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(Member of Financial Accounting Standards Foundation)

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

February 5, 2025

Company name: Fuyo General Lease Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 8424
URL: https://www.fgl.co.jp/
Representative: Hiroaki Oda, Representative Director, President & CEO
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Scheduled date to commence dividend payments : —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing : None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%
December 31, 2024	481,761	(7.5)	44,896	(5.8)	47,433	(13.3)	30,877	(22.5)
December 31, 2023	520,589	(2.5)	47,679	15.2	54,691	16.4	39,855	29.7

Note: Comprehensive income For the nine months ended December 31, 2024: ¥ 25,951 million (64.2)%
For the nine months ended December 31, 2023: ¥ 72,475 million 49.6%

	Basic earnings per share	Diluted earnings per share
Nine months ended	(¥)	(¥)
December 31, 2024	1,026.13	1,024.23
December 31, 2023	1,326.59	1,322.66

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	(¥ millions)	(¥ millions)	%	(¥)
December 31, 2024	3,414,299	488,374	12.9	14,702.21
March 31, 2024	3,390,324	477,326	12.7	14,357.66

Reference: Shareholders' equity
As of December 31, 2024 ¥ 442,033 million As of March 31,2024 ¥ 431,675 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
FY 2023	—	195.00	—	245.00	440.00
FY 2024	—	225.00	—		
FY 2024 (Forecast)				225.00	450.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast for Fiscal 2024 (April 1, 2024 - March 31, 2025)

(Percentage figures represent comparisons with fiscal 2023 full-year results)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥)
Full year	60,000	(0.1)	66,000	(3.4)	45,000	(4.7)	1,496.71

Note: No changes were made to the most recently announced earnings forecasts.

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(ⅰ) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
(ⅱ) Changes in accounting policies due to other reasons: None
(ⅲ) Changes in accounting estimates: None
(ⅳ) Restatement: None
Note: For details, please refer to "2. Consolidated financial statements and significant notes thereto, (3) Notes to the consolidated financial statements, Notes on changes in accounting policies" on page 11 of the attached materials.

(4) Number of issued shares (common shares)
(ⅰ) Total number of issued shares at the end of the period (including treasury shares)
As of December 31, 2024 30,287,810 shares As of March 31, 2024 30,287,810 shares
(ⅱ) Number of treasury shares at the end of the period
As of December 31, 2024 222,010 shares As of March 31, 2024 221,937 shares
(ⅲ) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
Nine months ended December 31, 2024 30,091,506 shares
Nine months ended December 31, 2023 30,043,627 shares
Note: The Company has introduced Board Benefit Trust (BBT). Number of treasury shares includes the following Company's shares held by Board Benefit Trust (BBT) 170,200 shares as of December 31, 2024 and 147,700 shares as of March 31, 2024. Furthermore, treasury shares that are deducted in the calculation of the average number of shares during the period include the following Company's shares held by Board Benefit Trust (BBT) 133,417 shares for the nine months ended December 31, 2024 and 147,883 shares for the nine months ended December 31, 2023.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters
(Caution Concerning Forward-Looking Statements)
Earnings forecasts and other forward-looking statements in this report are based on certain assumptions that are deemed reasonable and information available to the Company at the time of this report's preparation. Therefore the Company does not guarantee the achievement of any projections. Actual results may differ significantly from these forecasts for a number of reasons.

(Method of Obtaining Supplementary Explanation Materials)
The materials are disclosed on the Timely Disclosure network (TDnet) on the same day as the date of this report.

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1. Review of consolidated operating results

(1) Analysis of operating results for the period

Newly executed contract volume in the nine months ended December 31, 2024 totaled ¥1,313,190 million, down 2.2% year on year.

In terms of profits, the Company reported net sales of ¥481,761 million, down 7.5% year on year, operating profit of ¥44,896 million, down 5.8% year on year, ordinary profit of ¥47,433 million, down 13.3% year on year, and profit attributable to owners of parent of ¥30,877 million, down 22.5% year on year.

Operating results for each business segment are as follows. Please note that net sales for each segment are "revenues from external customers" and segment profit is the amount shown in reportable segments.

Lease and Installment Sales

Newly executed contract volume in the Lease and Installment Sales segment fell 22.2% year on year to ¥392,928 million and segment operating assets increased 2.4% from the end of the previous fiscal year to ¥1,889,872 million. Segment net sales decreased 9.3% year on year to ¥413,506 million and segment profit decreased 12.2% year on year to ¥29,992 million.

Financing

Newly executed contract volume in the Financing segment rose 11.5% year on year to ¥919,613 million, and segment operating assets increased 4.2% from the end of the previous fiscal year to ¥1,035,710 million. Segment net sales rose 17.4% year on year to ¥27,290 million, and segment profit increased 10.8% year on year to ¥17,011 million.

Other

Newly executed contract volume in the Other segment fell 94.9% year on year to ¥648 million, and segment operating assets decreased 13.0% from the end of the previous fiscal year to ¥33,764 million. Segment net sales fell 0.9% year on year to ¥40,964 million, and segment profit increased 0.8% year on year to ¥8,683 million.

(2) Analysis of financial position for the period

As of December 31, 2024, operating assets totaled ¥2,959,348 million, up 2.8% from the end of the previous fiscal year. Total assets amounted to ¥3,414,299 million, up 0.7% from the end of the previous fiscal year. As of December 31, 2024, indirect procurement decreased 0.3% from the end of the previous fiscal year to ¥1,950,856 million, mainly due to a decrease in long-term borrowings, and direct procurement increased 4.4% from the end of the previous fiscal year to ¥757,963 million, mainly due to the issuance of bonds. As a result, the outstanding balance as of December 31, 2024 increased 1.0% from the end of the previous fiscal year to ¥2,708,820 million. The direct procurement ratio was 28.0%, an increase of 0.9 points from the end of the previous fiscal year.

Total shareholders' equity rose 4.6% from the end of the previous fiscal year to ¥369,578 million due to an increase in retained earnings. Total net assets as of December 31, 2024 amounted to ¥488,374 million, up ¥11,047 million, or 2.3%, from the end of the previous fiscal year. Shareholders' equity ratio was 12.9%, an increase of 0.2 points from the end of the previous fiscal year.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

No revisions have been made to the consolidated earnings forecasts for the Forecast for Fiscal 2024 announced in Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 on May 8, 2024.

2. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(¥ millions)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	140,804	97,565
Installment receivables	50,984	56,574
Lease receivables and investments in leases	858,731	848,305
Operating loans	339,872	340,526
Accounts receivable - other loans to customers	132,002	132,827
Operational investment securities	491,466	527,864
Other operating assets	31,967	32,945
Accounts receivable - lease	28,620	26,913
Other	94,511	90,549
Allowance for doubtful accounts	(2,536)	(2,171)
Total current assets	2,166,425	2,151,901
Non-current assets		
Property, plant and equipment		
Assets for lease		
Assets for lease	936,038	986,240
Advances for purchase of assets for lease	357	1,264
Total assets for lease	936,396	987,505
Other operating assets	38,796	33,764
Own-used assets	3,386	3,701
Total property, plant and equipment	978,579	1,024,972
Intangible assets		
Assets for lease	88	71
Other intangible assets		
Goodwill	23,256	21,954
Other	14,290	14,275
Total other intangible assets	37,546	36,230
Total intangible assets	37,634	36,302

(¥ millions)

	As of March 31, 2024	As of December 31, 2024
Investments and other assets		
Investment securities	158,182	152,856
Distressed receivables	26	30
Retirement benefit asset	2,176	2,401
Deferred tax assets	4,229	3,606
Other	42,551	41,921
Allowance for doubtful accounts	(1)	(8)
Total investments and other assets	207,163	200,809
Total non-current assets	1,223,378	1,262,083
Deferred assets		
Organization expenses	3	2
Business commencement expenses	517	311
Total deferred assets	521	314
Total assets	3,390,324	3,414,299

(¥ millions)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,467	33,587
Short-term borrowings	558,104	567,127
Current portion of bonds payable	35,000	45,817
Current portion of long-term borrowings	422,660	438,569
Commercial papers	276,000	247,000
Payables under securitization of lease receivables	13,000	3,800
Current portion of long-term payables under securitization of lease receivables	2,464	1,044
Lease liabilities	5,841	4,817
Income taxes payable	7,617	1,582
Deferred profit on installment sales	1,078	1,320
Provision for bonuses	3,257	1,704
Provision for bonuses for directors (and other officers)	224	215
Provision for share awards for directors (and other officers)	202	—
Provision for loss on guarantees	19	15
Other	59,374	56,209
Total current liabilities	1,421,313	1,402,811
Non-current liabilities		
Bonds payable	393,495	455,468
Long-term borrowings	976,080	945,159
Long-term payables under securitization of lease receivables	5,790	4,833
Lease liabilities	151	159
Deferred tax liabilities	27,461	29,507
Retirement benefit liability	2,271	2,419
Provision for retirement benefits for directors (and other officers)	253	273
Provision for share awards for directors (and other officers)	638	839
Provision for maintenance costs	931	886
Provision for loss on guarantees	285	232
Asset retirement obligations	5,519	5,438
Other	78,804	77,895
Total non-current liabilities	1,491,684	1,523,113
Total liabilities	2,912,998	2,925,924

(¥ millions)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	10,532	10,532
Capital surplus	1,902	1,902
Retained earnings	342,268	358,872
Treasury shares	(1,532)	(1,729)
Total shareholders' equity	353,171	369,578
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	61,773	57,958
Deferred gains or losses on hedges	(11,953)	(12,516)
Foreign currency translation adjustment	28,268	26,636
Remeasurements of defined benefit plans	415	376
Total accumulated other comprehensive income	78,504	72,455
Share acquisition rights	289	209
Non-controlling interests	45,362	46,131
Total net assets	477,326	488,374
Total liabilities and net assets	3,390,324	3,414,299

(2) Consolidated statements of income and statements of comprehensive income

Consolidated statements of income

for the nine months ended December 31, 2024

(¥ millions)

	FY2023 (April 1, 2023－ December 31, 2023)	FY2024 (April 1, 2024－ December 31, 2024)
Net sales	520,589	481,761
Cost of sales	434,272	397,205
Gross profit	86,316	84,556
Selling, general and administrative expenses	38,637	39,659
Operating profit	47,679	44,896
Non-operating income		
Interest income	213	251
Dividend income	1,586	1,682
Foreign exchange gains	－	191
Gain on investments in investment partnerships	96	27
Share of profit of entities accounted for using equity method	6,054	2,409
Recoveries of written off receivables	69	56
Reversal of allowance for doubtful accounts	－	437
Reversal of provision for loss on guarantees	71	56
Other	889	392
Total non-operating income	8,981	5,505
Non-operating expenses		
Interest expenses	1,301	2,113
Bond issuance costs	41	67
Foreign exchange losses	30	－
Loss on investments in investment partnerships	61	206
Distributions of profit or loss on silent partnerships	491	384
Other	42	195
Total non-operating expenses	1,969	2,968
Ordinary profit	54,691	47,433
Extraordinary income		
Gain on sale of investment securities	593	32
Total extraordinary income	593	32
Extraordinary losses		
Loss on sale of investment securities	47	－
Loss on valuation of investment securities	－	6
Impairment losses	312	11
Loss on disposal of non-current assets	23	11
Total extraordinary losses	383	29
Profit before income taxes	54,901	47,436
Income taxes	13,331	14,834
Profit	41,570	32,601
Profit attributable to non-controlling interests	1,714	1,724
Profit attributable to owners of parent	39,855	30,877

Consolidated statements of comprehensive income
for the nine months ended December 31, 2024

(¥ millions)

	FY2023 (April 1, 2023－December 31, 2023)	FY2024 (April 1, 2024－December 31, 2024)
Profit	41,570	32,601
Other comprehensive income		
Valuation difference on available-for-sale securities	17,213	(3,802)
Deferred gains or losses on hedges	(3,155)	(580)
Foreign currency translation adjustment	16,279	(1,943)
Remeasurements of defined benefit plans, net of tax	(87)	(63)
Share of other comprehensive income of entities accounted for using equity method	655	(260)
Total other comprehensive income	30,905	(6,650)
Comprehensive income	72,475	25,951
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	70,566	24,829
Comprehensive income attributable to non-controlling interests	1,909	1,122

(3) Notes to the consolidated financial statements

Notes on changes in accounting policies

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "Revised Accounting Standard of 2022"), etc. from the beginning of the first quarter ended June 30, 2024.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022).

The impact of applying this standard, etc. on the consolidated financial statements for the nine months ended December 31, 2024 is immaterial.

(Application of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.)

The Company has applied the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46, March 22, 2024), etc. from the beginning of the first quarter ended June 30, 2024.

For the nine months ended December 31, 2024, the Company has applied the treatment in paragraph 7, which allows the Company not to record current taxes related to the global minimum tax rules.

Notes on segment information etc.

Segment information

Ⅰ Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

1. Disclosure of sales and profit (loss) for each reportable segment

(¥ millions)

	Lease and Installment Sales	Financing	Other	Total
Sales				
Revenues from external customers	455,997	23,254	41,337	520,589
Transactions with other segments	569	4,488	1,901	6,959
Net sales	456,567	27,742	43,238	527,548
Segment profit	34,144	15,354	8,615	58,114

2. Description of nature of differences between amounts of profit (loss) of reportable segments total and consolidated financial statements

(¥ millions)

Profit	Amount
Reportable segments total	58,114
Eliminations	(1,395)
Corporate expenses (Note)	(9,040)
Operating profit reported on the consolidated statements of income	47,679

Note: Corporate expenses are mainly selling, general and administrative expenses that are not attributable to any reportable segment.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Material impairment losses on non-current assets)

There are no material impairment losses on non-current assets.

(Material change in amount of goodwill)

The business combination with Pacific Rim Capital, Inc. that was concluded on January 6, 2023, was accounted for on a provisional basis, but the acquisition cost allocation was finalized in the third quarter ended December 31, 2023.

With the finalization of this provisional accounting treatment, the amount of the initial allocation of acquisition cost was revised.

As a result, the amount of goodwill in the “Lease and Installment Sales” segment decreased.

(Material gain on bargain purchase)

There is no material gain on bargain purchase.

Ⅱ Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

1. Disclosure of sales and profit (loss) for each reportable segment

(¥ millions)

	Lease and Installment Sales	Financing	Other	Total
Sales				
Revenues from external customers	413,506	27,290	40,964	481,761
Transactions with other segments	520	6,380	2,028	8,929
Net sales	414,026	33,670	42,993	490,691
Segment profit	29,992	17,011	8,683	55,688

2. Description of nature of differences between amounts of profit (loss) of reportable segments total and consolidated financial statements

(¥ millions)

Profit	Amount
Reportable segments total	55,688
Eliminations	(1,056)
Corporate expenses (Note)	(9,735)
Operating profit reported on the consolidated statements of income	44,896

Note: Corporate expenses are mainly selling, general and administrative expenses that are not attributable to any reportable segment.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Material impairment losses on non-current assets)

There are no material impairment losses on non-current assets.

(Material change in amount of goodwill)

There is no material change in amount of goodwill.

(Material gain on bargain purchase)

There is no material gain on bargain purchase.

Notes on significant changes in shareholders' equity

Not applicable

Notes on the going-concern assumption

Not applicable

Notes on quarterly consolidated statements of cash flows

The Company has not prepared the quarterly consolidated statements of cash flows for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 are as follows.

(¥ millions)

	FY2023 (April 1, 2023 - December 31, 2023)	FY2024 (April 1, 2024 - December 31, 2024)
Depreciation of assets for lease	32,799	34,631
Depreciation of other operating assets	2,383	2,435
Depreciation	2,551	2,625
Amortization of goodwill	1,357	1,314

3. Newly executed contracts, operating assets

(1) Executed contracts volume

Segment by business		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Net change	
		Executed contracts volume (¥ millions)	Composition (%)	Executed contracts volume (¥ millions)	Composition (%)	Amount (¥ millions)	Pct. (%)
Lease and installment sales	Finance leases	191,040	14.2	217,654	16.6	26,614	13.9
	Operating leases	295,437	22.0	150,435	11.4	(145,001)	(49.1)
	Total leases	486,477	36.2	368,089	28.0	(118,387)	(24.3)
	Installment sales	18,353	1.4	24,838	1.9	6,484	35.3
	Lease and installment sales total	504,830	37.6	392,928	29.9	(111,902)	(22.2)
Financing		825,044	61.5	919,613	70.0	94,568	11.5
Other		12,604	0.9	648	0.1	(11,955)	(94.9)
Total		1,342,479	100.0	1,313,190	100.0	(29,289)	(2.2)

Notes:

1. Operating leases are recorded at the acquisition costs of lease assets. The executed volume of re-lease transactions is not included.
2. The figures for the lease segment are the purchase prices of lease assets acquired during each respective nine-month period. The figures for the installment sales segment are the installment receivables net of the deferred profit on installment sales on an execution basis.

(2) Operating assets

Segment by business		As of March 31, 2024		As of December 31, 2024		Net change	
		Balance (¥ millions)	Composition (%)	Balance (¥ millions)	Composition (%)	Amount (¥ millions)	Pct. (%)
Lease and installment sales	Finance leases	858,731	29.9	848,305	28.7	(10,426)	(1.2)
	Operating leases	936,126	32.5	986,312	33.3	50,185	5.4
	Total leases	1,794,858	62.4	1,834,618	62.0	39,759	2.2
	Installment sales	49,906	1.7	55,254	1.9	5,348	10.7
	Lease and installment sales total	1,844,765	64.1	1,889,872	63.9	45,107	2.4
Financing		993,887	34.5	1,035,710	35.0	41,823	4.2
Other		38,796	1.4	33,764	1.1	(5,031)	(13.0)
Total		2,877,449	100.0	2,959,348	100.0	81,899	2.8

Note: The figures for the installment sales segment are the installment receivables net of the deferred profit on installment sales.