FUYO LEASE GROUP

Summary of Financial Results for the Nine Months of FY2024

Fuyo General Lease Co., Ltd Securities code:8424 February 5, 2025

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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

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1 | Fiscal 2024 Q3 consolidated operating results

- Profit before interest expenses, which is core profitability, grew steadily.
  On the other hand, gross profit decreased, reflecting the absence of the gain on large sale of real estate recorded in the corresponding period in the previous fiscal year, as well as an increase in interest expenses accompanying rising interest rates. Nevertheless, the expected profit levels were secured.
- There was also the impact from the decrease in equity-method interests and other factors, and ordinary profit and profit decreased. However, in addition to the recording of the gain on sale of property related to the turnover-type business in the fourth quarter, finance income is expected to grow, and there are no changes to the full-year forecast.

(¥100 million)	Q3 FY2023 result	Q3 FY2024 result	YoY change (amount)	YoY change (%)
Profit before interest expenses	1,001	1,062	+61	+6.1%
Gross profit	863	846	-18	-2.0%
Operating profit	477	449	-28	-5.8%
Ordinary profit	547	474	-73	-13.3%
Profit	399	309	-90	-22.5%
Basic earnings (¥)	1,326.59	1,026.13	-300.46	-22.6%
ROA	2.58%	2.17%	-0.41pt	—
Newly executed contract Volume	13,425	13,132	-293	-2.2%
Operating assets	28,774*1	29,593	+819	+2.8%

＊1 As of March 31, 2024

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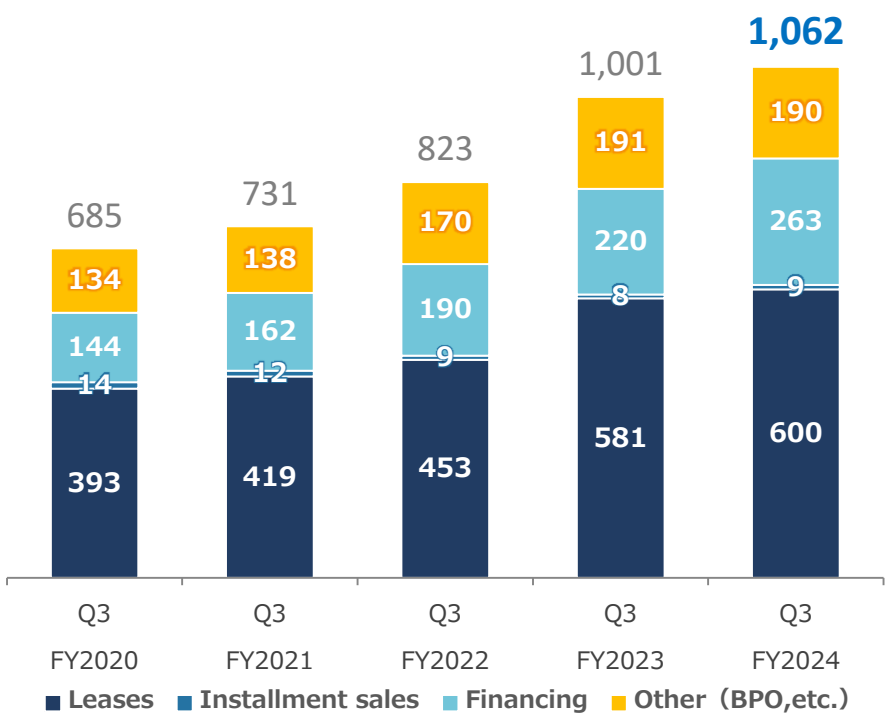
2| Profit before interest expenses

- Growth in Leases, mainly mobility & logistics and aircraft, offset the absence of the gain on large sale of real estate.
- There was a continuous accumulation of operational investment securities, and the increasing profit trend in Financing continued.

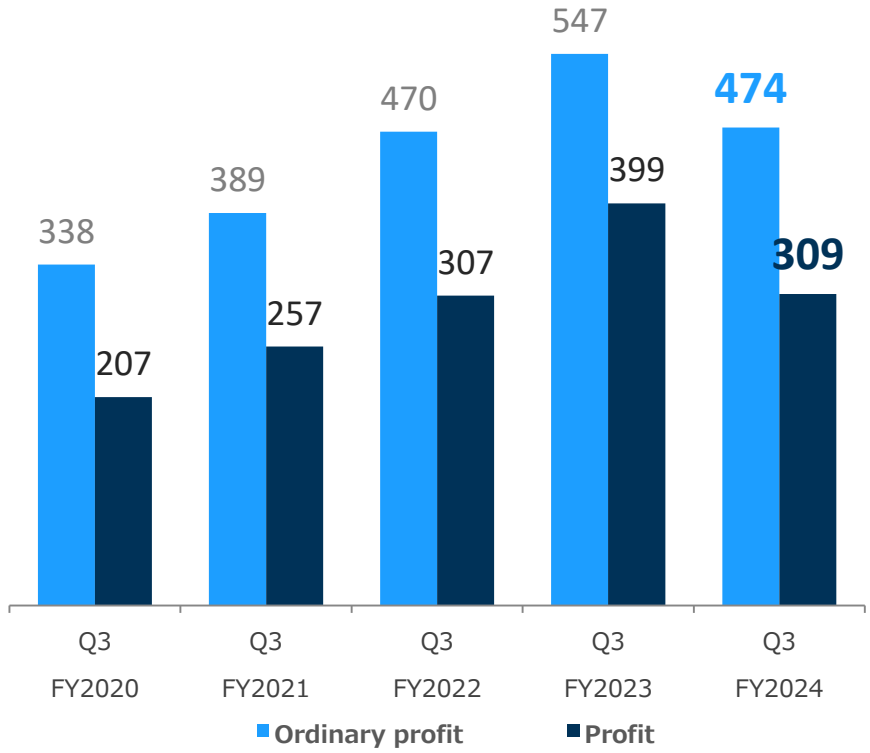
3| Ordinary profit and profit

- There was a decrease in equity-method interests and other factors, and both ordinary profit and profit decreased.
- Results are within the planned range toward the full-year forecast.

Profit before interest expenses (¥100 million)



Ordinary profit and profit (¥100 million)



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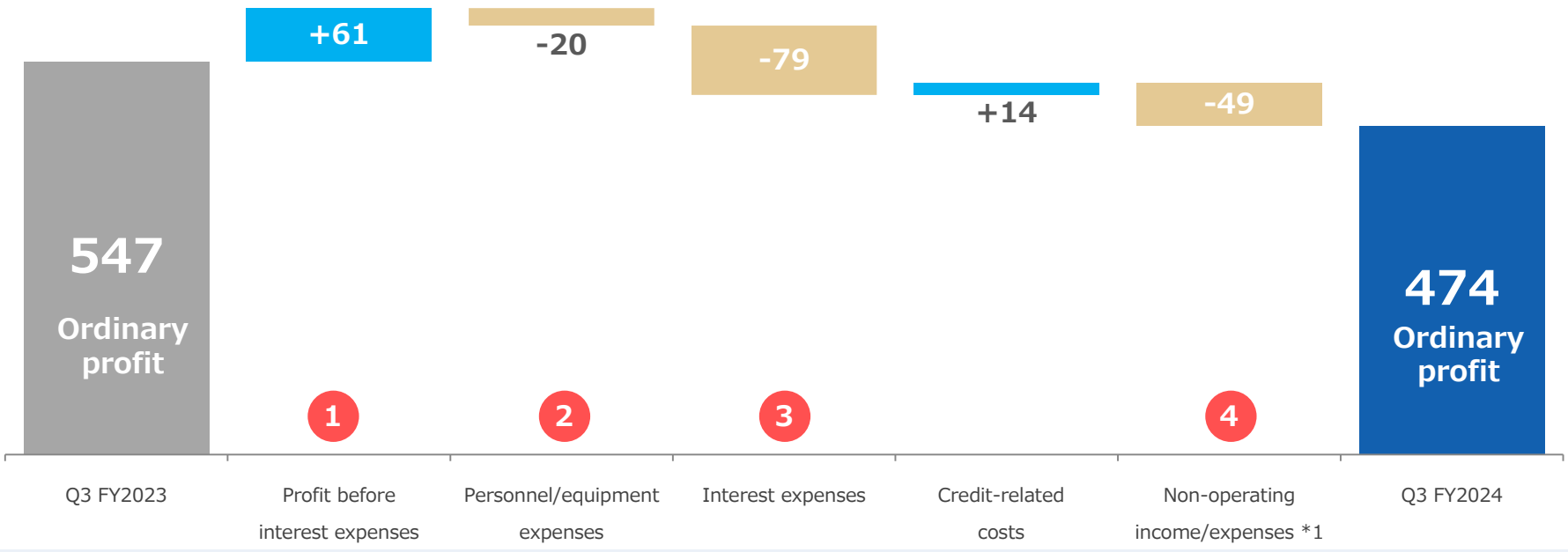
4 | Factor causing the increase in ordinary profit

(¥100million)



1	**Profit before interest expenses**	Grew in business domains positioned as growth drivers.
2	**Personnel/equipment expenses**	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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Overview of consolidated operating results and business activities

5 | Changes in funding

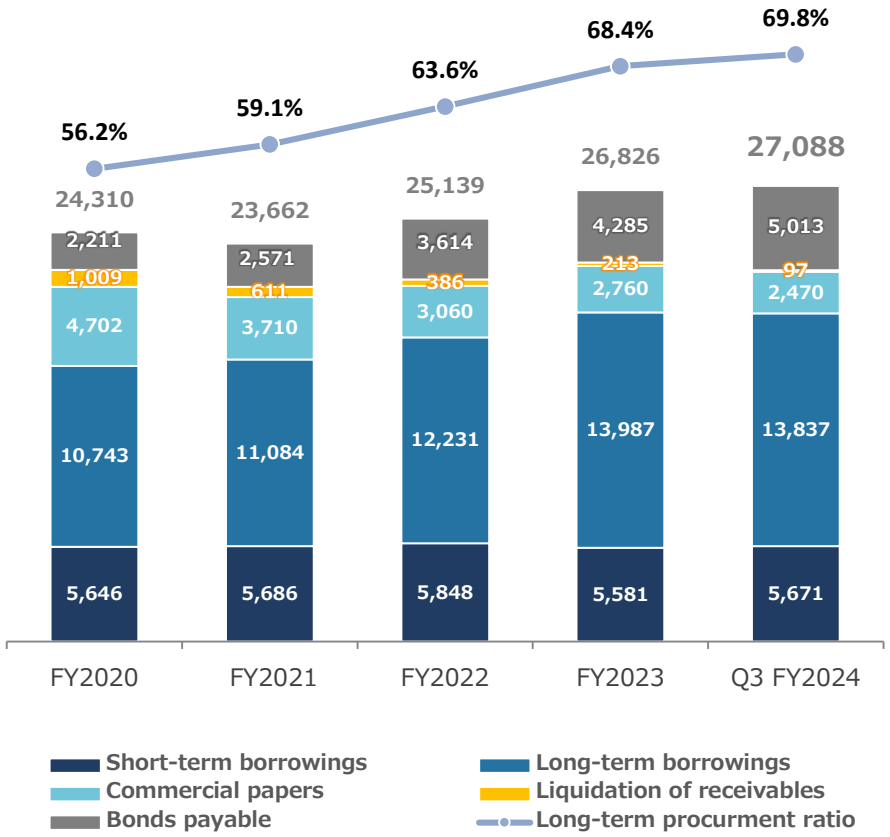
- The outstanding balance grew due to the accumulation of operating assets
- Conduct financing using hybrid bonds and subordinated SLL*1 as the means to contribute to improving both financial health and capital efficiency and practicing CSV.

*1 Sustainability Linked Loans

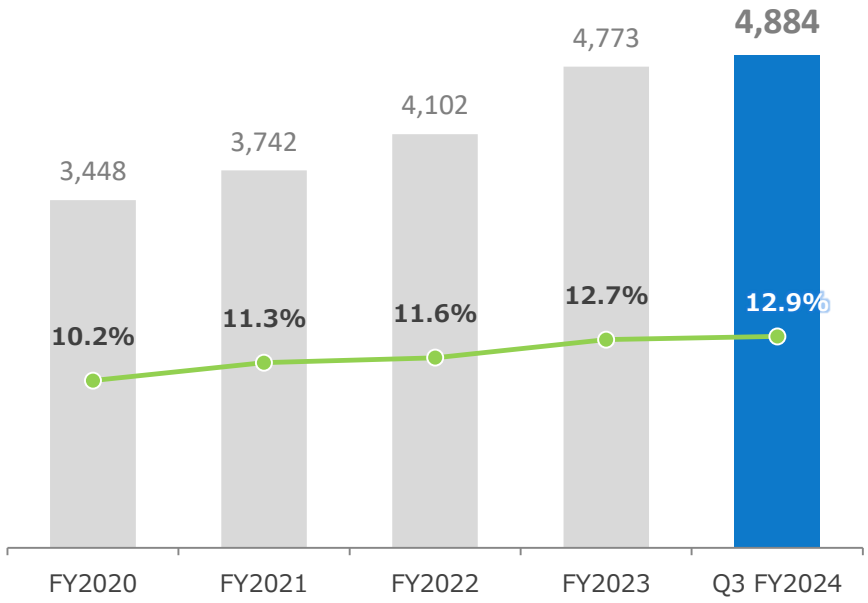
6 | Net assets

- Stable profits enabled the continued accumulation of net assets.
- The shareholders' equity ratio was maintained at a favorable level.

Outstanding balance (¥100 million)



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



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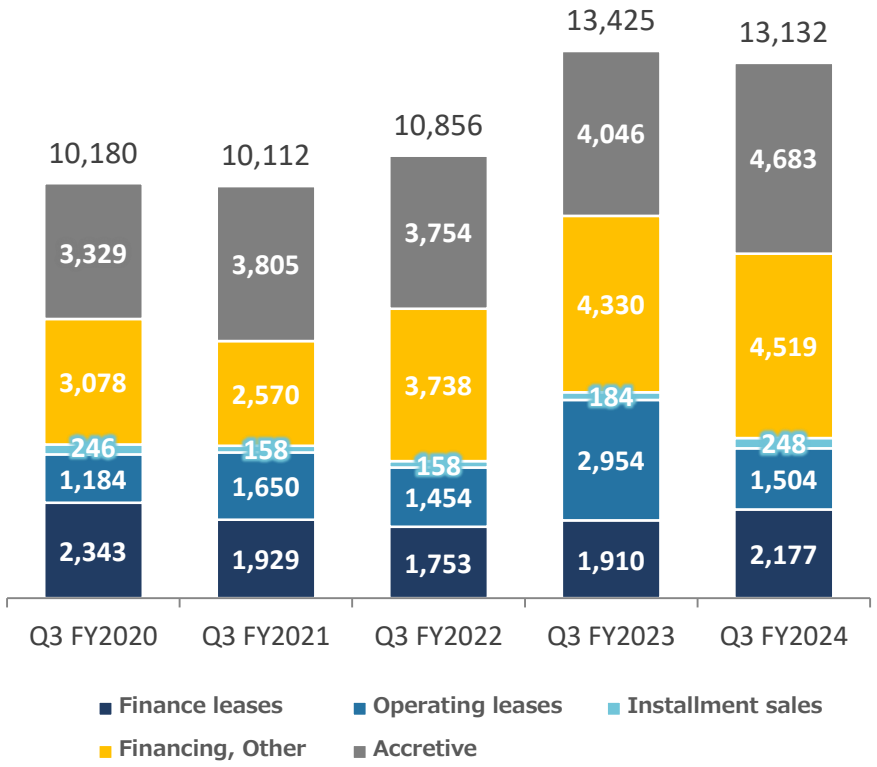
7 | Overview of Business activities

- Newly executed contract volumes increased in mobility & logistics, but decreased in leases overall due to asset control measures in Real Estate. There was growth in Financing, Other, and the same level as in the previous fiscal year was secured overall.
- 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

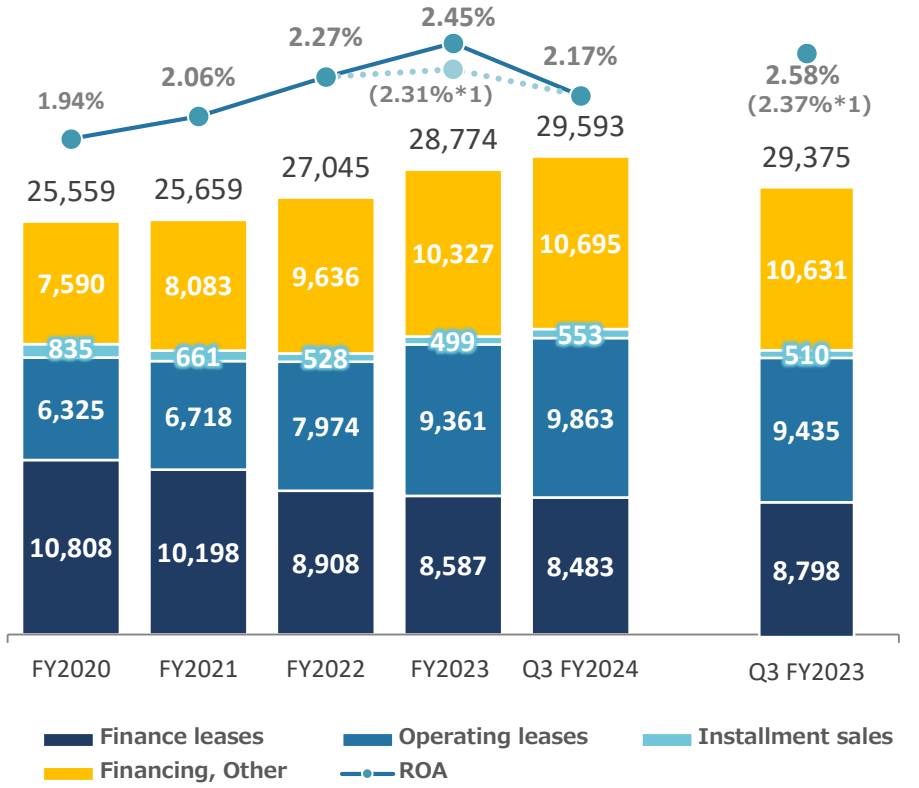
(¥100 million)



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 profit (50.1 billion yen for Q3 FY2023, 64.4 billion yen for FY2023) excluding special factors such as gains on large sales and one-time decreases in expenses

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Earnings forecast and dividend forecast

1 | FY2024 consolidated earnings forecast

(¥100 million)	Q3 FY2024 results	FY2024 Forecast
Operating profit	449	600
Ordinary profit	474	660
Profit attributable to owners of parent	309	450
Basic earnings per（¥）	1,026.13	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)	Q3 FY2020 results	Q3 FY2021 results	Q3 FY2022 results	Q3 FY2023 results	Q3 FY2024 results	YoY (amount) (Q3 FY2023 to Q3 FY2024)
Net sales	5,538	4,631	5,338	5,206	**4,818**	-388
Cost of sales (Excluding interest expenses)	4,854	3,900	4,515	4,205	**3,756**	-449
Profit before interest expenses	685	731	823	1,001	**1,062**	+61
Interest expenses	75	72	77	137	**216**	+79
Gross profit	610	658	746	863	**846**	-18
SG&A	296	313	332	386	**397**	+10
[Credit-related costs]	(15)	(23)	(10)	(14)	**(4)**	(-10)
Operating profit	314	345	414	477	**449**	-28
Non-operating income/expenses	24	44	56	70	**25**	-45
[Reversal of credit-related profit/losses]	(2)	(15)	(1)	(1)	**(5)**	(+4)
Ordinary profit	338	389	470	547	**474**	-73
Extraordinary income/losses	-0	7	-11	2	**0**	-2
Profit attributable to owners of parent	207	257	307	399	**309**	-90
Basic earnings per share (¥)	689.58	856.63	1,025.45	1,326.59	**1,026.13**	-300.46

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2 | Segment results

(¥100 million)	Leases				Installment sales				Leases and Installment sales total			
	Q3 FY2023	Q3 FY2024	YoY change (amount)	YoY change (%)	Q3 FY2023	Q3 FY2024	YoY change (amount)	YoY change (%)	Q3 FY2023	Q3 FY2024	YoY change (amount)	YoY change (%)
Net sales	**4,350**	**3,925**	-425	-9.8%	**210**	**210**	-0	-0.1%	**4,560**	**4,135**	-425	-9.3%
Cost of sales	**3,769**	**3,325**	-444	-11.8%	**202**	**201**	-1	-0.4%	**3,971**	**3,526**	-444	-11.2%
Profit before interest expenses	**581**	**600**	+19	+3.3%	**8**	**9**	+0	+5.6%	**589**	**609**	+19	+3.3%
Interest expenses	**61**	**99**	+38	+62.8%	**2**	**3**	+1	+44.2%	**63**	**102**	+39	+62.2%
Gross profit	**520**	**501**	-19	-3.7%	**6**	**6**	-0	-7.3%	**526**	**507**	-20	-3.7%

	Financing				Other				Total			
	Q3 FY2023	Q3 FY2024	YoY change (amount)	YoY change (%)	Q3 FY2023	Q3 FY2024	YoY change (amount)	YoY change (%)	Q3 FY2023	Q3 FY2024	YoY change (amount)	YoY change (%)
Net sales	**233**	**273**	+40	+17.4%	**413**	**410**	-4	-0.9%	**5,206**	**4,818**	-388	-7.5%
Cost of sales	**13**	**10**	-2	-17.9%	**222**	**219**	-3	-1.2%	**4,205**	**3,756**	-449	-10.7%
Profit before interest expenses	**220**	**263**	+43	+19.4%	**191**	**190**	-1	-0.6%	**1,001**	**1,062**	+61	+6.1%
Interest expenses	**72**	**110**	+39	+54.2%	**3**	**3**	+1	+21.5%	**137**	**216**	+79	+57.2%
Gross profit	**148**	**152**	+4	+2.6%	**189**	**187**	-2	-0.9%	**863**	**846**	-18	-2.0%

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3 | Operating assets

(¥100 million)	FY2020	FY2021	FY2022	FY2023	Q3 FY2024	YoY (amount) (FY2023 to Q3 FY2024)	YoY (%) (FY2023 to Q3 FY2024)
Leases	17,133	16,916	16,882	17,949	18,346	+398	+2.2%
Finance leases	(10,808)	(10,198)	(8,908)	(8,587)	(8,483)	(-104)	(-1.2%)
Operating leases	(6,325)	(6,718)	(7,974)	(9,361)	(9,863)	(+502)	(+5.4%)
Installment sales	835	661	528	499	553	+53	+10.7%
Financing, other	7,590	8,083	9,636	10,327	10,695	+368	+3.6%
Total	25,559	25,659	27,045	28,774	29,593	+819	+2.8%

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4 | Newly executed contract volume

(¥100 million)	Q3 FY2020 results	Q3 FY2021 results	Q3 FY2022 results	Q3 FY2023 results	Q3 FY2024 results	YoY (amount) (Q3 FY2023 to Q3 FY2024)	YoY (%) (Q3 FY2023 to Q3 FY2024)
Leases	3,527	3,579	3,207	4,865	3,681	-1,184	-24.3%
Finance leases	(2,343)	(1,929)	(1,753)	(1,910)	(2,177)	(+266)	(+13.9%)
Operating leases	(1,184)	(1,650)	(1,454)	(2,954)	(1,504)	(-1,450)	(-49.1%)
Installment sales	246	158	158	184	248	+65	+35.3%
Financing, other	6,408	6,375	7,492	8,376	9,203	+826	+9.9%
Total	10,180	10,112	10,856	13,425	13,132	-293	-2.2%

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

(¥100 million)	Q3 FY2022 results	Q3 FY2023 results	Q3 FY2024 results	YoY (amount) (Q3 FY2023 to Q3 FY2024)
IT & office equipment	978	1,022	972	-50
Industrial machinery	82	86	102	+16
Civil engineering and construction machinery	23	20	9	-11
Transportation equipment	285	1,368	1,524	+156
Medical devices	153	143	171	+28
Commercial/services equipment	114	92	111	+20
Buildings, etc.	1,451	1,992	650	-1,341
Other	121	143	141	-1
Total	**3,207**	**4,865**	**3,681**	**-1,184**

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