



Consolidated Financial Report for the First Six Months of the Fiscal Year Ending March 31, 2018 (Fiscal 2017)

November 7, 2017

Company	Fuyo General Lease Co., Ltd.	Stock Exchange Listing	First Section, Tokyo
Ticker	8424	Head office	Tokyo
(URL http://www.fgl.co.jp/)			
President & CEO	Yasunori Tsujita	Managing Director	Tel: +81-3-5275-8800
Inquiries, Person in Charge	Soichi Hosoi	Date of payout of dividend	December 4, 2017 (planned)
Date of issue of quarterly Report	November 13, 2017 (planned)		
Supplementary materials to quarterly results: Available			
Quarterly results presentation: Scheduled (aimed at analysts)			

(Figures in millions are rounded down to the nearest million yen)

1. Consolidated Operating Results for the First Six Months of Fiscal 2017

(April 1, 2017—September 30, 2017)

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes.)

	Total Revenues		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%
First six months of FY2017	302,582	23.6	17,456	23.3	18,836	20.3	11,705	14.0
First six months of FY2016	244,888	(1.4)	14,156	2.6	15,662	(5.4)	10,269	0.5

Note: Comprehensive income First six months of FY2017 First six months of FY2016
¥13,501 million 94.7% ¥6,936 million 44.9%

	Basic Earnings per Share	Diluted Earnings per Share
	(¥)	(¥)
First six months of FY2017	387.59	384.20
First six months of FY2016	340.28	337.43

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(¥ millions)	(¥ millions)	%	(¥)
September 30, 2017	2,354,263	270,380	10.1	7,879.69
March 31, 2017	2,300,090	259,192	9.9	7,547.33

Reference: Shareholders' Equity September 30, 2017 ¥238,068 million March 31, 2017 ¥227,843 million

2. Cash Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Full Year
	(¥)	(¥)	(¥)	(¥)	(¥)
FY 2016	—	60.00	—	70.00	130.00
FY 2017	—	68.00	—	—	—
FY 2017 (planned)	—	—	—	68.00	136.00

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

3. Forecast for Fiscal 2017 (April 1, 2017—March 31, 2018)

(Percentage figures represent comparisons with fiscal 2016 full-year results)

	Total Revenues		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share
	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥ millions)	%	(¥)
Full Year	530,000	4.5	31,000	8.3	33,000	5.2	20,500	2.6	679.06

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

*Other Information

- (1) Changes to the consolidation status of major subsidiaries during the period: None
- (2) Accounting procedures specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - (i) Changes in accounting policies due to revisions to accounting standards: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement of prior period financial statements after error corrections: None
- (4) Number of outstanding shares at period-end (common shares)
 - (i) Number of outstanding shares at period-end (including treasury stock)

	September 30, 2017	30,287,810 shares	March 31, 2017	30,287,810 shares
--	--------------------	-------------------	----------------	-------------------
 - (ii) Number of shares of treasury stock

	September 30, 2017	74,900 shares	March 31, 2017	99,224 shares
--	--------------------	---------------	----------------	---------------
 - (iii) Average number of shares during the period (first six months)

	September 30, 2017	30,201,841 shares	September 30, 2016	30,179,081 shares
--	--------------------	-------------------	--------------------	-------------------

***This consolidated financial report is not subject to quarterly review.**

*Appropriate Use of Earnings Forecast and Other Important Information

(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. Consolidated Financial Statements and Significant Notes Thereto	.....	P. 4
(1) Consolidated Balance Sheets	.....	P. 4
(2) Consolidated Statements of Income and Statements of Comprehensive Income	.....	P. 8
Consolidated Statements of Income	.....	P. 8
For the six months ended September 30, 2017		
Consolidated Statements of Comprehensive Income	.....	P. 10
For the six months ended September 30, 2017		
(3) Notes to the Consolidated Financial Statements	.....	P. 11
Note on the Going-concern Assumption	.....	P. 11
Note on Significant Changes in Shareholders' Equity	.....	P. 11
Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements	.....	P. 11
2. Newly Executed Contracts, Operating Assets	.....	P. 12
(1) Executed Contracts Volume	.....	P. 12
(2) Operating Assets	.....	P. 12

1. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(¥ millions)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	50,990	58,834
Installment sales trade receivables	129,663	124,594
Lease receivables and investment assets	1,048,607	1,081,664
Accounts receivable - operating loans	305,886	277,994
Accounts receivable - other loans to customers	77,486	86,522
Operational investment securities	145,343	160,532
Other operating assets	2,381	3,736
Lease and other trade receivables	15,160	15,822
Short-term investment securities	—	15
Deferred tax assets	2,533	2,393
Other	29,671	31,099
Allowance for doubtful receivables	(3,519)	(3,044)
Total current assets	1,804,206	1,840,167
Fixed assets		
Tangible fixed assets		
Leased assets		
Leased assets	320,637	330,787
Advances on purchases of property and equipment for lease	11,730	18,350
Total leased assets	332,367	349,138
Own-used assets		
Own-used assets	18,137	20,030
Total own-used assets	18,137	20,030
Total tangible fixed assets	350,505	369,168
Intangible fixed assets		
Leased assets		
Software leased to customers	572	486
Total leased assets	572	486
Other intangible fixed assets		
Goodwill	7,797	7,012
Other	4,208	4,136
Total other intangible fixed assets	12,005	11,148
Total intangible fixed assets	12,578	11,634

(¥ millions)

	As of March 31, 2017	As of September 30, 2017
Investments and other assets		
Investment in securities	83,449	84,148
Claims provable in bankruptcy, claims provable in rehabilitation and other	879	711
Net defined benefit asset	139	102
Deferred tax assets	642	651
Other	47,789	47,435
Allowance for doubtful receivables	(356)	(278)
Total investments and other assets	132,544	132,770
Total fixed assets	495,628	513,574
Deferred assets		
Deferred organization expenses	0	0
Business commencement expenses	253	521
Total deferred assets	254	521
Total assets	2,300,090	2,354,263

(¥ millions)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,174	25,683
Short-term loans from bank and other financial institutions	456,620	457,729
Current portion of bonds payable	300	150
Current portion of long-term loans from bank and other financial institutions	210,914	212,564
Commercial paper	419,700	443,200
Payables under fluidity lease receivables and installment sales trade receivables	21,500	18,900
Current portion of payables under fluidity long-term lease receivables and installment sales trade receivables	33,968	35,976
Lease obligations	49,728	41,764
Income taxes payable	5,511	5,915
Deferred tax liabilities	134	135
Deferred profit on installment sales	1,812	1,703
Provision for bonuses	1,635	1,671
Provision for directors' bonuses	141	69
Provision for future lease payments	2	1
Provision for loss on guarantees	85	198
Other	23,413	26,391
Total current liabilities	1,255,645	1,272,056
Long-term liabilities		
Bonds Payable	90,000	100,000
Long-term loans from bank and other financial institutions	566,093	589,791
Payables under fluidity long-term lease receivables and installment sales trade receivables	51,835	41,427
Lease obligations	41	38
Deferred tax liabilities	14,806	15,446
Net defined benefit liability	1,744	1,676
Accrued retirement benefits for directors and corporate auditors	142	159
Provision for automobile maintenance costs	350	397
Provision for loss on guarantees	1,107	1,006
Asset retirement obligations	534	608
Other	58,595	61,274
Total long-term liabilities	785,252	811,826
Total liabilities	2,040,897	2,083,883

(¥ millions)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Common stock	10,532	10,532
Capital surplus	10,416	10,416
Retained earnings	169,942	179,501
Treasury stock, at cost	(342)	(258)
Total Shareholders' equity	190,548	200,191
Accumulated other comprehensive income		
Net unrealized gains(losses) on available-for-sale securities	35,314	36,949
Deferred gains(losses) on hedges	(109)	(101)
Foreign currency translation adjustment	2,137	1,059
Remeasurements of defined benefit plans	(47)	(30)
Total accumulated other comprehensive income	37,294	37,876
Subscription rights to shares	842	794
Non-controlling interests	30,506	31,517
Total net assets	259,192	270,380
Total liabilities and net assets	2,300,090	2,354,263

(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated Statements of Income

For the six months ended September 30, 2017

(¥ millions)

	FY2016 (April 1, 2016— September 30, 2016)	FY2017 (April 1, 2017— September 30, 2017)
Total revenues	244,888	302,582
Total costs	217,924	271,411
Gross profit	26,963	31,170
Selling, general and administrative expenses	12,807	13,713
Operating profit	14,156	17,456
Other income		
Interest income	12	20
Dividend income	764	734
Gain on investments in partnership	1	14
Gain on investments in silent partnership	30	69
Equity in earnings of affiliates	443	445
Bad debt recovered	220	78
Reversal of allowance for doubtful receivables	218	358
Reversal of provision for loss on guarantees	145	—
Other	136	83
Total other income	1,972	1,804
Other expenses		
Interest expenses	151	179
Bond issuance cost	9	3
Foreign exchange losses	127	58
Loss on investments in partnership	12	18
Loss on investments in silent partnership	0	0
Other	165	162
Total other expenses	466	424
Ordinary profit	15,662	18,836
Extraordinary gains		
Gain on sale of marketable and investment securities	14	0
Total extraordinary gains	14	0

(¥ millions)

	FY2016 (April 1, 2016– September 30, 2016)	FY2017 (April 1, 2017– September 30, 2017)
Extraordinary losses		
Loss on disposal of own-used assets	1	7
Total extraordinary losses	1	7
Profit before income taxes	15,676	18,828
Income taxes	4,335	5,916
Profit after income taxes	11,340	12,912
Profit attributable to non-controlling interests	1,071	1,206
Profit attributable to owners of parent	10,269	11,705

Consolidated Statements of Comprehensive Income
For the six months ended September 30, 2017

(¥ millions)

	FY2016 (April 1, 2016— September 30, 2016)	FY2017 (April 1, 2017— September 30, 2017)
Profit after income taxes	11,340	12,912
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(999)	1,634
Deferred gains (losses) on hedges	14	5
Foreign currency translation adjustment	(3,467)	(1,078)
Remeasurements of defined benefit plans	30	30
Share of other comprehensive income of entities accounted for using equity method	18	(2)
Total other comprehensive income	(4,404)	589
Comprehensive income	6,936	13,501
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,854	12,288
Comprehensive income attributable to non-controlling interests	1,081	1,213

(3) Notes to the Consolidated Financial Statements

Note on the Going-concern Assumption

Not applicable

Note on Significant Changes in Shareholders' Equity

Not applicable

Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements

(Calculation of Tax Expenses)

Tax expenses for certain consolidated subsidiaries of the Company were calculated by multiplying profit before income taxes by the estimated effective tax rates. The tax rate was determined by making a reasonable estimate of the effective tax rate after the adoption of tax effect accounting for profit before income taxes in the fiscal year including the second quarter ended September 30, 2017.

2. Newly Executed Contracts, Operating Assets

(1) Executed Contracts Volume

Segment by Business		First six months of FY2016 (April 1, 2016— September 30, 2016)		First six months of FY2017 (April 1, 2017— September 30, 2017)		Net Change	
		Executed contracts volume	Composition	Executed contracts volume	Composition	Amount	Pct.
		(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Lease and installment sales	Finance leases	206,118	54.9	219,109	41.8	12,990	6.3
	Operating leases	50,917	13.6	61,585	11.8	10,668	21.0
	Total leases	257,035	68.5	280,694	53.6	23,658	9.2
	Installment sales	28,118	7.5	28,536	5.5	417	1.5
	Lease and installment sales total	285,154	76.0	309,230	59.1	24,076	8.4
Financing		90,083	24.0	211,809	40.4	121,725	135.1
Other		2	0.0	2,503	0.5	2,501	—
Total		375,240	100.0	523,543	100.0	148,303	39.5

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 six-month period. The figures for the installment sales segment are the installment sales trade receivables net of the deferred profit on installment sales on an execution basis.
- A dash is presented for 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, 2017		As of September 30, 2017		Net Change	
		Balance	Composition	Balance	Composition	Amount	Pct.
		(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Lease and installment sales	Finance leases	1,048,607	51.3	1,081,664	52.0	33,057	3.2
	Operating leases	321,210	15.7	331,273	15.9	10,063	3.1
	Total leases	1,369,818	67.0	1,412,938	67.9	43,120	3.1
	Installment sales	127,850	6.3	122,891	5.9	(4,959)	(3.9)
	Lease and installment sales total	1,497,668	73.3	1,535,830	73.8	36,161	2.5
Financing		528,716	25.9	526,348	25.3	(2,367)	(0.4)
Other		17,180	0.8	19,105	0.9	1,925	11.2
Total		2,043,565	100.0	2,081,284	100.0	37,718	1.8

Note:

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