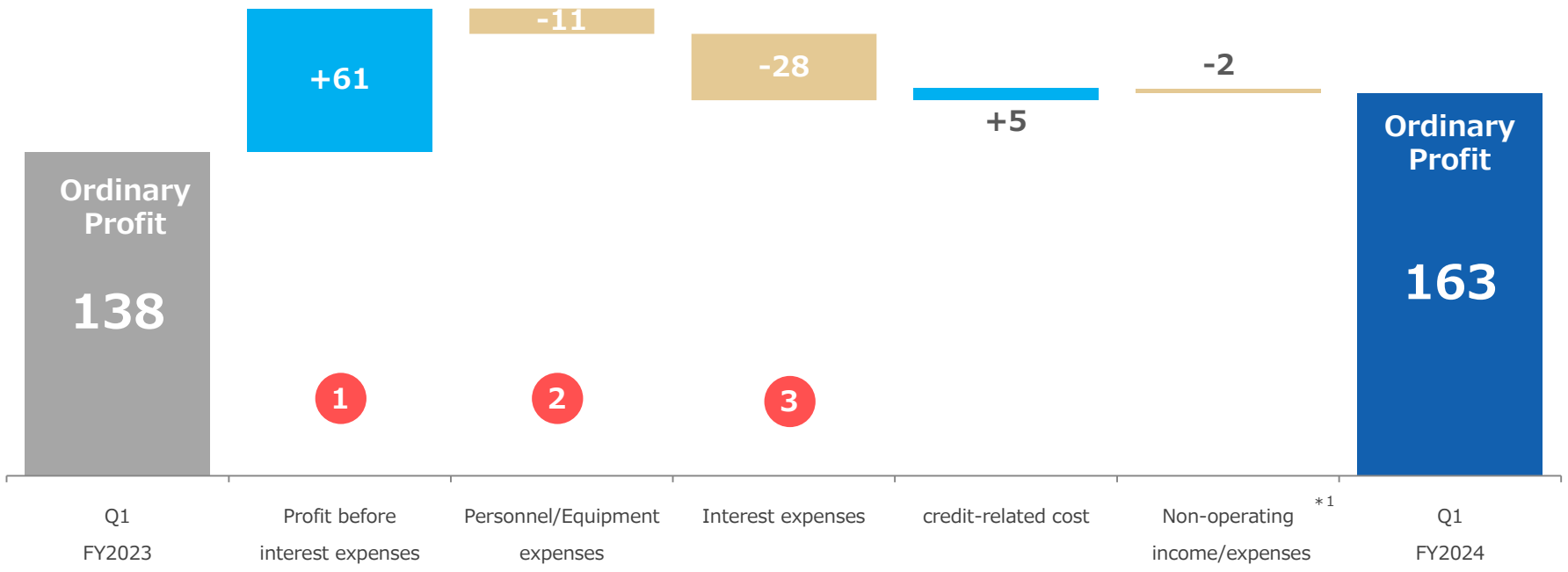
4| Factors causing the increase in ordinary profit

(¥100million)



1 Profit before interest expenses	Grew in business domains positioned as growth drivers, mainly in aircraft and mobility & logistics.
2 Personnel/equipment expenses	Expanded investment in human capital and personnel expenses increased.
3 Interest expenses	In addition to the increase in outstanding balance due to accumulation of operating assets, funding rates also increased.

*1 Excluding reversal of credit-related profits/losses

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Overview of consolidated operating results and business activities

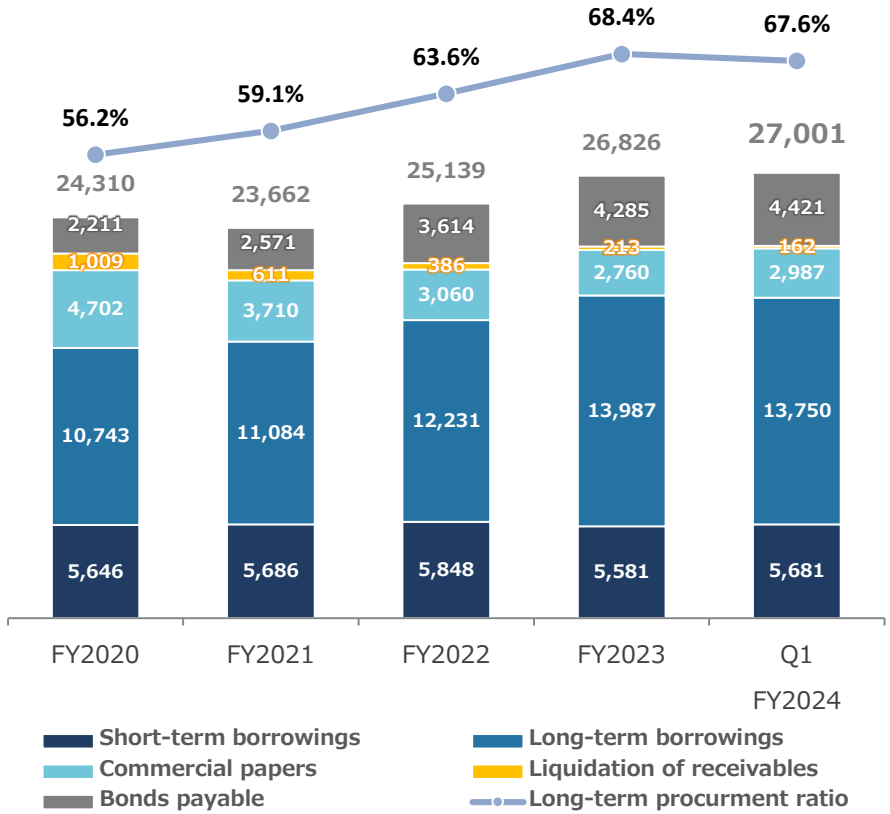
5| Changes in funding

- Outstanding balance increased due to accumulation of operating assets.
- Promote agile ALM operations based on changes in market conditions.

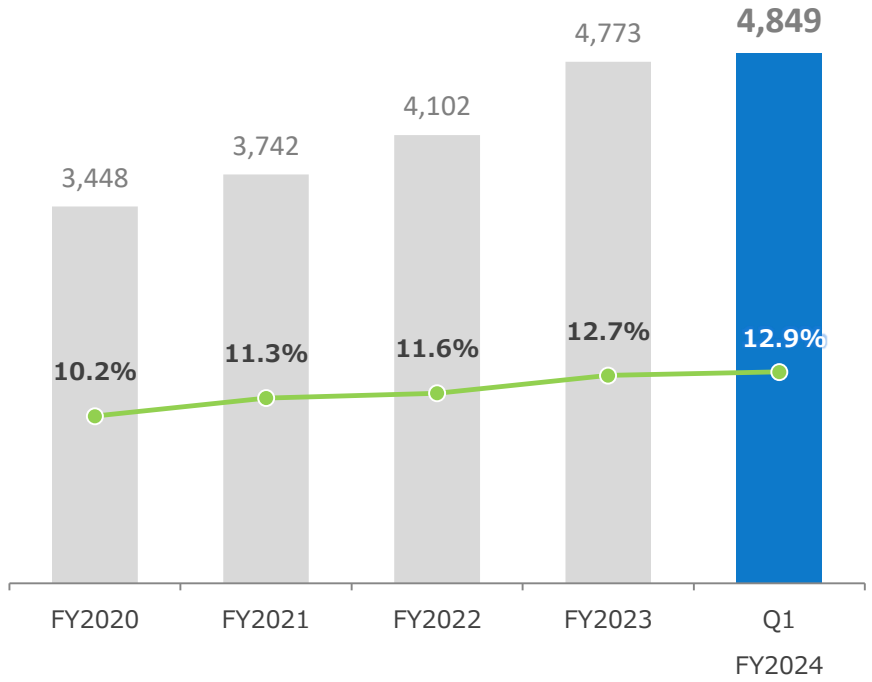
6| Net assets

- Net assets increased against the backdrop of stable profits and increased foreign currency translation adjustment related to yen depreciation.
- Shareholders' equity ratio is also increasing.

Outstanding balance (¥100million)



Net assets and the shareholders' equity ratio (¥100million)



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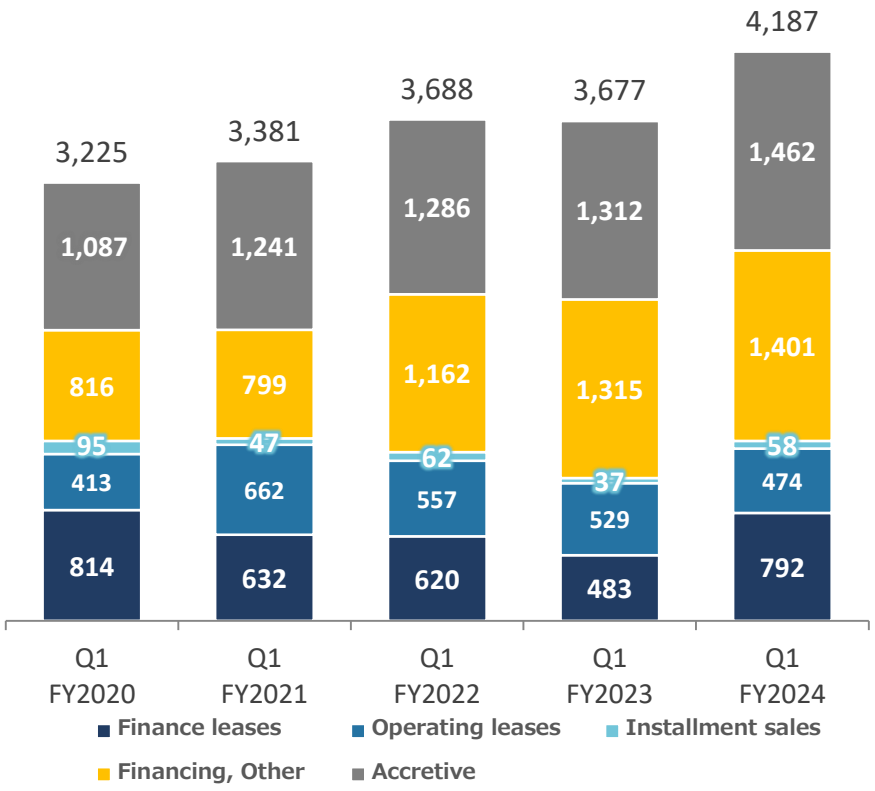
7 | Overview of Business activities

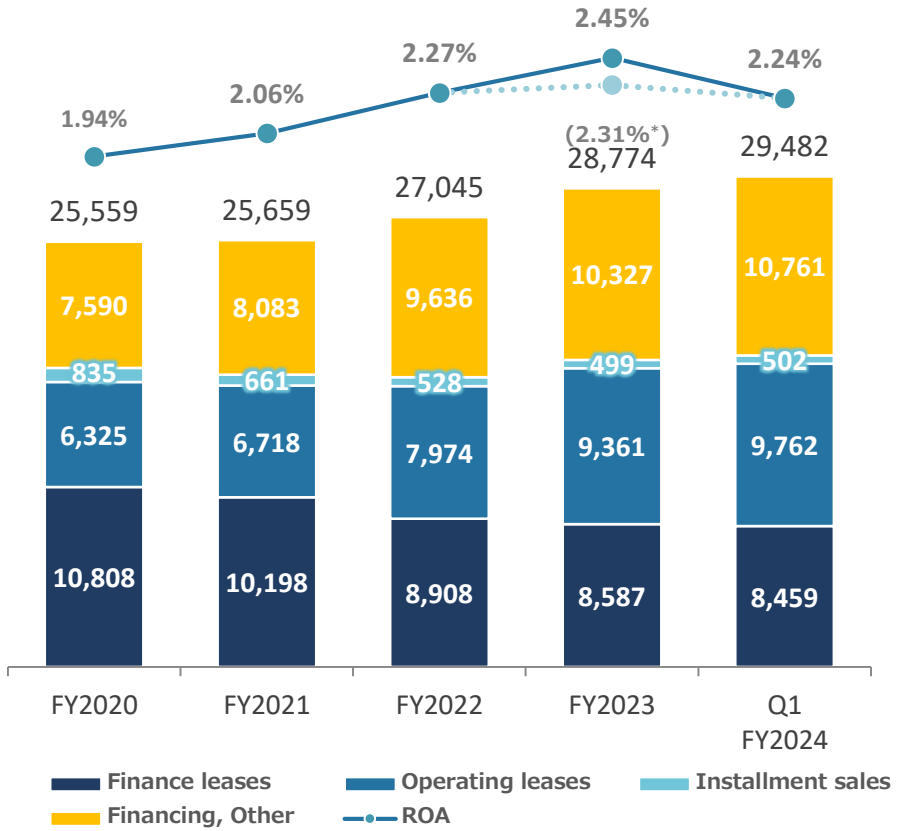
- Leases grew in newly executed contract volume, mainly in aircraft and mobility & logistics.
- Operating assets steadily accumulated, mainly in business domains positioned as growth drivers. Operating leases increased due to the increase in the number of aircraft held by the Company.

Newly executed contract volume (¥100million)



Accretive: Finance contracts executed by Accretive Co., Ltd.
(Not included in Financing, Other in the above)

Operating assets (¥100million)



*ROA calculated based on ordinary income (64.4 billion yen) excluding special factors such as gains on sales of large accounts and one-time decrease in expenses

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Earnings forecast and dividend forecast

1 | FY2024 consolidated earnings forecast

(¥100million)	Q1 FY2024 results	FY2024 forecast
Operating profit	149	600
Ordinary profit	163	660
Profit attributable to owners of parent	100	450
Basic earnings per share（¥）	330.81	1,496.71

2 | FY2024 dividend forecast

	FY2023 results	FY2024 forecast
Dividend per share（¥）	440	450
Dividend payout ratio	28.0%	30.1%

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Appendix

1 | Summary of consolidated operating results

(¥100million)	Q1 FY2020	Q1 FY2021	Q1 FY2022	Q1 FY2023	Q1 FY2024	YoY Change (amount)
Net sales	1,790	1,416	2,174	1,572	**1,613**	+42
Cost of sales（Excluding interest expenses)	1,566	1,177	1,929	1,280	**1,261**	-19
Profit before interest expenses	224	239	246	292	**353**	+61
Interest expenses	26	25	24	40	**69**	+28
Gross profit	198	215	222	251	**284**	+33
SG&A	103	105	108	129	**135**	+6
[Credit-related costs]	(6)	(12)	(1)	(7)	**(2)**	(-5)
Operating profit	96	110	114	122	**149**	+27
Non-operating income/expenses	6	12	16	16	**14**	-2
[Reversal of credit related profit/losses]	(1)	(2)	(0)	(1)	**(0)**	(-0)
Ordinary profit	102	122	130	138	**163**	+25
Extraordinary income/losses	-0	-1	-0	3	**-0**	-3
Profit attributable to owners of parent	62	80	82	93	**100**	+6
Basic earnings per share（¥）	206.71	266.37	274.30	311.40	**330.81**	+19.41

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2 | Segment results

(¥100million)	Leases				Installment sales				Leases and installment sales total			
	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)
Net sales	**1,320**	**1,337**	+17	+1.3%	**58**	**65**	+7	+12.3%	**1,379**	**1,402**	+24	+1.7%
Cost of sales	**1,150**	**1,121**	-30	-2.6%	**56**	**63**	+7	+12.8%	**1,206**	**1,183**	-23	-1.9%
Profit before interest expenses	**170**	**216**	+46	+27.3%	**3**	**3**	+0	+2.6%	**173**	**219**	+47	+26.9%
Interest expenses	**19**	**32**	+14	+73.5%	**1**	**1**	+0	+52.6%	**19**	**33**	+14	+72.8%
Gross profit	**151**	**184**	+33	+21.7%	**2**	**2**	-0	-13.4%	**154**	**186**	+33	+21.2%

	Financing				Other				Total			
	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)
Net sales	**65**	**79**	+14	+21.2%	**128**	**132**	+4	+3.1%	**1,572**	**1,613**	+42	+2.6%
Cost of sales	**1**	**4**	+3	+214.4%	**73**	**74**	+1	+0.8%	**1,280**	**1,261**	-19	-1.5%
Profit before interest expenses	**64**	**75**	+11	+17.5%	**55**	**58**	+3	+6.1%	**292**	**353**	+61	+21.0%
Interest expenses	**20**	**34**	+14	+70.3%	**1**	**1**	+0	+20.7%	**40**	**69**	+28	+70.2%
Gross profit	**44**	**41**	-3	-6.4%	**54**	**57**	+3	+5.9%	**251**	**284**	+33	+13.1%

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3 | Operating assets

(¥100million)	FY2020	FY2021	FY2022	FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)
Leases	**17,133**	**16,916**	**16,882**	**17,949**	**18,220**	+271	+1.5%
Finance leases	(10,808)	(10,198)	(8,908)	(8,587)	**(8,459)**	(-129)	(-1.5%)
Operating leases	(6,325)	(6,718)	(7,974)	(9,361)	**(9,762)**	(+400)	(+4.3%)
Installment sales	**835**	**661**	**528**	**499**	**502**	+3	+0.6%
Financing, other	**7,590**	**8,083**	**9,636**	**10,327**	**10,761**	+434	+4.2%
Total	**25,559**	**25,659**	**27,045**	**28,774**	**29,482**	+708	+2.5%

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4 | Newly executed contract volume

(¥100million)	Q1 FY2020	Q1 FY2021	Q1 FY2022	Q1 FY2023	Q1 FY2024	YoY Change (amount)	YoY Change (%)
Leases	1,228	1,294	1,178	1,013	1,266	+253	+25.0%
Finance leases	(814)	(632)	(620)	(483)	(792)	(+309)	(+64.0%)
Operating leases	(413)	(662)	(557)	(529)	(474)	(-56)	(-10.5%)
Installment sales	95	47	62	37	58	+21	+57.3%
Financing, other	1,903	2,040	2,448	2,627	2,863	+236	+9.0%
Total	3,225	3,381	3,688	3,677	4,187	+511	+13.9%

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

(¥100million)	Q1 FY2022	Q1 FY2023	Q1 FY2024	YoY Change (amount)
IT & office equipment	352	247	350	+104
Industrial machinery	51	33	26	-6
Civil engineering and construction machinery	6	6	4	-2
Transportation equipment	92	230	580	+351
Medical devices	44	47	56	+8
Commercial/services equipment	36	32	41	+9
Buildings, etc.	555	369	156	-213
Other	42	48	52	+4
Total	1,178	1,013	1,266	+253

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No One Has Gone Before”

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