

Consolidated Balance Sheet  
 IBJ Leasing Company, Limited and Consolidated Subsidiaries  
 As of September 30, 2018

|                                                                        | Millions of yen      |                  | Thousands of<br>U.S. dollars<br>(Note 1) |
|------------------------------------------------------------------------|----------------------|------------------|------------------------------------------|
|                                                                        | September 30<br>2018 | March 31<br>2018 | September 30<br>2018                     |
| <b>ASSETS</b>                                                          |                      |                  |                                          |
| Current Assets:                                                        |                      |                  |                                          |
| Cash and Cash Equivalents                                              | ¥ 29,828             | ¥ 29,607         | \$ 262,622                               |
| Marketable Securities                                                  | -                    | 520              | -                                        |
| Lease Receivables and Investments in Lease (Note 4)                    | 879,782              | 823,384          | 7,745,931                                |
| Receivables (Note 4):                                                  |                      |                  |                                          |
| Notes and Accounts                                                     | 479                  | 363              | 4,225                                    |
| Lease                                                                  | 2,812                | 4,289            | 24,759                                   |
| Installment Sales                                                      | 133,414              | 138,851          | 1,174,633                                |
| Loans                                                                  | 225,759              | 230,405          | 1,987,671                                |
| Factoring                                                              | 228,414              | 125,538          | 2,011,047                                |
| Other                                                                  | 5,275                | 4,130            | 46,443                                   |
| Total Receivables                                                      | 596,156              | 503,577          | 5,248,778                                |
| Operational Investment Securities (Note 4)                             | 213,214              | 196,860          | 1,877,220                                |
| Prepaid Expenses and Other                                             | 45,903               | 50,760           | 404,155                                  |
| Allowance for Doubtful Receivables                                     | (1,330)              | (2,265)          | (11,712)                                 |
| Total Current Assets                                                   | 1,763,555            | 1,602,444        | 15,526,994                               |
| Property and Equipment:                                                |                      |                  |                                          |
| Leased Assets (Note 4)                                                 | 202,676              | 160,100          | 1,784,435                                |
| Advances for Purchases of Leased Assets                                | 7,897                | 5,858            | 69,531                                   |
| Other Operating Assets (Note 4)                                        | 6,363                | 3,888            | 56,028                                   |
| Advances for Purchases of Other Operating Assets                       | 0                    | 1,873            | 1                                        |
| Own-used Assets                                                        | 2,932                | 2,992            | 25,821                                   |
| Total Property and Equipment                                           | 219,870              | 174,714          | 1,935,816                                |
| Investments and Other Assets:                                          |                      |                  |                                          |
| Investment Securities                                                  | 21,274               | 21,680           | 187,311                                  |
| Investments in Unconsolidated Subsidiaries<br>and Associated Companies | 7,338                | 8,359            | 64,613                                   |
| Long-term Receivables                                                  | 1,697                | 2,440            | 14,947                                   |
| Goodwill                                                               | 116                  | 133              | 1,024                                    |
| Intangible Leased Assets (Note 4)                                      | 94                   | 105              | 834                                      |
| Deferred Tax Assets                                                    | 1,536                | 2,006            | 13,525                                   |
| Other                                                                  | 10,440               | 9,567            | 91,926                                   |
| Allowance for Doubtful Receivables                                     | (65)                 | (171)            | (578)                                    |
| Total Investments and Other Assets                                     | 42,433               | 44,123           | 373,602                                  |
| Total Assets                                                           | ¥ 2,025,859          | ¥ 1,821,282      | \$ 17,836,412                            |

Consolidated Balance Sheet  
IBJ Leasing Company, Limited and Consolidated Subsidiaries  
As of September 30, 2018

|                                                                                                    | Millions of yen      |                    | Thousands of<br>U.S. dollars<br>(Note 1) |
|----------------------------------------------------------------------------------------------------|----------------------|--------------------|------------------------------------------|
|                                                                                                    | September 30<br>2018 | March 31<br>2018   | September 30<br>2018                     |
| <b>LIABILITIES and EQUITY</b>                                                                      |                      |                    |                                          |
| Current Liabilities:                                                                               |                      |                    |                                          |
| Short-term Borrowings (Note 5)                                                                     | ¥ 940,620            | ¥ 788,165          | \$ 8,281,568                             |
| Current Portion of Long-term Debt (Note 5)                                                         | 206,236              | 202,054            | 1,815,780                                |
| Lease Payable                                                                                      | 6,590                | 7,251              | 58,024                                   |
| Accounts Payable - trade                                                                           | 38,140               | 54,383             | 335,806                                  |
| Accrued Expenses                                                                                   | 2,625                | 2,669              | 23,115                                   |
| Income Taxes Payable                                                                               | 2,852                | 2,015              | 25,116                                   |
| Deferred Profit on Installment Sales (Note 4)                                                      | 240                  | 258                | 2,118                                    |
| Accruals for Debt Guarantees                                                                       | 32                   | 27                 | 282                                      |
| Other                                                                                              | 24,016               | 25,318             | 211,447                                  |
| <b>Total Current Liabilities</b>                                                                   | <b>1,221,354</b>     | <b>1,082,143</b>   | <b>10,753,256</b>                        |
| Long-term Liabilities:                                                                             |                      |                    |                                          |
| Long-term Debt (Note 5)                                                                            | 603,872              | 546,020            | 5,316,719                                |
| Deposits Received                                                                                  | 30,819               | 29,126             | 271,344                                  |
| Liability for Employees' Retirement Benefits                                                       | 2,347                | 2,410              | 20,671                                   |
| Other                                                                                              | 6,875                | 6,947              | 60,538                                   |
| <b>Total Long-term Liabilities</b>                                                                 | <b>643,915</b>       | <b>584,505</b>     | <b>5,669,272</b>                         |
| Contingent Liabilities (Note 6)                                                                    |                      |                    |                                          |
| Equity: (Note 9)                                                                                   |                      |                    |                                          |
| Common Stock                                                                                       | 17,874               | 17,874             | 157,371                                  |
| Authorized, 140,000,000 Shares;<br>Issued, 42,649,000 Shares as of September 30 and March 31, 2018 |                      |                    |                                          |
| Capital Surplus                                                                                    | 16,070               | 16,070             | 141,489                                  |
| Retained Earnings                                                                                  | 112,150              | 105,148            | 987,412                                  |
| Treasury Stock - at cost                                                                           | (1)                  | (1)                | (10)                                     |
| 627 shares as of September 30 and 583 shares as of March 31, 2018                                  |                      |                    |                                          |
| Accumulated Other Comprehensive Income:                                                            |                      |                    |                                          |
| Unrealized Gain on Available-for-sale Securities                                                   | 8,494                | 9,047              | 74,785                                   |
| Deferred Gain on Derivatives under Hedge Accounting                                                | 158                  | 141                | 1,392                                    |
| Foreign Currency Translation Adjustments                                                           | (68)                 | 621                | (600)                                    |
| Defined Retirement Benefit Plans                                                                   | 47                   | 48                 | 418                                      |
| <b>Total</b>                                                                                       | <b>154,725</b>       | <b>148,951</b>     | <b>1,362,257</b>                         |
| Non-controlling Interests                                                                          | 5,863                | 5,681              | 51,627                                   |
| <b>Total Equity</b>                                                                                | <b>160,588</b>       | <b>154,632</b>     | <b>1,413,884</b>                         |
| <b>Total Liabilities and Equity</b>                                                                | <b>¥ 2,025,859</b>   | <b>¥ 1,821,282</b> | <b>\$ 17,836,412</b>                     |



Consolidated Statement of Comprehensive Income  
 IBI Leasing Company, Limited and Consolidated Subsidiaries  
 For the six-month period ended September 30, 2018  
 For the year ended March 31, 2018

|                                                                    | Millions of yen      |                      | Thousands of<br>U.S. dollars<br>(Note 1) |
|--------------------------------------------------------------------|----------------------|----------------------|------------------------------------------|
|                                                                    | September 30<br>2018 | September 30<br>2017 | September 30<br>2018                     |
| Net Income                                                         | ¥ 8,940              | ¥ 6,940              | \$ 78,714                                |
| Other Comprehensive (Loss) Income:                                 |                      |                      |                                          |
| Unrealized (Loss) Gain on Available-for-sale Securities            | (548)                | 1,599                | (4,826)                                  |
| Deferred Gain (Loss) on Derivatives under Hedge Accounting         | 16                   | (108)                | 142                                      |
| Foreign Currency Translation Adjustments                           | (649)                | (325)                | (5,719)                                  |
| Defined Retirement Benefit Plans                                   | 0                    | 5                    | 4                                        |
| Share of Other Comprehensive (Loss) Income in Associated Companies | (93)                 | 3                    | (820)                                    |
| Total Other Comprehensive (Loss) Income                            | (1,274)              | 1,173                | (11,219)                                 |
| <b>Comprehensive Income</b>                                        | <b>¥ 7,666</b>       | <b>¥ 8,114</b>       | <b>\$ 67,495</b>                         |
| Total Comprehensive Income attributable to:                        |                      |                      |                                          |
| Owners of the Parent                                               | ¥ 7,394              | ¥ 7,930              | \$ 65,102                                |
| Non-controlling Interests                                          | 271                  | 183                  | 2,393                                    |

Consolidated Statement of Changes in Equity  
 IBI Leasing Company, Limited and Consolidated Subsidiaries  
 For the six-month period ended September 30, 2018

|                                                    | Thousands                                             | Millions of yen |                    |                      |                   |
|----------------------------------------------------|-------------------------------------------------------|-----------------|--------------------|----------------------|-------------------|
|                                                    | Number of<br>shares of<br>Common Stock<br>Outstanding | Common<br>Stock | Capital<br>Surplus | Retained<br>Earnings | Treasury<br>Stock |
| Balance as of April 1, 2017                        | 42,648                                                | ¥ 17,874        | ¥ 16,086           | ¥ 94,319             | ¥ (1)             |
| Net Income attributable to Owners<br>of the Parent |                                                       |                 |                    | 13,643               |                   |
| Cash Dividends Paid                                |                                                       |                 |                    | (2,814)              |                   |
| Purchase of Treasury Stock                         |                                                       |                 |                    |                      |                   |
| Changes in an Interest in Subsidiary               |                                                       |                 | (15)               |                      |                   |
| Net change during year                             |                                                       |                 |                    |                      |                   |
| Balance as of March 31, 2018                       | 42,648                                                | ¥ 17,874        | ¥ 16,070           | ¥ 105,148            | ¥ (1)             |
| Net Income attributable to Owners<br>of the Parent |                                                       |                 |                    | 8,622                |                   |
| Cash Dividends Paid                                |                                                       |                 |                    | (1,620)              |                   |
| Purchase of Treasury Stock                         |                                                       |                 |                    |                      | (0)               |
| Changes in an Interest in Subsidiary               |                                                       |                 |                    |                      |                   |
| Net change during year                             |                                                       |                 |                    |                      |                   |
| Balance as of September 30, 2018                   | 42,648                                                | ¥ 17,874        | ¥ 16,070           | ¥ 112,150            | ¥ (1)             |

|                                                    | Millions of yen                                           |                                                              |                                                   |                                        | Total     | Non-<br>controlling<br>Interests | Total Equity |
|----------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|----------------------------------------|-----------|----------------------------------|--------------|
|                                                    | Unrealized<br>Gain on<br>Available-for-sale<br>Securities | Deferred Gain<br>on Derivatives<br>under Hedge<br>Accounting | Foreign<br>Currency<br>Translation<br>Adjustments | Defined<br>Retirement<br>Benefit Plans |           |                                  |              |
| Balance as of April 1, 2017                        | ¥ 8,036                                                   | ¥ 24                                                         | ¥ 348                                             | ¥ (116)                                | ¥ 136,571 | ¥ 5,183                          | ¥ 141,755    |
| Net Income attributable to Owners<br>of the Parent |                                                           |                                                              |                                                   |                                        | 13,643    |                                  | 13,643       |
| Cash Dividends Paid                                |                                                           |                                                              |                                                   |                                        | (2,814)   |                                  | (2,814)      |
| Purchase of Treasury Stock                         |                                                           |                                                              |                                                   |                                        |           |                                  |              |
| Changes in an Interest in Subsidiary               |                                                           |                                                              |                                                   |                                        | (15)      |                                  | (15)         |
| Net change during year                             | 1,011                                                     | 117                                                          | 273                                               | 164                                    | 1,566     | 497                              | 2,064        |
| Balance as of March 31, 2018                       | ¥ 9,047                                                   | ¥ 141                                                        | ¥ 621                                             | ¥ 48                                   | ¥ 148,951 | ¥ 5,681                          | ¥ 154,632    |
| Net Income attributable to Owners<br>of the Parent |                                                           |                                                              |                                                   |                                        | 8,622     |                                  | 8,622        |
| Cash Dividends Paid                                |                                                           |                                                              |                                                   |                                        | (1,620)   |                                  | (1,620)      |
| Purchase of Treasury Stock                         |                                                           |                                                              |                                                   |                                        | (0)       |                                  | (0)          |
| Changes in an Interest in Subsidiary               |                                                           |                                                              |                                                   |                                        |           |                                  |              |
| Net change during year                             | (553)                                                     | 16                                                           | (690)                                             | (0)                                    | (1,228)   | 182                              | (1,045)      |
| Balance as of September 30, 2018                   | ¥ 8,494                                                   | ¥ 158                                                        | ¥ (68)                                            | ¥ 47                                   | ¥ 154,725 | ¥ 5,863                          | ¥ 160,588    |

|                                                    | Thousands of U.S. dollars (Note 1) |                    |                      |                   |
|----------------------------------------------------|------------------------------------|--------------------|----------------------|-------------------|
|                                                    | Common<br>Stock                    | Capital<br>Surplus | Retained<br>Earnings | Treasury<br>Stock |
| Balance as of March 31, 2018                       | \$ 157,371                         | \$ 141,489         | \$ 925,767           | \$ (9)            |
| Net Income attributable to Owners<br>of the Parent |                                    |                    | 75,914               |                   |
| Cash Dividends Paid                                |                                    |                    | (14,269)             |                   |
| Purchase of Treasury Stock                         |                                    |                    |                      | (1)               |
| Changes in an Interest in Subsidiary               |                                    |                    |                      |                   |
| Net change during year                             |                                    |                    |                      |                   |
| Balance as of September 30, 2018                   | \$ 157,371                         | \$ 141,489         | \$ 987,412           | \$ (10)           |

|                                                    | Thousands of U.S. dollars (Note 1)                        |                                                              |                                                   |                                        | Total        | Non-<br>controlling<br>Interests | Total Equity |
|----------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|----------------------------------------|--------------|----------------------------------|--------------|
|                                                    | Unrealized<br>Gain on<br>Available-for-sale<br>Securities | Deferred Gain<br>on Derivatives<br>under Hedge<br>Accounting | Foreign<br>Currency<br>Translation<br>Adjustments | Defined<br>Retirement<br>Benefit Plans |              |                                  |              |
| Balance as of March 31, 2018                       | \$ 79,658                                                 | \$ 1,249                                                     | \$ 5,475                                          | \$ 425                                 | \$ 1,311,425 | \$ 50,018                        | \$ 1,361,443 |
| Net Income attributable to Owners<br>of the Parent |                                                           |                                                              |                                                   |                                        | 75,914       |                                  | 75,914       |
| Cash Dividends Paid                                |                                                           |                                                              |                                                   |                                        | (14,269)     |                                  | (14,269)     |
| Purchase of Treasury Stock                         |                                                           |                                                              |                                                   |                                        | (1)          |                                  | (1)          |
| Changes in an Interest in Subsidiary               |                                                           |                                                              |                                                   |                                        |              |                                  |              |
| Net change during year                             | (4,873)                                                   | 143                                                          | (6,075)                                           | (7)                                    | (10,812)     | 1,609                            | (9,203)      |
| Balance as of September 30, 2018                   | \$ 74,785                                                 | \$ 1,392                                                     | \$ (600)                                          | \$ 418                                 | \$ 1,362,257 | \$ 51,627                        | \$ 1,413,884 |

Consolidated Statement of Cash Flows  
 IBJ Leasing Company, Limited and Consolidated Subsidiaries  
 For the six-month period ended September 30, 2018

|                                                                               | Millions of yen      |                      | Thousands of<br>U.S. dollars<br>(Note 1) |
|-------------------------------------------------------------------------------|----------------------|----------------------|------------------------------------------|
|                                                                               | September 30<br>2018 | September 30<br>2017 | September 30<br>2018                     |
| <b>Cash Flows from Operating Activities:</b>                                  |                      |                      |                                          |
| Income before Income Taxes                                                    | ¥ 12,945             | ¥ 9,993              | \$ 113,979                               |
| Adjustments for:                                                              |                      |                      |                                          |
| Income Taxes Paid                                                             | (2,501)              | (1,768)              | (22,025)                                 |
| Depreciation and Disposal of Fixed Assets                                     | 4,670                | 5,767                | 41,121                                   |
| Equity in Earnings of Associated Companies                                    | (190)                | (153)                | (1,674)                                  |
| Profit from Investments                                                       | (1,659)              | (120)                | (14,607)                                 |
| Decrease in Allowance for Doubtful Receivables                                | (1,039)              | (805)                | (9,155)                                  |
| Increase (Decrease) in Accruals for Debt Guarantees                           | 4                    | (36)                 | 42                                       |
| Loss on Devaluation of Marketable and Investment Securities                   | 46                   | 9                    | 405                                      |
| Change in assets and liabilities:                                             |                      |                      |                                          |
| Increase in Lease Receivables and Investments in Lease                        | (58,388)             | (22,550)             | (514,072)                                |
| (Increase) Decrease in Receivables                                            | (91,332)             | 39,747               | (804,124)                                |
| Increase in Operational Investment Securities                                 | (16,354)             | (9,262)              | (143,988)                                |
| Decrease in Accounts Payable trade                                            | (16,177)             | (8,198)              | (142,436)                                |
| Purchases of Leased Assets                                                    | (62,585)             | (25,912)             | (551,029)                                |
| Proceeds from Sales of Leased Assets                                          | 12,324               | 13,690               | 108,506                                  |
| Increase (Decrease) in Interest Payable                                       | 85                   | (20)                 | 757                                      |
| Other net                                                                     | 14,288               | 20,228               | 125,803                                  |
| Total Adjustments                                                             | (218,809)            | 10,614               | (1,926,476)                              |
| Net Cash (Used in) Provided by Operating Activities                           | (205,863)            | 20,608               | (1,812,497)                              |
| <b>Cash Flows from Investing Activities:</b>                                  |                      |                      |                                          |
| Purchases of Own-used Assets                                                  | (1,199)              | (687)                | (10,564)                                 |
| Purchases of Marketable and Investment Securities                             | (301)                | (435)                | (2,655)                                  |
| Proceeds from Sales and Redemption of Marketable<br>and Investment Securities | 1,865                | 60                   | 16,421                                   |
| Other net                                                                     | (2,249)              | (230)                | (19,809)                                 |
| Net Cash Used in Investing Activities                                         | (1,886)              | (1,293)              | (16,607)                                 |
| <b>Cash Flows from Financing Activities:</b>                                  |                      |                      |                                          |
| Net Increase (Decrease) in Short-term Borrowings                              | 149,766              | (28,607)             | 1,318,601                                |
| Proceeds from Long-term Debt                                                  | 165,903              | 109,870              | 1,460,676                                |
| Repayments of Long-term Debt                                                  | (105,881)            | (96,812)             | (932,223)                                |
| Cash Dividends Paid                                                           | (1,620)              | (1,450)              | (14,269)                                 |
| Other net                                                                     | (143)                | (127)                | (1,267)                                  |
| Net Cash Provided by (Used in) Financing Activities                           | 208,023              | (17,127)             | 1,831,518                                |
| Foreign Currency Translation Adjustments on Cash and Cash Equivalents         | (53)                 | 1                    | (467)                                    |
| Net Increase in Cash and Cash Equivalents                                     | 221                  | 2,189                | 1,947                                    |
| Cash and Cash Equivalents at Beginning of the Period                          | 29,607               | 41,563               | 260,675                                  |
| Cash and Cash Equivalents at End of the Period                                | ¥ 29,828             | ¥ 43,752             | \$ 262,622                               |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of IBJ Leasing Company, Limited (“IBJL”) and its consolidated subsidiaries (together with IBJL, “IBJL Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the company’s financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2017 consolidated financial statements to conform to the classifications used in 2018. The accompanying consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and related notes for the year ended March 31, 2018.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which IBJL is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥113.58 to US\$1.00, the approximate rate of exchange at September 30, 2018. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. The amounts indicated in millions of yen are rounded down by truncating the figures below one million. As a result, totals may not add up exactly.

## 2. Scope of Consolidation

The consolidated financial statements include the accounts of IBJL Group, which include IBJL-TOSHIBA Leasing Company, Limited, Dai-ichi Leasing Co., Ltd., IBJ Auto Lease Company, Limited, IBJ Leasing (China) Ltd. and PT.IBJ Verena Finance. The number of the consolidated subsidiaries as of September 30, 2018 was 28.

The number of associated companies accounted for under the equity method as of September 30, 2018 was 3. Investments in associated companies consist of Krung Thai IBJ Leasing Co., Ltd., Juhachi Sogo Lease Co., Ltd. and PNB-IBJL Leasing and Finance Corporation.

## 3. Summary of Significant Accounting Policies

The accounting policies are the same as those applied in the Consolidated Financial Statements as of and for the year ended March 31, 2018.

## 4. Operating Assets

(1) Operating Assets as of September 30 and March 31, 2018 consisted of the following:

|                                     | (Millions of yen)     |                   | (Thousands of<br>U.S. dollars) |
|-------------------------------------|-----------------------|-------------------|--------------------------------|
|                                     | September 30,<br>2018 | March 31,<br>2018 | September 30,<br>2018          |
| Leasing and Installment Sales:      |                       |                   |                                |
| Finance Lease                       | ¥879,782              | ¥823,384          | \$7,745,931                    |
| Operating Lease                     | 202,770               | 160,206           | 1,785,269                      |
| Installment Sales (*1)              | 133,174               | 138,592           | 1,172,515                      |
| Leasing and Installment Sales total | 1,215,727             | 1,122,183         | 10,703,715                     |
| Finance                             | 672,664               | 556,933           | 5,922,381                      |
| Other                               | 6,363                 | 3,888             | 56,028                         |
| Total Operating Assets              | ¥1,894,755            | ¥1,683,005        | \$16,682,124                   |

(\*1) The amount of Installment Sales represents "Installment Sales Receivables" less "Deferred Profit on Installment Sales".

(2) The total amounts of new contracts during the periods ended September 30, 2018 and 2017 were as follows:

|                                     | (Millions of yen) |          | (Thousands of<br>U.S. dollars) |
|-------------------------------------|-------------------|----------|--------------------------------|
|                                     | 2018              | 2017     | 2018                           |
| Leasing and Installment Sales:      |                   |          |                                |
| Finance Lease                       | ¥185,803          | ¥150,449 | \$1,635,882                    |
| Operating Lease                     | 60,402            | 25,499   | 531,802                        |
| Installment Sales (*1)              | 23,686            | 29,568   | 208,541                        |
| Leasing and Installment Sales total | 269,891           | 205,517  | 2,376,225                      |
| Finance                             | 522,553           | 436,124  | 4,600,755                      |
| Other                               | 2,593             | -        | 22,835                         |
| Total                               | ¥795,038          | ¥641,642 | \$6,999,815                    |

(\*1) The amount of Installment Sales represents "Installment Sales Receivables" less "Deferred Profit on Installment Sales".



## 5. Short-term Borrowings and Long-term Debt

(1) "Short-term Borrowings" as of September 30 and March 31, 2018 was as follows:

|                                                                      | (Millions of yen)     |                   | (Thousands of<br>U.S. dollars) |
|----------------------------------------------------------------------|-----------------------|-------------------|--------------------------------|
|                                                                      | September 30,<br>2018 | March 31,<br>2018 | September 30,<br>2018          |
| Short-term Borrowings                                                |                       |                   |                                |
| Short-term Borrowings from banks and<br>other financial institutions | <b>¥274,579</b>       | ¥270,743          | <b>\$2,417,502</b>             |
| Commercial Paper                                                     | <b>585,000</b>        | 453,800           | <b>5,150,555</b>               |
| Payables under securitized lease receivables                         | <b>81,040</b>         | 63,621            | <b>713,511</b>                 |
| <b>Total</b>                                                         | <b>¥940,620</b>       | ¥788,165          | <b>\$8,281,568</b>             |
| Current Portion of Long-term Debt                                    |                       |                   |                                |
| Bonds payable                                                        | <b>¥20,000</b>        | ¥20,000           | <b>\$176,087</b>               |
| Long-term Debt from banks and<br>other financial institutions        | <b>186,236</b>        | 182,054           | <b>1,639,693</b>               |
| <b>Total</b>                                                         | <b>¥206,236</b>       | ¥202,054          | <b>\$1,815,780</b>             |

(2) "Long-term Debt" as of September 30 and March 31, 2018 was as follows:

|                                                               | (Millions of yen)     |                   | (Thousands of<br>U.S. dollars) |
|---------------------------------------------------------------|-----------------------|-------------------|--------------------------------|
|                                                               | September 30,<br>2018 | March 31,<br>2018 | September 30,<br>2018          |
| Long-term Debt                                                |                       |                   |                                |
| Bonds payable                                                 | <b>¥73,000</b>        | ¥38,000           | <b>\$642,719</b>               |
| Long-term Debt from banks and<br>other financial institutions | <b>492,733</b>        | 466,824           | <b>4,338,210</b>               |
| Payables under securitized lease receivables                  | <b>38,139</b>         | 41,196            | <b>335,790</b>                 |
| <b>Total</b>                                                  | <b>¥603,872</b>       | ¥546,020          | <b>\$5,316,719</b>             |

## 6. Contingent Liabilities

Contingent Liabilities as of September 30, 2018 were as follows:

|                                                                    | (Millions of yen) | (Thousands of<br>U.S. dollars) |
|--------------------------------------------------------------------|-------------------|--------------------------------|
|                                                                    | 2018              | 2018                           |
| Guarantee Obligations with respect to<br>operating activities (*1) | ¥10,546           | \$92,853                       |
| Other Guarantee Obligations                                        | 16,334            | 143,816                        |
| Accruals for Debt Guarantees                                       | (32)              | (282)                          |
| <b>Total</b>                                                       | <b>¥26,848</b>    | <b>\$236,387</b>               |

(\*1) The amount includes bank loans and trade receivables provided by Mizuho Bank, Ltd. and others, which are guaranteed by IBJL.

## 7. Segment Information

(1) Information about sales and profit

**For the six-month period ended September 30, 2018**

|                                     | (Millions of yen)  |               |              |                |                         |                      |
|-------------------------------------|--------------------|---------------|--------------|----------------|-------------------------|----------------------|
|                                     | 2018               |               |              |                |                         |                      |
|                                     | Reportable segment |               |              |                | Reconciliations<br>(*1) | Consolidated<br>(*2) |
| Leasing and<br>Installment Sales    | Finance            | Other         | Total        |                |                         |                      |
| Sales:                              |                    |               |              |                |                         |                      |
| Sales to external<br>customers      | ¥170,969           | ¥7,640        | ¥1,169       | ¥179,779       | ¥-                      | ¥179,779             |
| Intersegment sales<br>and transfers | 172                | 227           | 59           | 460            | (460)                   | -                    |
| <b>Total</b>                        | <b>171,142</b>     | <b>7,867</b>  | <b>1,229</b> | <b>180,240</b> | <b>(460)</b>            | <b>179,779</b>       |
| Operating Expenses                  | 162,581            | 3,260         | 794          | 166,636        | 2,077                   | 168,713              |
| <b>Segment Profit</b>               | <b>¥8,561</b>      | <b>¥4,607</b> | <b>¥434</b>  | <b>¥13,603</b> | <b>¥(2,537)</b>         | <b>¥11,066</b>       |

For the six-month period ended September 30, 2017

(Millions of yen)

|                                  | 2017                             |         |       |          |                         |                      |
|----------------------------------|----------------------------------|---------|-------|----------|-------------------------|----------------------|
|                                  | Reportable segment               |         |       |          | Reconciliations<br>(*1) | Consolidated<br>(*2) |
|                                  | Leasing and<br>Installment Sales | Finance | Other | Total    |                         |                      |
| Sales:                           |                                  |         |       |          |                         |                      |
| Sales to external customers      | ¥171,662                         | ¥6,165  | ¥580  | ¥178,408 | ¥-                      | ¥178,408             |
| Intersegment sales and transfers | 214                              | 149     | 55    | 419      | (419)                   | -                    |
| Total                            | 171,876                          | 6,314   | 636   | 178,828  | (419)                   | 178,408              |
| Operating Expenses               | 164,448                          | 2,213   | 411   | 167,073  | 1,854                   | 168,927              |
| Segment Profit                   | ¥7,428                           | ¥4,101  | ¥224  | ¥11,754  | ¥(2,273)                | ¥9,480               |

For the six-month period ended September 30, 2018

(Thousands of U.S. dollars)

|                                  | 2018                             |          |          |             |                         |                      |
|----------------------------------|----------------------------------|----------|----------|-------------|-------------------------|----------------------|
|                                  | Reportable segment               |          |          |             | Reconciliations<br>(*1) | Consolidated<br>(*2) |
|                                  | Leasing and<br>Installment Sales | Finance  | Other    | Total       |                         |                      |
| Sales:                           |                                  |          |          |             |                         |                      |
| Sales to external customers      | \$1,505,281                      | \$67,266 | \$10,301 | \$1,582,848 | \$-                     | \$1,582,848          |
| Intersegment sales and transfers | 1,521                            | 2,006    | 526      | 4,053       | (4,053)                 | -                    |
| Total                            | 1,506,802                        | 69,272   | 10,827   | 1,586,901   | (4,053)                 | 1,582,848            |
| Operating Expenses               | 1,431,424                        | 28,706   | 6,999    | 1,467,129   | 18,288                  | 1,485,417            |
| Segment Profit                   | \$75,378                         | \$40,566 | \$3,828  | \$119,772   | \$(22,341)              | \$97,431             |

(\*1) The details of Reconciliations to Segment Profit for the periods ended September 30, 2018 and 2017 were as follows:

|                                                                     | (Millions of yen) |                 | (Thousands of<br>U.S. dollars) |
|---------------------------------------------------------------------|-------------------|-----------------|--------------------------------|
|                                                                     | 2018              | 2017            | 2018                           |
| Elimination of intersegment transactions                            | ¥(129)            | ¥(130)          | \$(1,142)                      |
| Administrative expenses not allocated to<br>the reportable segments | (2,407)           | (2,142)         | (21,199)                       |
| <b>Total</b>                                                        | <b>¥(2,537)</b>   | <b>¥(2,273)</b> | <b>\$(22,341)</b>              |

(\*2) Segment Profits are reconciled to Operating Income in the Consolidated Statement of Income.

(2) Impairment loss of long-lived assets or goodwill per reportable segment:

Not applicable

## 8. Per Share Information

Details of basic Net Income attributable to Owners of the Parent per share (“EPS”) for the periods ended September 30, 2018 and 2017 were as follows:

|                                                          | (Millions of<br>yen) | (Thousands of<br>shares)   | (Yen)   | (U.S. dollars) |
|----------------------------------------------------------|----------------------|----------------------------|---------|----------------|
| Net Income<br>attributable<br>to Owners of<br>the Parent |                      | Weighted-average<br>shares | EPS     |                |
| <b>For the period ended September 30, 2018:</b>          |                      |                            |         |                |
| Basic EPS                                                |                      |                            |         |                |
| Net income available to common<br>shareholders           | ¥8,622               | 42,648                     | ¥202.17 | \$1.78         |
| <b>For the period ended September 30, 2017:</b>          |                      |                            |         |                |
| Basic EPS                                                |                      |                            |         |                |
| Net income available to common<br>shareholders           | ¥6,702               | 42,648                     | ¥157.15 | \$1.38         |

## 9. Subsequent Events

### Appropriation of Retained Earnings

On November 7, 2018, the Board of Directors of IBJL resolved to approve the payment of the interim cash dividends to its shareholders registered as of September 30, 2018 as follows:

|                                                   | (Millions of<br>yen) | (Thousands of<br>U.S. dollars) |
|---------------------------------------------------|----------------------|--------------------------------|
| Interim cash dividends, ¥38.00 (\$0.33) per share | <b>¥1,620</b>        | <b>\$14,269</b>                |