

3. Forecast for Fiscal 2018 (April 1, 2018 – March 31, 2019)

(Percentage figures represent comparisons with fiscal 2017 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	600,000	1.7	34,000	4.3	37,500	6.5	23,000	4.8	761.01

*Other Information

- (1) Changes to the consolidation status of major subsidiaries during the period: None
- (2) 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
- (3) Number of outstanding shares at period-end (common shares)
- (i) Number of outstanding shares at period-end (including treasury stock)
- | | | | |
|----------------|-------------------|----------------|-------------------|
| March 31, 2018 | 30,287,810 shares | March 31, 2017 | 30,287,810 shares |
|----------------|-------------------|----------------|-------------------|
- (ii) Number of shares of treasury stock
- | | | | |
|----------------|---------------|----------------|---------------|
| March 31, 2018 | 64,939 shares | March 31, 2017 | 99,224 shares |
|----------------|---------------|----------------|---------------|
- (iii) Average number of shares during the period
- | | | | |
|----------------|-------------------|----------------|-------------------|
| March 31, 2018 | 30,209,506 shares | March 31, 2017 | 30,181,532 shares |
|----------------|-------------------|----------------|-------------------|

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

*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.

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1. Review of Consolidated Operating Results

(1) Analysis of Operating Results for Fiscal 2017

(i) Summary of Fiscal 2017

During the fiscal year ended March 31, 2018 (fiscal 2017), the Japanese economy continued a trend of gradual recovery backed by strong corporate earnings and improved employment conditions. Overseas economies have also continued to experience firm economic expansion overall, despite concern regarding the impact of the U.S. trade policies and geopolitical risks.

During fiscal 2017, domestic lease transaction volume totaled ¥4,830 billion, down 3.9% year on year, according to preliminary data released by the Japan Leasing Association.

In this environment, the Fuyo Lease Group started a new five-year medium-term management plan, “Frontier Expansion 2021,” in April 2017. In fiscal 2017, the first year of the plan, the Company steadily implemented the business and management strategies outlined in the plan, aiming to be a corporate group that continually expands its frontiers and clears the way to new business fields by fulfilling the corporate slogan of “Going where no one has gone before.”

As a result, newly executed contract volume in fiscal 2017 totaled ¥1,105,028 million, up 32.5% year on year. Consolidated operating assets (after subtracting the deferred profit on installment sales) as of March 31, 2018 totaled ¥2,168,728 million, up ¥125,163 million, or 6.1%, from the end of fiscal 2016 (March 31, 2017).

In terms of profits, the Company reported total revenues of ¥590,201 million, up 16.4% year on year, operating profit of ¥32,609 million, up 13.9%, ordinary profit of ¥35,200 million, up 12.2%, and profit attributable to owners of parent of ¥21,944 million, up 9.9% year on year.

(ii) Segment Information

Consolidated results for each business segment for fiscal 2017 are as follows. Please note that revenues 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 rose 4.7% year on year to ¥613,505 million and segment operating assets increased 6.1% from the end of fiscal 2016 to ¥1,589,480 million. Segment revenues increased 15.4% year on year to ¥560,298 million and segment profit increased 3.4% to ¥29,705 million.

Financing

Newly executed contract volume in the Financing segment rose 96.9% year on year to ¥487,873 million and segment operating assets increased 5.8% from the end of fiscal 2016 to ¥559,576 million. Segment revenues rose 27.1% to ¥13,063 million and segment profit increased 23.6% to ¥8,605 million.

Other

Newly executed contract volume in the other segment totaled ¥3,648 million, up 3,401 million from the end of fiscal 2016 and segment operating assets increased 14.5% to ¥19,671 million. Segment revenues rose 49.7% year on year to ¥16,839 million and segment profit increased 20.7% to ¥4,438 million.

(2) Analysis of Financial Position for Fiscal 2017

As of the end of fiscal 2017, operating assets totaled ¥2,168,728 million, up 6.1% from the end of fiscal 2016 (March 31, 2017). Total assets amounted to ¥2,430,838 million, up 5.7% from the end of fiscal 2016. The funding balance totaled ¥1,964,954 million, up 6.2% from the end of fiscal 2016. Total shareholders' equity rose 9.4% from the end of fiscal 2016 to ¥208,397 million due to an increase in retained earnings. Total net assets as of March 31, 2018 totaled ¥282,574 million, up 23,381 million, or 9.0%, from the end of fiscal 2016.

(3) Analysis of Cash Flows for Fiscal 2017

Cash and cash equivalents at the end of fiscal 2017 (March 31, 2018) totaled ¥54,062 million, ¥3,500 million more than at the previous fiscal year-end (March 31, 2017). The breakdown of cash flows is as follows.

Cash flows from operating activities

Operating activities in fiscal 2017 used net cash of ¥100,667 million, compared with net cash used of ¥154,028 million in the previous fiscal year. The major cash inflows were profit before income taxes of ¥35,130 million, depreciation of leased assets of ¥31,126 million, loss on retirement of property for lease and cost of property for lease sales of ¥70,364 million, offset by cash outflows such as increase in lease receivables and investment assets of ¥49,480 million, increase in investment securities for sale of ¥28,678 million, and purchase of leased assets of ¥149,448 million.

Cash flows from investing activities

Investing activities in fiscal 2017 used net cash of ¥9,428 million, compared with net cash used of ¥4,897 million in the previous fiscal year. The main cash inflow was proceeds from the sales and redemption of investment securities of ¥2,604 million, proceeds from withdrawal of investments in silent partnership of ¥1,050 million, offset by cash outflows such as purchases of property and equipment for own use of ¥5,862 million, and purchases of marketable and investment securities of ¥7,501 million.

Cash flows from financing activities

Financing activities in fiscal 2017 provided net cash of ¥113,549 million, compared with net cash provided of ¥157,674 million in the previous fiscal year. The major cash inflows were increase in commercial paper, net of ¥54,000 million, proceeds from long-term loans from bank and other financial institutions of ¥292,281 million, proceeds from payables under fluidity lease receivables and installment sales trade receivables of ¥25,959 million and proceeds from issuance of bonds of ¥20,000 million, offset by cash outflows such as repayment of long-term loans from bank and other financial institutions of ¥237,469 million and repayment of payables under fluidity lease receivables and installment sales trade receivables of ¥44,798 million.

(4) Outlook

The Fuyo Lease Group expects the Japanese economy to continue recovering at a moderate pace due to stable personal consumption and increased corporate interest in capital investment. However, there is expected to be continued uncertainty regarding future prospects with the possibility of the global economy decelerating due to factors such as increasing trade friction, stemming from the U.S. For the fiscal year ending March 31, 2019 (fiscal 2018), we forecast consolidated total revenues of ¥600,000 million (up 1.7% year on year), operating profit of ¥34,000 million (up 4.3%), ordinary profit of ¥37,500 million (up 6.5%), and profit attributable to owners of parent of ¥23,000 million (up 4.8%).

2. Basic views on selection of Accounting Standards

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

Furthermore, regarding the adoption of International Financial Reporting Standards (IFRS), the 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, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	50,990	54,822
Installment sales trade receivables	129,663	116,697
Lease receivables and investment assets	1,048,607	1,098,722
Accounts receivable - operating loans	305,886	296,405
Accounts receivable - other loans to customers	77,486	84,149
Operational investment securities	145,343	174,021
Other operating assets	2,381	7,626
Lease and other trade receivables	15,160	16,759
Short-term investment securities	-	15
Deferred tax assets	2,533	2,771
Other	29,671	27,574
Allowance for doubtful receivables	(3,519)	(2,806)
Total current assets	1,804,206	1,876,761
Fixed assets		
Tangible fixed assets		
Leased assets		
Leased assets	320,637	375,312
Advances on purchases of property and equipment for lease	11,730	3,504
Total leased assets	332,367	378,816
Own-used assets		
Own-used assets	18,137	21,556
Total own-used assets	18,137	21,556
Total tangible fixed assets	350,505	400,373
Intangible fixed assets		
Leased assets		
Software leased to customers	572	373
Total leased assets	572	373
Other intangible fixed assets		
Goodwill	7,797	6,226
Other	4,208	4,201
Total other intangible fixed assets	12,005	10,427
Total intangible fixed assets	12,578	10,801

(¥ millions)

	As of March 31, 2017	As of March 31, 2018
Investments and other assets		
Investment in securities	83,449	94,313
Claims provable in bankruptcy, claims provable in rehabilitation and other	879	1,022
Net defined benefit asset	139	53
Deferred tax assets	642	679
Other	47,789	46,451
Allowance for doubtful receivables	(356)	(445)
Total investments and other assets	132,544	142,076
Total fixed assets	495,628	553,251
Deferred assets		
Deferred organization expenses	0	0
Business commencement expenses	253	825
Total deferred assets	254	826
Total assets	2,300,090	2,430,838

(¥ millions)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,174	26,464
Short-term loans from bank and other financial institutions	456,620	467,340
Current portion of bonds payable	300	20,000
Current portion of long-term loans from bank and other financial institutions	210,914	221,381
Commercial paper	419,700	473,700
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	30,338
Lease obligations	49,728	34,873
Income taxes payable	5,511	5,880
Deferred tax liabilities	134	130
Deferred profit on installment sales	1,812	1,625
Provision for bonuses	1,635	1,707
Provision for directors' bonuses	141	139
Provision for future lease payments	2	2
Provision for loss on guarantees	85	72
Other	23,413	28,620
Total current liabilities	1,255,645	1,331,177
Long-term liabilities		
Bonds Payable	90,000	90,000
Long-term loans from bank and other financial institutions	566,093	606,666
Payables under fluidity long-term lease receivables and installment sales trade receivables	51,835	36,626
Lease obligations	41	462
Deferred tax liabilities	14,806	16,790
Net defined benefit liability	1,744	1,533
Accrued retirement benefits for directors and corporate auditors	142	169
Provision for automobile maintenance costs	350	381
Provision for loss on guarantees	1,107	992
Asset retirement obligations	534	1,027
Other	58,595	62,436
Total long-term liabilities	785,252	817,086
Total liabilities	2,040,897	2,148,264

(¥ millions)

	As of March 31, 2017	As of March 31, 2018
Net assets		
Shareholders' equity		
Common stock	10,532	10,532
Capital surplus	10,416	10,416
Retained earnings	169,942	187,673
Treasury stock, at cost	(342)	(224)
Total Shareholders' equity	190,548	208,397
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	35,314	39,265
Deferred gains (losses) on hedges	(109)	(92)
Foreign currency translation adjustment	2,137	1,551
Remeasurements of defined benefit plans	(47)	(10)
Total accumulated other comprehensive income	37,294	40,714
Subscription rights to shares	842	924
Non-controlling interests	30,506	32,537
Total net assets	259,192	282,574
Total liabilities and net assets	2,300,090	2,430,838

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

Consolidated Statements of Income

(¥ millions)

	FY2016 (April 1, 2016 – March 31, 2017)	FY2017 (April 1, 2017 – March 31, 2018)
Total revenues	507,001	590,201
Total costs	451,856	529,789
Gross profit	55,145	60,412
Selling, general and administrative expenses	26,510	27,802
Operating profit	28,634	32,609
Other income		
Interest income	23	49
Dividend income	1,612	1,507
Foreign exchange gains	50	–
Gain on investments in partnership	12	36
Gain on investments in silent partnership	255	424
Equity in earnings of affiliates	456	753
Bad debts recovered	285	118
Reversal of allowance for doubtful receivables	149	103
Reversal of provision for loss on guarantees	262	127
Other	179	149
Total other income	3,287	3,269
Other expenses		
Interest expenses	312	363
Bond issuance cost	13	8
Foreign exchange losses	–	77
Loss on investments in partnership	29	45
Loss on investments in silent partnership	0	10
Other	185	173
Total other expenses	542	678
Ordinary profit	31,379	35,200
Extraordinary gains		
Gain on sale of marketable and investment securities	466	0
Total extraordinary gains	466	0

(¥ millions)

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Extraordinary losses		
Loss on sale of marketable and investment securities	0	-
Impairment loss	-	38
Loss on disposal of own-used assets	2	10
Loss on liquidation of subsidiaries and associates	-	2
Loss on valuation of golf club membership	-	20
Total extraordinary losses	2	70
Profit before income taxes	31,844	35,130
Income taxes - current	10,051	10,965
Income taxes - deferred	(511)	(92)
Income taxes	9,540	10,872
Profit after income taxes	22,304	24,257
Profit attributable to non-controlling interests	2,330	2,312
Profit attributable to owners of parent	19,974	21,944

Consolidated Statements of Comprehensive Income

(¥ millions)

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Profit after income taxes	22,304	24,257
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	3,076	3,957
Deferred gains (losses) on hedges	26	9
Foreign currency translation adjustment	(272)	(586)
Remeasurements of defined benefit plans	51	80
Share of other comprehensive income of entities accounted for using equity method	211	(14)
Total other comprehensive income	3,092	3,445
Comprehensive income	25,397	27,702
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	23,042	25,364
Comprehensive income attributable to non-controlling interests	2,354	2,338

(3) Consolidated Statements of Shareholders' Equity

FY2016 (From April 1, 2016 to March 31, 2017)

(¥ millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at beginning of year	10,532	10,416	153,366	(401)	173,913
Changes during the year					
Cash dividend			(3,379)		(3,379)
Profit attributable to owners of parent			19,974		19,974
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(18)	59	41
Net changes of items other than shareholders' equity					
Total changes during the year	-	-	16,576	59	16,635
Balance at end of year	10,532	10,416	169,942	(342)	190,548

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	32,230	(187)	2,416	(232)	34,226	722	23,670	232,531
Changes during the year								
Cash dividend								(3,379)
Profit attributable to owners of parent								19,974
Purchase of treasury stock								(0)
Disposal of treasury stock								41
Net changes of items other than shareholders' equity	3,084	77	(278)	185	3,068	120	6,835	10,025
Total changes during the year	3,084	77	(278)	185	3,068	120	6,835	26,660
Balance at end of year	35,314	(109)	2,137	(47)	37,294	842	30,506	259,192

FY2017 (From April 1, 2017 to March 31, 2018)

(¥ millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at beginning of year	10,532	10,416	169,942	(342)	190,548
Changes during the year					
Cash dividend			(4,167)		(4,167)
Profit attributable to owners of parent			21,944		21,944
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(45)	118	73
Net changes of items other than shareholders' equity					
Total changes during the year	-	-	17,730	118	17,849
Balance at end of year	10,532	10,416	187,673	(224)	208,397

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	35,314	(109)	2,137	(47)	37,294	842	30,506	259,192
Changes during the year								
Cash dividend								(4,167)
Profit attributable to owners of parent								21,944
Purchase of treasury stock								(0)
Disposal of treasury stock								73
Net changes of items other than shareholders' equity	3,951	17	(586)	37	3,419	81	2,031	5,532
Total changes during the year	3,951	17	(586)	37	3,419	81	2,031	23,381
Balance at end of year	39,265	(92)	1,551	(10)	40,714	924	32,537	282,574

(4) Consolidated Statements of Cash Flows

(¥ millions)

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	31,844	35,130
Depreciation of leased assets	31,564	31,126
Loss on retirement of property for lease and cost of property for lease sales	10,923	70,364
Depreciation on own-used assets	1,200	1,251
Amortization of goodwill and negative goodwill	1,328	1,571
Increase (decrease) in allowance for doubtful receivables	(367)	(622)
Increase (decrease) in provision for bonuses and directors' bonuses	33	70
Increase (decrease) in provision for future lease payments	(1)	0
Increase (decrease) in provision for directors' retirement benefits	(48)	27
Increase (decrease) in provision for automobile maintenance costs	(177)	30
Increase (decrease) in provision for loss on guarantees	(262)	(127)
Increase (decrease) in net defined benefit liability	18	(130)
Interest and dividend income	(1,636)	(1,556)
Interest expenses	7,437	7,704
Loss (gain) on investments in partnership and silent partnership	(237)	(404)
Equity in earnings of affiliates	(456)	(753)
Loss (gain) on sales of marketable and investment securities	(466)	(0)
Loss (gain) on disposal of noncurrent assets	2	10
Decrease (increase) in installment sales trade receivables	982	12,774
Decrease (increase) in lease receivables and investment assets	(45,700)	(49,480)
Decrease (increase) in lease and other trade receivables	(1,549)	(1,599)
Decrease (increase) in accounts receivable-operating loans	16,585	8,159
Decrease (increase) in other operating loans receivable	(11,932)	(6,663)
Decrease (increase) in investment securities for sale	(45,131)	(28,678)
Purchase of leased assets	(131,628)	(149,448)
Decrease (increase) in net defined benefit asset	101	85
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	194	(142)
Decrease (increase) in guarantee money	2,197	111
Increase (decrease) in notes and accounts payable-trade	(576)	(3,710)
Increase (decrease) in lease obligations	(20,270)	(14,366)

(¥ millions)

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Increase (decrease) in guarantee deposits from customers	5,390	3,460
Other, net	12,071	1,861
Subtotal	(138,567)	(83,945)
Interest and dividend income received	1,393	1,361
Interest expenses paid	(7,313)	(7,857)
Income taxes paid	(9,541)	(10,226)
Net cash provided by (used in) operating activities	(154,028)	(100,667)
Cash flows from investing activities		
Purchases of property and equipment for own use	(1,468)	(5,862)
Purchases of marketable and investment securities	(693)	(7,501)
Proceeds from the sales and redemption of investment securities	2,992	2,604
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,159)	-
Payments for investments in silent partnership	(1,050)	-
Proceeds from withdrawal of investments in silent partnership	2,800	1,050
Other, net	681	280
Net cash provided by (used in) investing activities	(4,897)	(9,428)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	10,837	11,262
Increase (decrease) in commercial paper, net	26,500	54,000
Proceeds from long-term loans from bank and other financial institutions	331,931	292,281
Repayment of long-term loans from bank and other financial institutions	(220,869)	(237,469)
Increase (decrease) in payables under securitized lease receivables, net	(2,900)	(2,600)
Proceeds from payables under fluidity lease receivables and installment sales trade receivables	32,262	25,959
Repayment of payables under fluidity lease receivables and installment sales trade receivables	(45,907)	(44,798)
Proceeds from issuance of bonds	40,000	20,000
Redemption of bonds	(10,150)	(300)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	41	73
Cash dividends paid	(3,379)	(4,168)
Dividends paid to non-controlling interests	(210)	(304)
Other, net	(480)	(384)
Net cash provided by (used in) financing activities	157,674	113,549

(¥ millions)

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Effect of exchange rate changes on cash and cash equivalents	406	47
Net increase (decrease) in cash and cash equivalents	(844)	3,500
Cash and cash equivalents at beginning of period	51,406	50,561
Cash and cash equivalents at end of period	50,561	54,062

(5) Notes to the Consolidated Financial Statements

Note on the Going-concern Assumption

Not applicable

Change in Accounting Policy

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 evaluating 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 sells commercial/service equipment, production facilities, medical devices, and other assets on an installment basis. The Financing segment is mainly engaged in commercial lending and investment in marketable securities for financial income. The Other segment primarily engages in environmental-related businesses and forms *tokumei-kumiai* (silent partnership) arrangements.

2. Calculation of revenues, profit and 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.

3. Revenues, profit/loss, assets, liabilities, and other items by reportable segment
 FY2016 (From April 1, 2016 to March 31, 2017)

(¥ millions)

	Lease Installment sales	Financing	Other	Total
Operating revenues				
(1) Revenue from external customers	485,470	10,280	11,251	507,001
(2) Intersegment revenue and transfers	950	1,469	691	3,112
Total revenues	486,420	11,749	11,943	510,114
Operating profit	28,717	6,964	3,678	39,360
Segment assets	1,552,310	646,179	26,731	2,225,221
Other items				
Depreciation	31,564	-	-	31,564
Amortization of goodwill	1,189	81	57	1,328
Amount invested in equity-method affiliates	-	-	-	-
Increase in tangible fixed assets and intangible fixed assets	127,061	-	247	127,308

FY2017 (From April 1, 2017 to March 31, 2018)

(¥ millions)

	Lease Installment sales	Financing	Other	Total
Operating revenues				
(1) Revenue from external customers	560,298	13,063	16,839	590,201
(2) Intersegment revenue and transfers	839	2,073	846	3,759
Total revenues	561,137	15,137	17,686	593,961
Operating profit	29,705	8,605	4,438	42,749
Segment assets	1,619,503	677,427	36,926	2,333,858
Other items				
Depreciation	31,126	-	-	31,126
Amortization of goodwill	1,189	324	57	1,571
Amount invested in equity-method affiliates	-	-	-	-
Increase in tangible fixed assets and intangible fixed assets	157,674	-	3,648	161,323

4. Difference, and analysis, between reportable segments' total profit/loss and profit/loss reported on the consolidated financial statements (adjustments)

Operating revenues (¥ millions)	FY2016 (April 1, 2016 - March 31, 2017)		FY2017 (April 1, 2017 - March 31, 2018)	
Reportable segments total		510,114		593,961
Eliminations		(3,112)		(3,759)
Operating revenues reported on the consolidated statements of income		507,001		590,201

Income (¥ millions)	FY2016 (April 1, 2016 - March 31, 2017)		FY2017 (April 1, 2017 - March 31, 2018)	
Reportable segments total		39,360		42,749
Eliminations		(2,077)		(1,876)
Corporate (Note)		(8,648)		(8,263)
Operating profit reported on the consolidated statements of income		28,634		32,609

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

Assets (¥ millions)	As of March 31, 2017		As of March 31, 2018	
Reportable segments total		2,225,221		2,333,858
Corporate (Note)		74,868		96,980
Total assets reported on the consolidated balance sheets		2,300,090		2,430,838

Note: Corporate assets include surplus funds (cash and time 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	
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Depreciation	31,564	31,126	1,200	1,251	32,765	32,377
Amortization of goodwill	1,328	1,571	-	-	1,328	1,571
Amount invested in equity-method affiliates	-	-	7,566	14,504	7,566	14,504
Increase in tangible fixed assets and intangible fixed assets	127,308	161,323	1,220	2,213	128,529	163,536

Notes:

1. Depreciation adjustments mainly represent depreciation on own-used assets.
2. Adjustments for amount invested in equity-method affiliates mainly represent the amount of funds invested in equity-method affiliates.
3. Adjustments on increases in tangible fixed assets and intangible fixed assets mainly represent capital investment in own-used assets.

Per Share Information

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Net assets per share	¥7,547.33	¥8,242.50
Basic earnings per share	¥661.80	¥726.41
Diluted earnings per share	¥655.96	¥719.99

Note: 1. Calculation basis of net assets per share is as follows.

	As of March 31, 2017	As of March 31, 2018
Total net assets (¥ millions)	259,192	282,574
Amounts excluded from total net assets (¥ millions)	31,349	33,462
(Of which, subscription rights to shares)	(842)	(924)
Of which, non-controlling interests	(30,506)	(32,537)
Net assets attributable to common stock (¥ millions)	227,843	249,112
Number of shares in common stock used in the calculation of net assets per share (thousands shares)	30,188	30,222

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

	FY2016 (April 1, 2016 - March 31, 2017)	FY2017 (April 1, 2017 - March 31, 2018)
Basic earnings per share		
Profit attributable to owners of parent (¥ million)	19,974	21,944
Amount not attributable to common stock shareholders (¥ million)	-	-
Profit attributable to owners of parent attributable to common stock (¥ million)	19,974	21,944
Average number of shares during the period (thousands shares)	30,181	30,209
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (¥ millions)	-	(0)
(Of which, adjustments due to potential shares of consolidated subsidiaries)	-	(0)
Increase in the number of shares in common stock (thousands shares)	268	269
(Of which, subscription rights to shares)	(268)	(269)

Residual securities that are not dilutive and not included in the calculation of diluted earnings per share	_____	_____
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Subsequent Events

Corporate bond issuance

The company issued straight bonds as follows:

- (1) Issue name: Fuyo General Lease Co., Ltd., No. 16 unsecured straight bond
- (2) Issuance amount: ¥15,000 million
- (3) Issuance date: April 27, 2018
- (4) Issue price: ¥100 per ¥100 of face value
- (5) Coupon rate: 0.210% per year
- (6) Redemption date: April 27, 2023
- (7) Purpose: To fund capital investments Not applicable

4. Newly Executed Contracts, Operating Assets

(1) Executed contracts volume

Segment by Business		FY2016 (April 1, 2016 - March 31, 2017)		FY2017 (April 1, 2017 - March 31, 2018)		Net Change	
		Executed contracts volume (¥ millions)	Composition (%)	Executed contracts volume (¥ millions)	Composition (%)	Amount (¥ millions)	Pct. (%)
Lease and installme nt sales	Finance leases	395,772	47.5	405,180	36.7	9,407	2.4
	Operating leases	127,632	15.3	158,408	14.3	30,775	24.1
	Total leases	523,405	62.8	563,588	51.0	40,183	7.7
	Installment sales	62,696	7.5	49,917	4.5	(12,779)	(20.4)
	Lease and installment sales total	586,101	70.3	613,505	55.5	27,404	4.7
Financing		247,801	29.7	487,873	44.2	240,072	96.9
Other		247	0.0	3,648	0.3	3,401	-
Total		834,150	100.0	1,105,028	100.0	270,877	32.5

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 fiscal year. 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 March 31, 2018		Net Change	
		Balance (¥ millions)	Composition (%)	Balance (¥ millions)	Composition (%)	Amount (¥ millions)	Pct. (%)
Lease and installme nt sales	Finance leases	1,048,607	51.3	1,098,722	50.7	50,114	4.8
	Operating leases	321,210	15.7	375,685	17.3	54,475	17.0
	Total leases	1,369,818	67.0	1,474,408	68.0	104,590	7.6
	Installment sales	127,850	6.3	115,072	5.3	(12,778)	(10.0)
	Lease and installment sales total	1,497,668	73.3	1,589,480	73.3	91,812	6.1
Financing		528,716	25.9	559,576	25.8	30,860	5.8
Other		17,180	0.8	19,671	0.9	2,490	14.5
Total		2,043,565	100.0	2,168,728	100.0	125,163	6.1

Notes:

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