FUYO LEASE GROUP

Summary of Financial Results for the 1st half of FY2024

Fuyo General Lease Co., Ltd. Securities code:8424 November 8,2024

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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 half ended September 30, 2023 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 1H consolidated operating results

- Profit before interest expenses grew, mainly in business domains positioned as growth drivers.
  Record high ordinary profit was set for the eighth consecutive period and there is smooth progress toward achieving the full-year forecast. (Rate of progress to achieve full-year forecast: ordinary profit at 51.9%, profit at 50.7%)
- Expanded operating assets while maintaining favorable ROA level, through business management with an awareness of profitability

(¥100 million)	FY2023 1H results	FY2024 1H results	YoY change (amount)	YoY change (%)
Profit before interest expenses	621	730	+109	+17.5%
Gross profit	536	592	+56	+10.5%
Operating profit	277	323	+46	+16.6%
Ordinary profit	331	343	+12	+3.5%
Profit	230	228	-2	-0.8%
Basic earnings per share（¥）	765.93	758.11	-7.82	-1.0%
ROA	2.40%	2.34%	-0.06pt	—
Newly executed contract Volume	8,347	8,420	+74	+0.9%
Operating assets	28,774*1	29,829	+1,054	+3.7%

＊1 As of March 31, 2024

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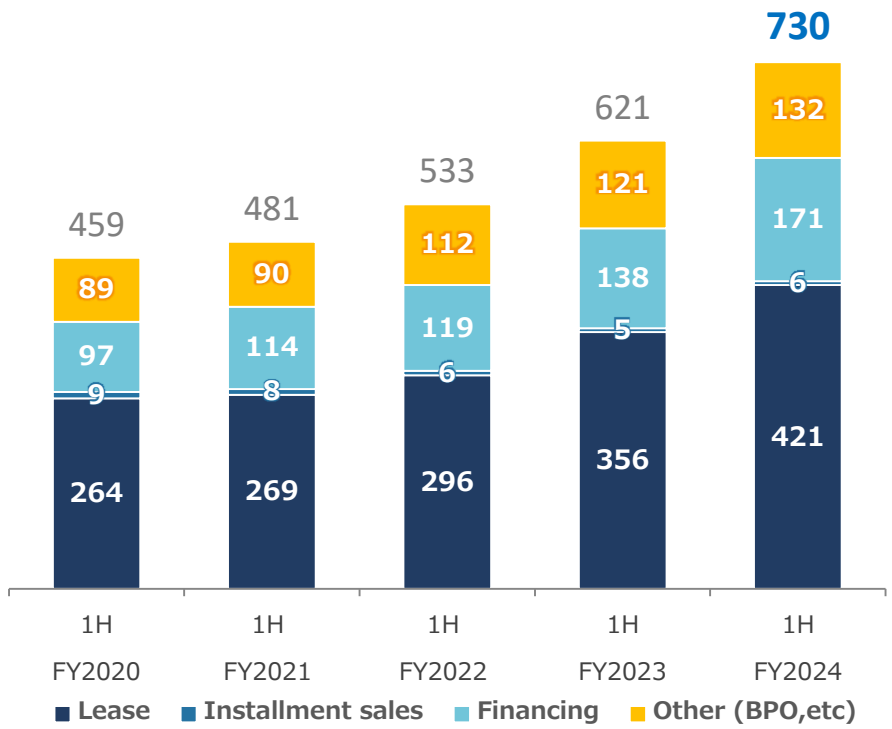
2 | Profit before interest expenses

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

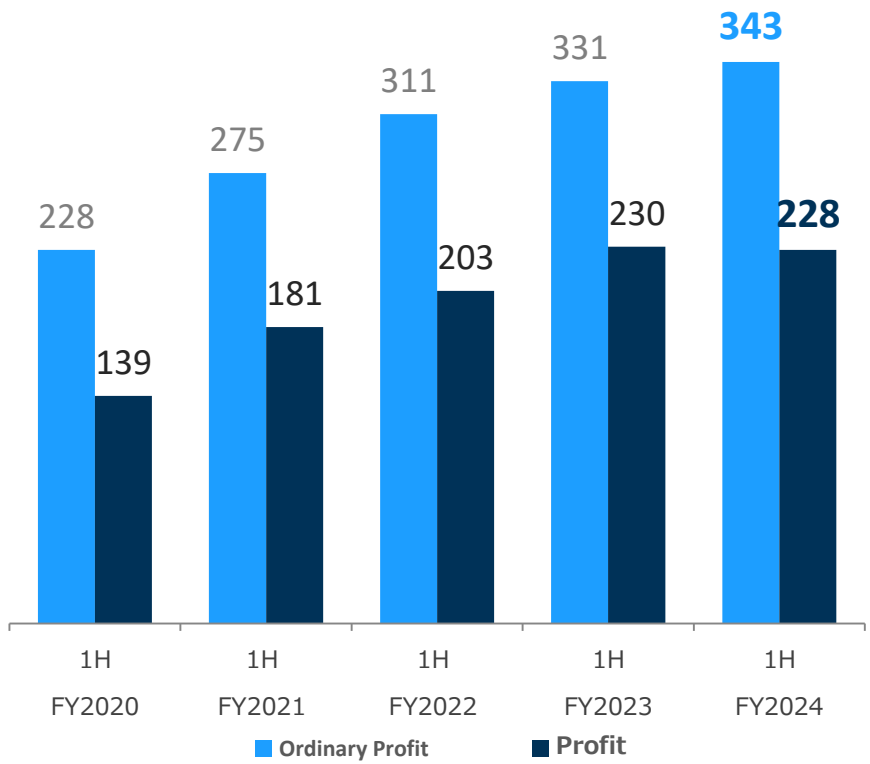
3 | Ordinary profit and profit

- Despite slight profit decrease, renewed record-high for ordinary profit
- Steady progress toward achieving FY2024 forecasts

Profit before interest expenses (¥100 million)



Ordinary profit and profit (¥100 million)



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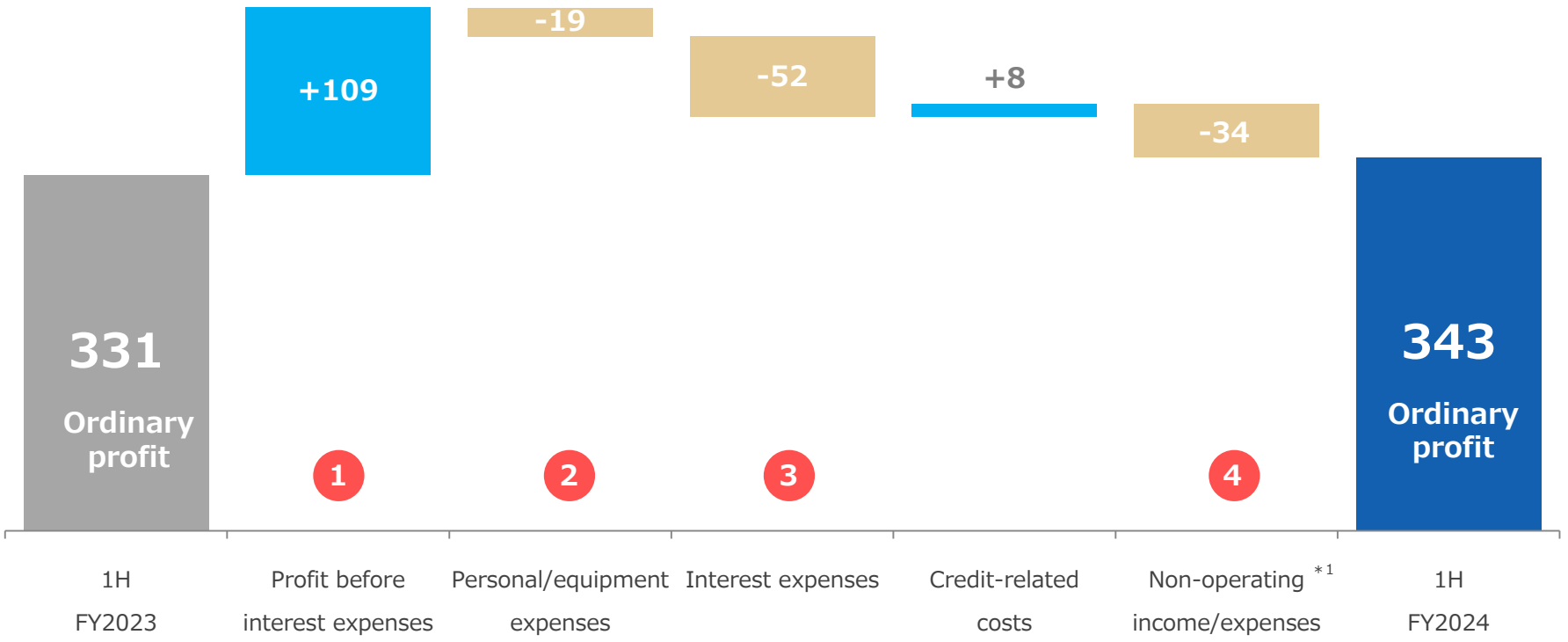
4 | Factor causing the increase in ordinary profit

(¥100 million)



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 yields also increased.
4	**Non-operating income/expenses**	Fallback from absence of equity-method interests recorded in the real estate business in the previous fiscal year.

＊1 Excluding reversal of credit-related profits/losses

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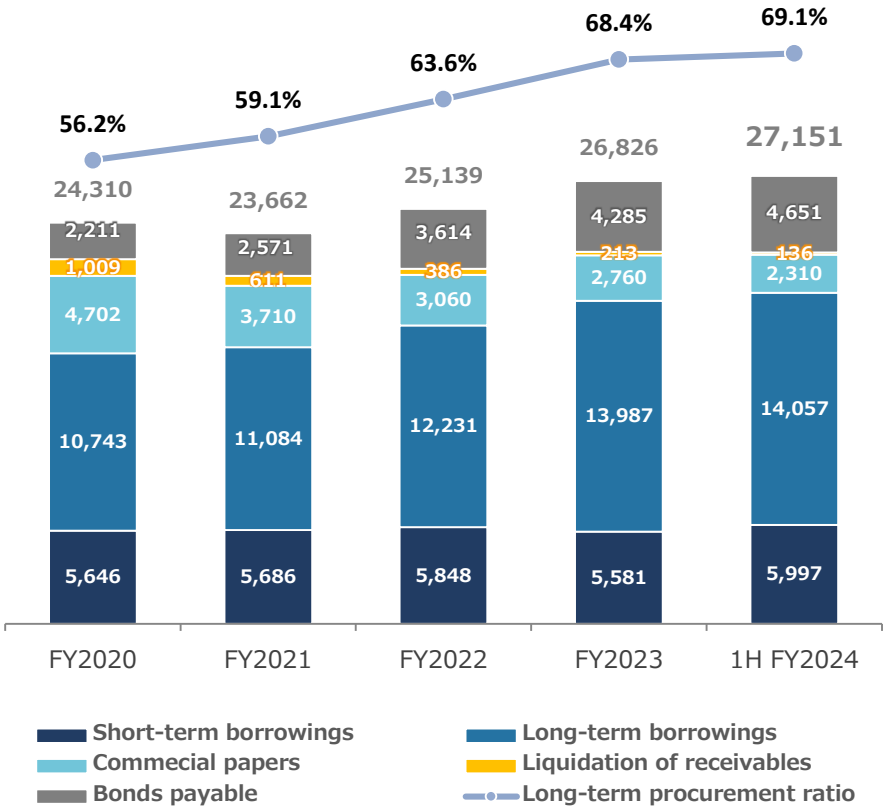
5 | Changes in funding

- The outstanding balance grew due to the accumulation of operating assets
- Issued hybrid bonds in September 2024 (sustainability linked bonds／total 20.0 billion yen.)

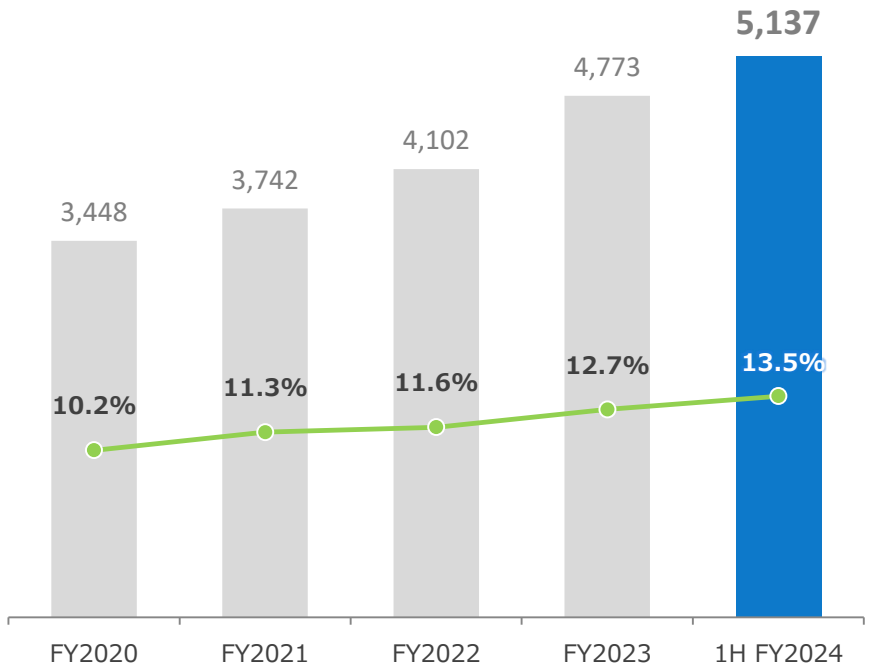
6 | Net assets

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

Outstanding balance (¥100 million)



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



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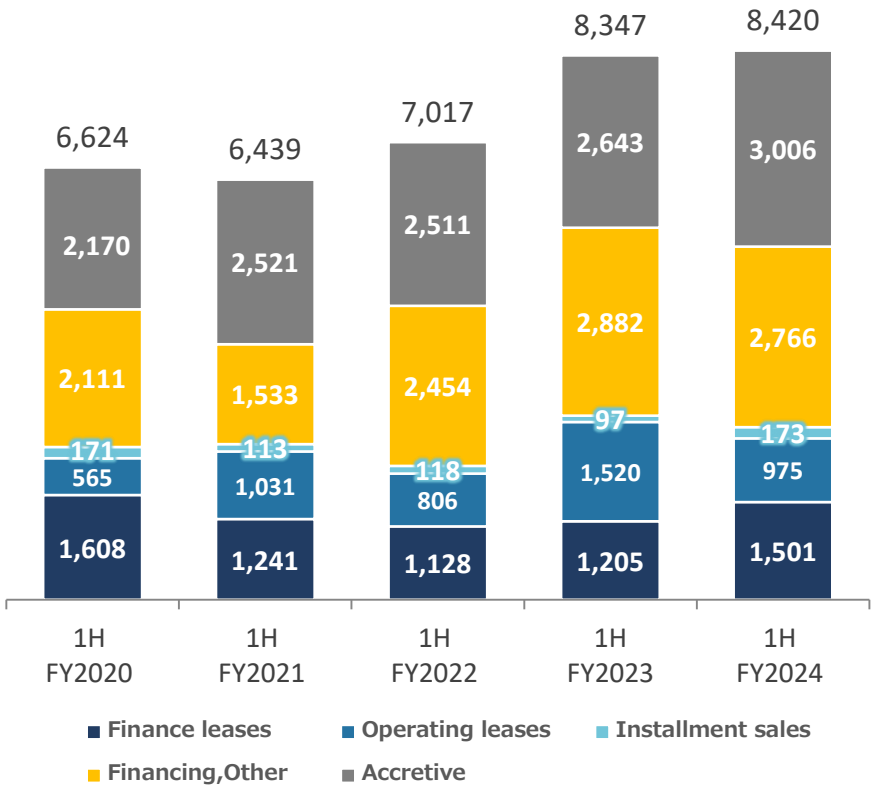
7| Overview of Business activities

- Newly executed contract volumes increased in aircraft and mobility & logistics, but decreased in leases overall due to asset control measures in Real Estate. Growth in Accretive also contributed to overall increase.
- 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

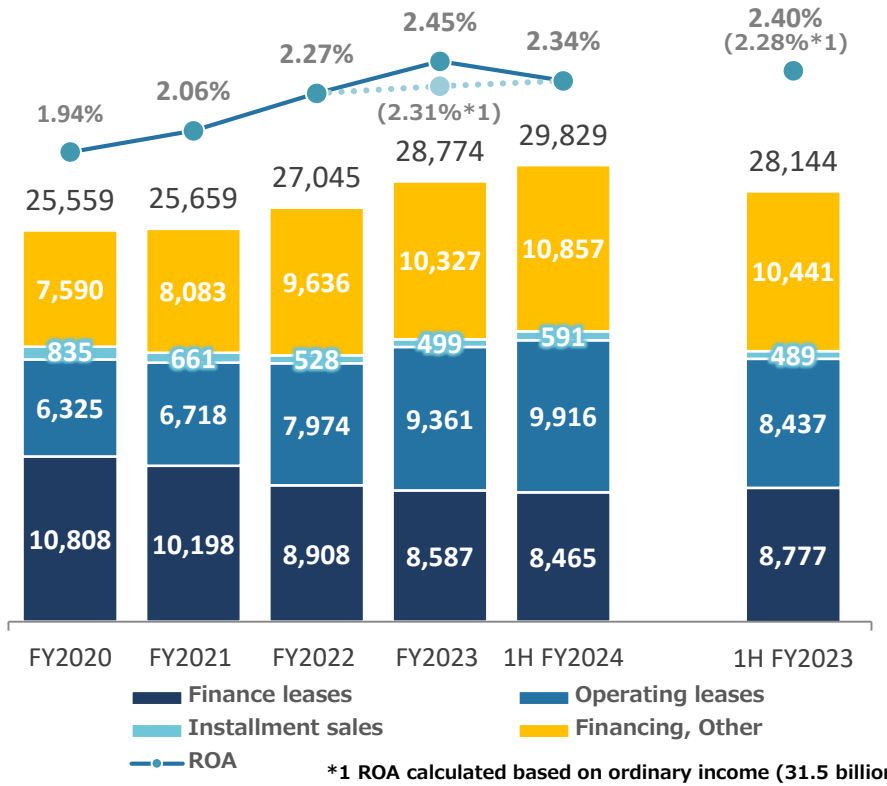
(¥100 million)



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

Operating assets・ROA

(¥100 million)



*1 ROA calculated based on ordinary income (31.5 billion yen for 1H FY2023, 64.4 billion yen for FY2023) 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

(¥100 million)	1 H FY2024 results	FY2024 forecast
Operating profit	323	600
Ordinary profit	343	660
Profit attributable to owners of parent	228	450
Basic earnings per share（¥）	758.11	1,496.71

2 | FY2024 dividend forecast

	1H FY2024 results	FY2024 forecast
Dividend per share（¥）	225	450
Dividend payout ratio	—	30.1%

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Appendix

1 | Summary of consolidated operating results

(¥100 million)	1H FY2020	1H FY2021	1H FY2022	1H FY2023	1H FY2024	YoY (amount) (1H FY2023 to 1H FY2024)
Net sales	3,574	2,854	3,561	3,504	3,320	-184
Cost of sales	3,114	2,373	3,028	2,883	2,590	-293
Profit before interest expenses	459	481	533	621	730	+109
Interest expenses	50	47	48	85	137	+52
Gross profit	409	435	485	536	592	+56
SG&A	200	200	215	259	269	+10
[Credit-related costs]	(9)	(14)	(4)	(13)	(4)	(-9)
Operating profit	209	235	270	277	323	+46
Non-operating income/expenses	18	40	41	54	20	-35
[Reversal of credit-related profits/losses]	(2)	(15)	(1)	(1)	(1)	(-0)
Ordinary profit	228	275	311	331	343	+12
Extraordinary income/losses	-0	1	-1	2	0	-2
Profit attributable to owners of parent	139	181	203	230	228	-2
Basic earnings per share (¥)	462.79	602.58	677.63	765.93	758.11	-7.82

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2 | Segment results

(¥100 million)	Leases				Installment sales				Leases and installment sales total			
	1H FY2023	1H FY2024	YoY change (amount)	YoY change (%)	1H FY2023	1H FY2024	YoY change (amount)	YoY change (%)	1H FY2023	1H FY2024	YoY change (amount)	YoY change (%)
Net sales	**2,962**	**2,701**	-261	-8.8%	**128**	**151**	+22	+17.5%	**3,090**	**2,852**	-238	-7.7%
Cost of sales	**2,606**	**2,280**	-326	-12.5%	**123**	**145**	+22	+18.2%	**2,729**	**2,425**	-303	-11.1%
Profit before interest expenses	**356**	**421**	+65	+18.3%	**5**	**6**	+0	+1.7%	**361**	**426**	+65	+18.0%
Interest expenses	**38**	**63**	+25	+65.9%	**1**	**2**	+1	+48.6%	**40**	**65**	+26	+65.3%
Gross profit	**318**	**358**	+40	+12.5%	**4**	**4**	-1	-13.2%	**322**	**361**	+39	+12.2%

	Financing				Other				Total			
	1H FY2023	1H FY2024	YoY change (amount)	YoY change (%)	1H FY2023	1H FY2024	YoY change (amount)	YoY change (%)	1H FY2023	1H FY2024	YoY change (amount)	YoY change (%)
Net sales	**145**	**178**	+33	+22.5%	**269**	**290**	+21	+8.0%	**3,504**	**3,320**	-184	-5.3%
Cost of sales	**7**	**7**	+0	+2.1%	**147**	**158**	+10	+7.1%	**2,883**	**2,590**	-293	-10.2%
Profit before interest expenses	**138**	**171**	+32	+23.5%	**121**	**132**	+11	+9.1%	**621**	**730**	+109	+17.5%
Interest expenses	**44**	**70**	+26	+59.7%	**2**	**2**	+0	+13.6%	**85**	**137**	+52	+61.2%
Gross profit	**94**	**101**	+6	+6.7%	**119**	**130**	+11	+9.0%	**536**	**592**	+56	+10.5%

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3 | Operating assets

(¥100 million)	FY2020	FY2021	FY2022	FY2023	1H FY2024	YoY (amount) (FY2023 to 1H FY2024)	YoY (%) (FY2023 to 1H FY2024)
Leases	17,133	16,916	16,882	17,949	18,381	+432	+2.4%
Finance Leases	(10,808)	(10,198)	(8,908)	(8,587)	(8,465)	(-123)	(-1.4%)
Operating Leases	(6,325)	(6,718)	(7,974)	(9,361)	(9,916)	(+555)	(+5.9%)
Installment sales	835	661	528	499	591	+92	+18.5%
Financing, Other	7,590	8,083	9,636	10,327	10,857	+530	+5.1%
Total	25,559	25,659	27,045	28,774	29,829	+1,054	+3.7%

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4 | Newly executed contract volume

(¥100 million)	1H FY2020	1H FY2021	1H FY2022	1H FY2023	1H FY2024	YoY (amount) (1H FY2023 to 1H FY2024)	YoY (%) (1H FY2023 to 1H FY2024)
Leases	2,173	2,272	1,934	2,725	2,475	-250	-9.2%
Finance leases	(1,608)	(1,241)	(1,128)	(1,205)	(1,501)	(+296)	(+24.5%)
Operating leases	(565)	(1,031)	(806)	(1,520)	(975)	(-545)	(-35.9%)
Installment sales	171	113	118	97	173	+77	+79.0%
Financing, other	4,281	4,054	4,964	5,524	5,772	+247	+4.5%
Total	6,624	6,439	7,017	8,347	8,420	+74	+0.9%

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

(¥100 million)	1H FY2022	1H FY2023	1H FY2024	YoY (amount) (1H FY2023 to 1H FY2024)
IT & office equipment	636	649	669	+19
Industrial machinery	66	77	77	-1
Civil engineering and construction machinery	14	13	6	-6
Transportation equipment	185	571	1,201	+630
Medical devices	101	89	109	+20
Commercial/services equipment	65	64	81	+17
Buildings, etc.	783	1,165	233	-932
Other	85	97	99	+2
Total	**1,934**	**2,725**	**2,475**	**-250**

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