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(Member of Financial Accounting
Standards Foundation)



Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

May 8, 2024

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 of annual general meeting of shareholders : June 21, 2024

Scheduled date to commence dividend payments : June 24, 2024

Scheduled date to file annual securities report : June 25, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing : Yes (for analysts)

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

1. Consolidated financial results for Fiscal 2023 (April 1, 2023 – March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%
FY2023	708,538	2.9	60,046	16.5	68,355	14.5	47,219	21.3
FY2022	688,655	4.7	51,561	12.0	59,699	13.2	38,939	14.9

Note: Comprehensive income FY2023 ¥ 79,396 million 57.8 % FY2022 ¥ 50,314 million 31.8 %

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Operating Profit to Net Sales
	(¥)	(¥)	%	%	%
FY2023	1,571.44	1,567.02	11.8	2.1	8.5
FY2022	1,299.27	1,292.42	11.1	2.0	7.5

Reference: Share of profit of entities accounted for using equity method

FY2023 ¥ 6,660 million FY2022 ¥ 6,028 million

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(¥ millions)	(¥ millions)	%	(¥)
As of				
March 31, 2024	3,390,324	477,326	12.7	14,357.66
March 31, 2023	3,151,624	410,197	11.6	12,227.88

Reference: Shareholders' Equity

As of March 31, 2024 ¥ 431,675 million As of March 31, 2023 ¥ 366,642 million

* During the fiscal year ended March 31, 2024, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2023 reflect the finalization of the provisional accounting treatment.

(3) Consolidated cash flows

	Cash Flows From Operating Activities	Cash Flows From Investing Activities	Cash Flows From Financing Activities	Cash and Cash Equivalents at End of Period
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
FY2023	(112,098)	(3,062)	131,800	140,674
FY2022	(24,149)	(12,393)	84,042	121,192

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ millions)	%	%
FY2022	—	158.00	—	185.00	343.00	10,334	26.4	2.9
FY2023	—	195.00	—	245.00	440.00	13,292	28.0	3.3
FY2024 (Forecast)	—	225.00	—	225.00	450.00		30.1	

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: For the forecast for the full year until fiscal 2023, all levels from net sales to profit attributable to owners of parent were disclosed. However, due to the sale of assets accompanying the completion of large projects, there are cases where net sales fluctuate significantly with no impact on operating profit. Accordingly, because this will not necessarily be linked to the Company's financial results, the Company will change to disclosing the forecast for each level of profit from operating profit beginning in fiscal 2024.

*Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024 30,287,810 shares As of March 31, 2023 30,287,810 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024 221,937 shares As of March 31, 2023 303,657 shares

(iii) Average number of shares during the period

Fiscal year ended March 31, 2024 30,048,440 shares

Fiscal year ended March 31, 2023 29,970,512 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) 147,700 shares as of March 31, 2024 and 149,800 shares as of March 31, 2023. 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) 147,837 shares for the fiscal year ended March 31, 2024, and 151,368 shares for the fiscal year ended March 31, 2023.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for Fiscal 2023 (April 1, 2023 - March 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%
FY2023	433,564	(0.7)	39,588	16.9	47,376	23.2	32,487	28.0
FY2022	436,804	12.6	33,852	6.9	38,467	7.7	25,374	(1.1)

	Basic earnings per share	Diluted earnings per share
	(¥)	(¥)
FY2023	1,081.18	1,078.15
FY2022	846.65	842.18

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(¥ millions)	(¥ millions)	%	(¥)
March 31, 2024	2,674,630	314,311	11.7	10,444.48
March 31, 2023	2,509,258	271,862	10.8	9,048.81

Reference: Equity

As of March 31, 2024 ¥ 314,022 million As of March 31, 2023 ¥ 271,320 million

***Financial reports are exempt from audit conducted by certified public accountants or an audit corporation.**

*** 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.

Supplementary Materials - Contents

1. Review of consolidated operating results	5
(1) Analysis of operating results for Fiscal 2023	5
(2) Analysis of financial position for Fiscal 2023	6
(3) Analysis of cash flows for Fiscal 2023	6
(4) Outlook	6
2. Basic views on selection of accounting standards	6
3. Consolidated financial statements and significant notes thereto	7
(1) Consolidated balance sheets	7
(2) Consolidated statements of income and statements of comprehensive income	11
Consolidated statements of income	11
Consolidated statements of comprehensive income	13
(3) Consolidated statements of changes in equity	14
(4) Consolidated statements of cash flows	16
(5) Notes to the consolidated financial statements	19
Note on the going-concern assumption	19
Segment information	19
Per share information	22
Subsequent events	23
4. Newly executed contracts, operating assets	24
(1) Executed contracts volume	24
(2) Operating assets	24

1. Review of consolidated operating results

(1) Analysis of operating results for Fiscal 2023

(i) Summary of Fiscal 2023

During the fiscal year ended March 31, 2024 (fiscal 2023), the Japanese economy recovered gradually backed mainly by the normalization of socioeconomic activities and an increase in demand from inbound tourists. For fiscal 2023, based on the belief that the price stability target would be achieved, the Bank of Japan decided to revise its monetary policy framework, including ending its negative interest rate policy. On the other hand, the situation continues to be uncertain and it is necessary to pay close attention to the impacts of rising geopolitical risks, increasing prices, and other factors.

In this environment, the Fuyo Lease Group is working on its five-year (FY2022-FY2026) medium-term management plan "Fuyo Shared Value 2026" that aims to achieve sustainable growth by resolving social issues through human growth and dialog while at the same time delivering economic value. In fiscal 2023, the second year of the medium-term management plan, we made it our aim to become a corporate group that strongly pursues sustainable growth in drastically changing external environments, and we steadily implemented the business strategies and management strategies outlined in the plan.

As a result, newly executed contract volume in fiscal 2023 totaled ¥1,742,841 million, up 13.8% year on year. Consolidated operating assets (after subtracting the deferred profit on installment sales) as of March 31, 2024 totaled ¥2,877,449 million, up ¥172,922 million, or 6.4%, from the end of fiscal 2022 (March 31, 2023).

In terms of profits, net sales increased 2.9% year on year to ¥708,538 million, operating profit increased 16.5% year on year to ¥60,046 million, ordinary profit increased 14.5% year on year to ¥68,355 million, and profit attributable to owners of parent increased 21.3% year on year to ¥47,219 million. We achieved year-on-year increases in operating profit, ordinary profit and profit attributable to owners of parent, setting new records for the highest profit ever achieved for each profit item. For ordinary profit in particular, which is set as a management target in the medium-term management plan, this was the seventh consecutive fiscal year that the record-high amount was updated.

(ii) Segment information

Consolidated results for each business segment for fiscal 2023 are as follows. Please note that net sales for each segment are "revenue 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 increased 31.4% year on year to ¥634,143 million and segment operating assets increased 6.0% from the end of fiscal 2022 to ¥1,844,765 million. Segment net sales increased 1.3% year on year to ¥619,834 million and segment profit increased 14.6% year on year to ¥42,047 million.

Financing

Newly executed contract volume in the Financing segment increased 4.6% year on year to ¥1,096,362 million, and segment operating assets increased 6.4% from the end of fiscal 2022 to ¥993,887 million. Segment net sales increased 24.7% year on year to ¥32,670 million, and segment profit increased 0.5% year on year to ¥18,703 million.

Other

Newly executed contract volume in the Other segment rose ¥12,149 million year on year to ¥12,334 million, and segment operating assets increased 31.9% from the end of fiscal 2022 to ¥38,796 million. Segment net sales increased 10.8% year on year to ¥56,032 million, and segment profit increased 14.5% year on year to ¥11,574 million.

(2) Analysis of financial position for Fiscal 2023

As of the end of fiscal 2023, operating assets totaled ¥2,877,449 million, up 6.4% from the end of fiscal 2022. Total assets amounted to ¥3,390,324 million, up 7.6% from the end of fiscal 2022. At the end of fiscal 2023, indirect procurement increased 8.2% from the end of fiscal 2022 to ¥1,956,845 million, mainly due to increases in long-term borrowings and Current portion of long-term borrowings, and direct procurement increased 2.8% from the end of fiscal 2022 to ¥725,749 million, mainly due to the issuance of bonds payable. As a result, the outstanding balance at the end of fiscal 2023 increased 6.7% from the end of fiscal 2022 to ¥2,682,595 million. The direct procurement ratio was 27.1%, a decrease of 1.0 points from the end of fiscal 2022.

Total shareholders' equity rose 11.4% from the end of fiscal 2022 to ¥353,171 million mainly due to an increase in retained earnings. Total net assets as of the end of fiscal 2023 totaled ¥477,326 million, up ¥67,129 million, or 16.4%, from the end of fiscal 2022.

(3) Analysis of cash flows for Fiscal 2023

Cash and cash equivalents at the end of fiscal 2023 totaled ¥140,674 million. The breakdown of cash flows is as follows.

Cash flows from operating activities

Operating activities in fiscal 2023 used net cash of ¥112,098 million, compared with net cash provided of ¥24,149 million in fiscal 2022. The main variable factors were an increase in purchase of assets for lease, a decrease in net decrease (increase) in lease receivables and investments in leases, and an increase in loss on retirement of assets for lease and cost of property for lease sales.

Cash flows from investing activities

Investing activities in fiscal 2023 used net cash of ¥3,062 million, compared with net cash used of ¥12,393 million in fiscal 2022. The main variable factors were decrease in purchase of investment securities and proceeds from sale and redemption of investment securities.

Cash flows from financing activities

Financing activities in fiscal 2023 provided net cash of ¥131,800 million, compared with net cash used of ¥84,042 million in fiscal 2022. The main variable factors in indirect financing was increases in proceeds from long-term borrowings and repayments of long-term borrowings, while in direct financing there was a decrease in net increase (decrease) in commercial papers.

(4) Outlook

Concerning the economic outlook going forward, while a gradual recovery is expected to continue given the improving employment and income environment backed mainly by rising wages, there are risks of downward pressure on economies, such as the effects of global monetary tightening and the unstable international situation, and we also anticipate the continuation of prevailing uncertainties.

For the fiscal year ending March 31, 2025 (fiscal 2024), we forecast consolidated operating profit of ¥60,000 million (down 0.1%), ordinary profit of ¥66,000 million (down 3.4%), and profit attributable to owners of parent of ¥45,000 million (down 4.7%).

2. Basic views on selection of accounting standards

Considering the comparability between consolidated financial statements over different accounting periods and of different companies, the Fuyo Lease Group prepares its consolidated financial statements in accordance with Japanese accounting standards.

Furthermore, regarding the adoption of International Financial Reporting Standards (IFRS), the Fuyo Lease Group intends to deal with the issue appropriately, taking into account various conditions in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(¥ millions)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	121,227	140,804
Installment receivables	53,491	50,984
Lease receivables and investments in leases	890,802	858,731
Operating loans	328,697	339,872
Accounts receivable - other loans to customers	118,529	132,002
Operational investment securities	454,966	491,466
Other operating assets	33,210	31,967
Accounts receivable - lease	26,172	28,620
Other	72,698	94,511
Allowance for doubtful accounts	(2,672)	(2,536)
Total current assets	2,097,123	2,166,425
Non-current assets		
Property, plant and equipment		
Assets for lease		
Assets for lease	797,218	936,038
Advances for purchase of assets for lease	839	357
Total assets for lease	798,057	936,396
Other operating assets	29,407	38,796
Construction in progress	10,732	—
Own-used assets	3,872	3,386
Total property, plant and equipment	842,070	978,579
Intangible assets		
Assets for lease	138	88
Other intangible assets		
Goodwill	25,707	23,256
Other	15,278	14,290
Total other intangible assets	40,986	37,546
Total intangible assets	41,124	37,634

(¥ millions)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	125,286	158,182
Distressed receivables	439	26
Retirement benefit asset	523	2,176
Deferred tax assets	2,897	4,229
Other	41,740	42,551
Allowance for doubtful accounts	(231)	(1)
Total investments and other assets	170,656	207,163
Total non-current assets	1,053,851	1,223,378
Deferred assets		
Organization expenses	4	3
Business commencement expenses	645	517
Total deferred assets	649	521
Total assets	3,151,624	3,390,324

(¥ millions)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,916	36,467
Short-term borrowings	584,811	558,104
Current portion of bonds payable	45,000	35,000
Current portion of long-term borrowings	393,529	422,660
Commercial papers	306,000	276,000
Payables under securitization of lease receivables	24,200	13,000
Current portion of long-term payables under securitization of lease receivables	5,628	2,464
Lease liabilities	7,500	5,841
Income taxes payable	7,359	7,617
Deferred profit on installment sales	699	1,078
Provision for bonuses	3,002	3,257
Provision for bonuses for directors (and other officers)	210	224
Provision for share awards for directors (and other officers)	21	202
Provision for future lease payments	4	6
Provision for loss on guarantees	24	19
Other	67,122	59,367
Total current liabilities	1,479,030	1,421,313
Non-current liabilities		
Bonds payable	316,397	393,495
Long-term borrowings	829,614	976,080
Long-term payables under securitization of lease receivables	8,725	5,790
Lease liabilities	272	151
Deferred tax liabilities	19,553	27,461
Retirement benefit liability	3,122	2,271
Provision for retirement benefits for directors (and other officers)	378	253
Provision for share awards for directors (and other officers)	606	638
Provision for maintenance costs	314	931
Provision for loss on guarantees	365	285
Asset retirement obligations	4,147	5,519
Other	78,898	78,804
Total non-current liabilities	1,262,396	1,491,684
Total liabilities	2,741,426	2,912,998

(¥ millions)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	10,532	10,532
Capital surplus	1,902	1,902
Retained earnings	306,782	342,268
Treasury shares	(2,067)	(1,532)
Total shareholders' equity	317,149	353,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,000	61,773
Deferred gains or losses on hedges	(4,608)	(11,953)
Foreign currency translation adjustment	17,936	28,268
Remeasurements of defined benefit plans	163	415
Total accumulated other comprehensive income	49,492	78,504
Share acquisition rights	541	289
Non-controlling interests	43,012	45,362
Total net assets	410,197	477,326
Total liabilities and net assets	3,151,624	3,390,324

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

Consolidated statements of income

(¥ millions)

	FY2022 (April 1, 2022 – March 31, 2023)	FY2023 (April 1, 2023 – March 31, 2024)
Net sales	688,655	708,538
Cost of sales	591,338	598,967
Gross profit	97,316	109,570
Selling, general and administrative expenses	45,755	49,524
Operating profit	51,561	60,046
Non-operating income		
Interest income	78	259
Dividend income	2,357	2,925
Foreign exchange gains	437	—
Gain on investments in investment partnerships	252	76
Share of profit of entities accounted for using equity method	6,028	6,660
Recoveries of written off receivables	95	61
Reversal of provision for loss on guarantees	81	86
Other	575	1,060
Total non-operating income	9,906	11,129
Non-operating expenses		
Interest expenses	1,017	1,824
Bond issuance costs	78	58
Foreign exchange losses	—	198
Loss on investments in investment partnerships	100	92
Distributions of profit or loss on silent partnerships	458	589
Other	114	56
Total non-operating expenses	1,768	2,820
Ordinary profit	59,699	68,355
Extraordinary income		
Gain on sale of investment securities	64	737
Total extraordinary income	64	737

(¥ millions)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Extraordinary losses		
Loss on sale of investment securities	—	47
Loss on valuation of investment securities	256	84
Loss on step acquisitions	85	—
Loss on liquidation of subsidiaries and associates	1,349	—
Impairment losses	0	2,079
Loss on disposal of non-current assets	41	33
Total extraordinary losses	1,734	2,244
Profit before income taxes	58,029	66,848
Income taxes - current	16,658	20,376
Income taxes - deferred	494	(3,193)
Total income taxes	17,152	17,182
Profit	40,876	49,665
Profit attributable to non-controlling interests	1,936	2,446
Profit attributable to owners of parent	38,939	47,219

Consolidated statements of comprehensive income

(¥ millions)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Profit	40,876	49,665
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,529)	25,781
Deferred gains or losses on hedges	(687)	(7,243)
Foreign currency translation adjustment	12,464	9,873
Remeasurements of defined benefit plans, net of tax	163	185
Share of other comprehensive income of entities accounted for using equity method	26	1,134
Total other comprehensive income	9,437	29,731
Comprehensive income	50,314	79,396
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	48,307	76,230
Comprehensive income attributable to non-controlling interests	2,006	3,166

(3) Consolidated statements of changes in equity

FY2022 (From April 1, 2022 to March 31, 2023)

(¥ millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,532	7,278	277,361	(2,463)	292,709
Changes during period					
Dividends of surplus			(9,425)		(9,425)
Profit attributable to owners of parent			38,939		38,939
Purchase of treasury shares					—
Disposal of treasury shares			(93)	396	302
Purchase of shares of consolidated subsidiaries		(5,376)			(5,376)
Net changes in items other than shareholders' equity					
Total changes during period	—	(5,376)	29,420	396	24,440
Balance at end of period	10,532	1,902	306,782	(2,067)	317,149

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	38,547	(3,932)	5,509	(0)	40,124	650	40,754	374,239
Changes during period								
Dividends of surplus								(9,425)
Profit attributable to owners of parent								38,939
Purchase of treasury shares								—
Disposal of treasury shares								302
Purchase of shares of consolidated subsidiaries								(5,376)
Net changes in items other than shareholders' equity	(2,546)	(675)	12,426	163	9,368	(108)	2,258	11,517
Total changes during period	(2,546)	(675)	12,426	163	9,368	(108)	2,258	35,957
Balance at end of period	36,000	(4,608)	17,936	163	49,492	541	43,012	410,197

FY2023 (From April 1, 2023 to March 31, 2024)

(¥ millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,532	1,902	306,782	(2,067)	317,149
Changes during period					
Dividends of surplus			(11,464)		(11,464)
Profit attributable to owners of parent			47,219		47,219
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(268)	536	267
Purchase of shares of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	35,486	535	36,021
Balance at end of period	10,532	1,902	342,268	(1,532)	353,171

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	36,000	(4,608)	17,936	163	49,492	541	43,012	410,197
Changes during period								
Dividends of surplus								(11,464)
Profit attributable to owners of parent								47,219
Purchase of treasury shares								(0)
Disposal of treasury shares								267
Purchase of shares of consolidated subsidiaries								—
Net changes in items other than shareholders' equity	25,772	(7,345)	10,331	251	29,011	(252)	2,349	31,107
Total changes during period	25,772	(7,345)	10,331	251	29,011	(252)	2,349	67,129
Balance at end of period	61,773	(11,953)	28,268	415	78,504	289	45,362	477,326

(4) Consolidated statements of cash flows

(¥ millions)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	58,029	66,848
Depreciation of assets for lease	40,595	45,382
Loss on retirement of assets for lease and cost of property for lease sales	90,840	184,363
Depreciation of other operating assets	2,559	3,245
Depreciation	2,739	3,414
Amortization of goodwill	1,619	1,810
Impairment losses	0	2,079
Increase (decrease) in allowance for doubtful accounts	(601)	(699)
Increase (decrease) in provision for bonuses and bonuses for directors (and other officers)	167	269
Increase (decrease) in provision for future lease payments	0	2
Increase (decrease) in provision for retirement benefits for directors (and other officers)	207	(124)
Increase (decrease) in provision for share awards for directors (and other officers)	12	213
Increase (decrease) in provision for maintenance costs	(162)	617
Increase (decrease) in provision for loss on guarantees	(81)	(86)
Increase (decrease) in retirement benefit liability	405	(587)
Loss (gain) on valuation of short-term and long-term investment securities	256	84
Interest and dividend income	(2,435)	(3,184)
Capital costs and interest expenses	11,965	20,824
Loss (gain) on investments in investment partnerships and silent partnerships	(152)	15
Share of loss (profit) of entities accounted for using equity method	(6,028)	(6,660)
Loss (gain) on sale of short-term and long-term investment securities	(64)	(690)
Loss on liquidation of subsidiaries and associates	1,349	—
Loss (gain) on disposal of non-current assets	41	33
Decrease (increase) in installment receivables	13,291	2,903
Net decrease (increase) in lease receivables and investments in leases	136,887	30,686
Decrease (increase) in accounts receivable - lease	1,892	(1,956)

(¥ millions)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Decrease (increase) in operating loans	(6,633)	(7,075)
Decrease (increase) in accounts receivable - other loans to customers	(4,030)	(13,409)
Decrease (increase) in investment securities for sale	(131,708)	(36,028)
Purchase of assets for lease	(216,032)	(356,077)
Purchase of other operating assets	(6,244)	(1,601)
Decrease (increase) in retirement benefit asset	(434)	(1,653)
Decrease (increase) in distressed receivables	100	413
Decrease (increase) in guarantee deposits	(1,223)	(1,048)
Increase (decrease) in trade payables	(1,770)	2,550
Increase (decrease) in lease obligations	(3,194)	(634)
Increase (decrease) in guarantee deposits received	2,021	(944)
Other, net	16,507	(11,433)
Subtotal	695	(78,134)
Interest and dividends received	3,510	6,546
Interest paid	(11,382)	(20,595)
Income taxes refund (paid)	(16,972)	(19,915)
Net cash provided by (used in) operating activities	(24,149)	(112,098)
Cash flows from investing activities		
Purchase of own-used assets	(2,676)	(3,269)
Purchase of investment securities	(9,177)	(4,103)
Proceeds from sale and redemption of investment securities	1,309	4,402
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,397)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	348	-
Other, net	200	(92)
Net cash provided by (used in) investing activities	(12,393)	(3,062)

(¥ millions)

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,414	(30,284)
Net increase (decrease) in commercial papers	(65,000)	(30,000)
Proceeds from long-term borrowings	459,699	599,930
Repayments of long-term borrowings	(357,873)	(430,150)
Net increase (decrease) in payables under securitization of lease receivables	(5,200)	(11,200)
Proceeds from securitization of lease receivables	4	—
Repayments of payables under securitization of lease receivables	(17,351)	(6,098)
Proceeds from issuance of bonds	110,000	97,000
Redemption of bonds	(30,000)	(45,000)
Purchase of treasury shares	—	(0)
Proceeds from disposal of treasury shares	302	267
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(6,869)	—
Dividends paid	(9,425)	(11,464)
Dividends paid to non-controlling interests	(281)	(756)
Other, net	(377)	(441)
Net cash provided by (used in) financing activities	84,042	131,800
Effect of exchange rate change on cash and cash equivalents	1,735	2,842
Net increase (decrease) in cash and cash equivalents	49,235	19,481
Cash and cash equivalents at beginning of period	71,957	121,192
Cash and cash equivalents at end of period	121,192	140,674

(5) Notes to the consolidated financial statements

Note on the going-concern assumption

Not applicable

Segment information

1. Overview of reportable segments

The Fuyo Lease Group's reportable segments are components of the Fuyo Lease Group for which separate financial information is available. These segments are subject to periodic examinations undertaken to enable the Board of Directors of the Fuyo Lease Group to make decisions on allocating resources and to evaluate performance.

The Fuyo Lease Group is primarily engaged in leasing and installment sales, and its operations are divided into three reportable segments based on the major types of transactions handled, namely the Lease and Installment Sales segment, the Financing segment, and the Other segment.

The Lease and Installment Sales segment conducts leasing of IT and office equipment, industrial machinery, and other assets (includes the sale of off-lease assets upon lease expiration or termination) and leasing of real estate, and sells commercial/service equipment, production facilities, medical devices, and other assets on an installment basis. The Financing segment is mainly engaged in commercial lending, investment in marketable securities for financial income and forming *tokumei-kumiai* (silent partnership) arrangements. The Other segment primarily engages in environmental-related businesses, fee handling, and BPO and mobility business, etc.

2. Calculation of net sales, profit/loss, assets, liabilities, and other items by reportable segment

Methods of accounting for reportable business segments are the same as those disclosed in "Basis of preparing consolidated financial statements." Profit of reportable business segments is based on operating profit. Intersegment revenue and transfers are based on prevailing market prices.

The segment information for the fiscal year ended March 31, 2023 is presented using figures reflecting material changes to the initial allocation of acquisition costs, which arose due to the finalization of the provisional accounting treatment for business combinations.

3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment
FY2022 (From April 1, 2022 to March 31, 2023)

(¥ millions)

	Lease and Installment Sales	Financing	Other	Total
Sales				
Revenues from external customers	611,863	26,208	50,583	688,655
Transactions with other segments	741	3,584	2,742	7,069
Net sales	612,605	29,792	53,326	695,724
Segment profit	36,679	18,605	10,106	65,390
Segment assets	1,739,487	1,128,429	135,058	3,002,976
Other items				
Depreciation	40,595	—	3,138	43,734
Amortization of goodwill	49	324	1,246	1,619
Investments in entities accounted for using equity method	—	—	—	—
Increase in property, plant and equipment and intangible assets	216,032	—	6,244	222,276

FY2023 (From April 1, 2023 to March 31, 2024)

(¥ millions)

	Lease and Installment Sales	Financing	Other	Total
Sales				
Revenues from external customers	619,834	32,670	56,032	708,538
Transactions with other segments	733	6,096	2,723	9,553
Net sales	620,567	38,767	58,756	718,091
Segment profit	42,047	18,703	11,574	72,325
Segment assets	1,847,177	1,236,952	142,498	3,226,628
Other items				
Depreciation	45,721	—	3,898	49,619
Amortization of goodwill	309	324	1,176	1,810
Investments in entities accounted for using equity method	—	—	—	—
Increase in property, plant and equipment and intangible assets	356,077	—	1,601	357,679

4. Description of nature of differences between amounts of reportable segments total and consolidated financial statements

Net sales (¥ millions)	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Reportable segments total	695,724	718,091
Eliminations	(7,069)	(9,553)
Net sales reported on the consolidated statements of income	688,655	708,538

Profit (¥ millions)	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Reportable segments total	65,390	72,325
Eliminations	(2,451)	(1,793)
Corporate expenses (Note)	(11,377)	(10,484)
Operating profit reported on the consolidated statements of income	51,561	60,046

Note:

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

Assets (¥ millions)	As of March 31, 2023	As of March 31, 2024
Reportable segments total	3,002,976	3,226,628
Corporate assets (Note)	148,647	163,696
Total assets reported on the consolidated balance sheets	3,151,624	3,390,324

Note:

Corporate assets include surplus funds (cash and deposits, etc.), long-term investment funds (investment in securities) and assets related to administrative divisions that are not attributable to any reportable segment.

Other items (¥ millions)	Reportable segments total		Adjustment		Amounts reported on the consolidated financial statements	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Depreciation	43,734	49,619	2,161	2,422	45,895	52,042
Amortization of goodwill	1,619	1,810	—	—	1,619	1,810
Investments in entities accounted for using equity method	—	—	45,804	49,172	45,804	49,172
Increase in property, plant and equipment and intangible assets	222,276	357,679	2,676	3,269	224,952	360,949

Notes:

1. Depreciation adjustments mainly represent depreciation on own-used assets.
2. Adjustments for investments in entities accounted for using equity method mainly represent the amount of funds invested in entities accounted for using equity method.
3. Adjustments on increase in property, plant and equipment and intangible assets mainly represent capital investment in own-used assets.

Per share information

	FY2022 (April 1, 2022 – March 31, 2023)	FY2023 (April 1, 2023 – March 31, 2024)
Net assets per share	¥12,227.88	¥14,357.66
Basic earnings per share	¥1,299.27	¥1,571.44
Diluted earnings per share	¥1,292.42	¥1,567.02

Notes:

1. Treasury shares, which is deducted when calculating the number of common shares as of the fiscal year-end, used in the computation of the net assets per share, includes the Company's shares owned by the Board Benefit Trust (BBT). The number of treasury shares owned by the Board Benefit Trust (BBT) as of the fiscal year-end is 149,800 shares for the fiscal year ended March 31, 2023 and 147,700 shares for the fiscal year ended March 31, 2024.
2. Treasury shares, which is deducted when calculating the average number of shares during the period, used in the computation of the basic earnings per share, includes the Company's shares owned by the Board Benefit Trust (BBT). The average number of treasury shares owned by the Board Benefit Trust (BBT) during the period is 151,368 shares for the fiscal year ended March 31, 2023 and 147,837 shares for the fiscal year ended March 31, 2024.
3. Calculation basis of net assets per share is as follows.

	As of March 31, 2023	As of March 31, 2024
Total net assets (¥ millions)	410,197	477,326
Amounts excluded from total net assets (¥ millions)	43,554	45,651
Of which, share acquisition rights	541	289
Of which, non-controlling interests	43,012	45,362
Net assets attributable to common shares (¥ millions)	366,642	431,675
Number of common shares as of the fiscal year-end used in the calculation of net assets per share (thousands shares)	29,984	30,065

4. Calculation basis of basic earnings per share and diluted earnings per share is as follows.

	FY2022 (April 1, 2022 - March 31, 2023)	FY2023 (April 1, 2023 - March 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (¥ millions)	38,939	47,219
Amount not attributable to common shareholders (¥ millions)	—	—
Profit attributable to owners of parent attributable to common shares (¥ millions)	38,939	47,219
Average number of shares during the period (thousands shares)	29,970	30,048
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (¥ millions)	—	—
Increase in the number of common shares (thousands shares)	158	84
Residual securities that are not dilutive and not included in the calculation of diluted earnings per share	—————	—————

Subsequent events

Corporate bond issuance

The Company issued straight bonds as follows:

- (1) Issue name Fuyo General Lease Co., Ltd., No. 41 unsecured straight bond (The sustainability-linked bond)
- (2) Issuance amount ¥30,000 million
- (3) Issuance date April 26, 2024
- (4) Issue price ¥100 per ¥100 of face value
- (5) Coupon rate 0.831% per year
- (6) Redemption date April 26, 2029
- (7) Use of proceeds To fund capital investments

4. Newly executed contracts, operating assets

(1) Executed contracts volume

Segment by Business		FY2022 (April 1, 2022 – March 31, 2023)		FY2023 (April 1, 2023 – March 31, 2024)		Net Change	
		Executed contracts volume (¥ millions)	Composition (%)	Executed contracts volume (¥ millions)	Composition (%)	Amount (¥ millions)	Pct. (%)
Lease and installment sales	Finance leases	229,105	15.0	248,985	14.3	19,879	8.7
	Operating leases	231,958	15.1	358,748	20.6	126,790	54.7
	Total leases	461,064	30.1	607,734	34.9	146,670	31.8
	Installment sales	21,485	1.4	26,409	1.5	4,924	22.9
	Lease and installment sales total	482,549	31.5	634,143	36.4	151,594	31.4
Financing		1,048,095	68.5	1,096,362	62.9	48,267	4.6
Other		185	0.0	12,334	0.7	12,149	–
Total		1,530,830	100.0	1,742,841	100.0	212,010	13.8

Notes:

- Operating leases are recorded at the acquisition costs of lease assets. The executed volume of re-lease transactions is not included.
- The figures for the lease segment are the purchase prices of lease assets acquired during each respective fiscal year. The figures for the installment sales segment are the installment receivables net of the deferred profit on installment sales on an execution basis.
- A dash represents the percentage year-on-year net change for Other because the value exceeds 1,000%.

(2) Operating assets

Segment by Business		As of March 31, 2023		As of March 31, 2024		Net Change	
		Balance (¥ millions)	Composition (%)	Balance (¥ millions)	Composition (%)	Amount (¥ millions)	Pct. (%)
Lease and installment sales	Finance leases	890,802	32.9	858,731	29.9	(32,070)	(3.6)
	Operating leases	797,356	29.5	936,126	32.5	138,770	17.4
	Total leases	1,688,159	62.4	1,794,858	62.4	106,699	6.3
	Installment sales	52,791	2.0	49,906	1.7	(2,885)	(5.5)
	Lease and installment sales total	1,740,951	64.4	1,844,765	64.1	103,813	6.0
Financing		934,167	34.5	993,887	34.5	59,719	6.4
Other		29,407	1.1	38,796	1.4	9,389	31.9
Total		2,704,526	100.0	2,877,449	100.0	172,922	6.4

Note:

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