

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 2, 2024

Company name: RICOH LEASING COMPANY, LTD.
 Stock exchange listing: Tokyo
 Stock code: 8566 URL <https://www.r-lease.co.jp/>
 Representative: President and Chief Executive Officer Tokuharu Nakamura
 Managing Executive Officer and General Inquiries: Hiroshi Osawa TEL 050-1702-4203
 Manager of Corporate Management Division
 Scheduled date of ordinary general meeting of shareholders: June 24, 2024
 Scheduled date to file Securities Report: June 25, 2024
 Scheduled date to commence dividend payments: June 25, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	308,335	3.2	21,010	(1.0)	21,544	(0.1)	11,278	(24.2)
Year ended March 31, 2023	298,889	(1.6)	21,228	10.1	21,573	10.5	14,872	10.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	365.89	–	5.2	1.7	6.8
Year ended March 31, 2023	482.48	–	7.2	1.8	7.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	1,247,276	221,936	17.8	7,199.98
As of March 31, 2023	1,236,921	211,701	17.1	6,867.91

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(753)	(13,393)	4,984	4,956
Year ended March 31, 2023	(16,897)	(17,297)	43,487	14,119

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	65.00	–	80.00	145.00	4,469	30.1	2.2
Year ended March 31, 2024	–	75.00	–	75.00	150.00	4,623	41.0	2.1
Year ending March 31, 2025 (Forecast)	–	80.00	–	85.00	165.00		34.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	315,000	2.2	21,100	0.4	21,200	(1.6)	14,700	30.3	476.89

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	31,243,223 shares	As of March 31, 2023	31,243,223 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	418,649 shares	As of March 31, 2023	418,481 shares
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Average number of shares during the period

Year ended March 31, 2024	30,824,678 shares	Year ended March 31, 2023	30,824,856 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	14,119	4,956
Notes and accounts receivable - trade	242	233
Installment receivables	181,611	175,125
Lease payments receivable	27,369	24,335
Lease receivables and investments in leases	509,737	506,140
Accounts receivable - operating loans	253,706	260,176
Accounts receivable - other loans to customers	31,198	10,806
Other operating assets	12,528	12,259
Accounts receivable - lease	13,406	9,655
Other current assets	45,537	54,845
Allowance for doubtful accounts	(12,338)	(7,112)
Total current assets	1,077,120	1,051,425
Non-current assets		
Property, plant and equipment		
Assets for lease		
Assets for lease	69,141	89,456
Total assets for lease	69,141	89,456
Own-used assets		
Own-used assets	36,952	40,433
Total own-used assets	36,952	40,433
Total property, plant and equipment	106,094	129,890
Intangible assets		
Assets for lease	42	34
Other intangible assets	7,014	9,564
Total intangible assets	7,057	9,598
Investments and other assets		
Investment securities	31,234	35,129
Distressed receivables	602	5,939
Deferred tax assets	5,466	4,649
Other	9,936	16,170
Allowance for doubtful accounts	(592)	(5,527)
Total investments and other assets	46,649	56,361
Total non-current assets	159,800	195,850
Total assets	1,236,921	1,247,276

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,995	21,567
Current portion of bonds payable	30,000	50,000
Current portion of long-term borrowings	103,000	114,200
Current portion of long-term payables under securitization of lease receivables	14,577	11,434
Commercial papers	36,000	25,000
Underwriting debt payment	20,142	2,686
Lease liabilities	3	22
Income taxes payable	4,308	2,411
Advances received - lease	4,429	4,465
Deferred profit on installment sales	24,033	24,354
Provision for bonuses	1,364	1,429
Provision for bonuses for directors (and other officers)	65	56
Other current liabilities	35,805	42,176
Total current liabilities	293,724	299,805
Non-current liabilities		
Bonds payable	85,000	80,000
Long-term borrowings	612,000	621,300
Long-term payables under securitization of lease receivables	21,017	9,583
Lease liabilities	84	135
Retirement benefit liability	764	614
Guarantee received	11,109	12,149
Asset retirement obligations	1,132	1,455
Other noncurrent liabilities	386	296
Total non-current liabilities	731,495	725,534
Total liabilities	1,025,219	1,025,339
Net assets		
Shareholders' equity		
Share capital	7,896	7,896
Capital surplus	10,159	10,215
Retained earnings	195,040	201,540
Treasury shares	(1,680)	(1,674)
Total shareholders' equity	211,416	217,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(253)	3,470
Deferred gains or losses on hedges	640	538
Remeasurements of defined benefit plans	(102)	(50)
Total accumulated other comprehensive income	285	3,957
Total net assets	211,701	211,936
Total liabilities and net assets	1,236,921	1,247,276

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	298,889	308,335
Cost of sales	255,617	262,768
Gross profit	43,272	45,567
Selling, general and administrative expenses		
Commission expenses	5,421	5,344
Employees' salaries and allowances	5,925	6,811
Provision for bonuses	1,364	1,429
Provision of allowance for doubtful accounts	1,272	1,381
Other	8,061	9,590
Total selling, general and administrative expenses	22,044	24,557
Operating profit	21,228	21,010
Non-operating income		
Interest income	95	68
Dividend income	212	294
Gain on investments in investment partnerships	133	485
Other	33	31
Total non-operating income	474	879
Non-operating expenses		
Interest expenses	49	78
Commission expenses	25	10
Bond issuance costs	–	160
Social Contribution	37	78
Other	17	18
Total non-operating expenses	129	345
Ordinary profit	21,573	21,544
Extraordinary losses		
Loss on valuation of investment securities	–	5,189
Total extraordinary losses	–	5,189
Profit before income taxes	21,573	16,354
Income taxes - current	7,420	5,866
Income taxes - deferred	(719)	(790)
Total income taxes	6,701	5,075
Profit	14,872	11,278
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	14,872	11,278

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	14,872	11,278
Other comprehensive income		
Valuation difference on available-for-sale securities	(819)	3,723
Deferred gains or losses on hedges	212	(102)
Remeasurements of defined benefit plans, net of tax	(46)	51
Total other comprehensive income	(653)	3,672
Comprehensive income	14,218	14,950
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,218	14,950
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,896	10,159	184,175	(1,690)	200,541
Changes during period					
Dividends of surplus			(4,007)		(4,007)
Profit attributable to owners of parent			14,872		14,872
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				10	10
Restricted stock remuneration					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	10,865	10	10,875
Balance at end of period	7,896	10,159	195,040	(1,680)	211,416

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	566	428	(55)	939	201,480
Changes during period					
Dividends of surplus					(4,007)
Profit attributable to owners of parent					14,872
Purchase of treasury shares					(0)
Disposal of treasury shares					10
Restricted stock remuneration					—
Net changes in items other than shareholders' equity	(819)	212	(46)	(653)	(653)
Total changes during period	(819)	212	(46)	(653)	10,221
Balance at end of period	(253)	640	(102)	285	211,701

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,896	10,159	195,040	(1,680)	211,416
Changes during period					
Dividends of surplus			(4,777)		(4,777)
Profit attributable to owners of parent			11,278		11,278
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				7	7
Restricted stock remuneration		55			55
Net changes in items other than shareholders' equity					
Total changes during period	–	55	6,500	6	6,562
Balance at end of period	7,896	10,215	201,540	(1,674)	217,978

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(253)	640	(102)	285	211,701
Changes during period					
Dividends of surplus					(4,777)
Profit attributable to owners of parent					11,278
Purchase of treasury shares					(1)
Disposal of treasury shares					7
Restricted stock remuneration					55
Net changes in items other than shareholders' equity	3,723	(102)	51	3,672	3,672
Total changes during period	3,723	(102)	51	3,672	10,234
Balance at end of period	3,470	538	(50)	3,957	221,936

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	21,573	16,354
Depreciation of assets for lease	16,100	16,843
Depreciation and loss on retirement of own-used assets	2,210	2,745
Loss on valuation of investment securities	–	5,189
Increase (decrease) in allowance for doubtful accounts	(271)	(290)
Increase (decrease) in provision for bonuses	116	65
Increase (decrease) in provision for bonuses for directors (and other officers)	5	(9)
Increase (decrease) in retirement benefit liability	(58)	(76)
Interest and dividend income	(307)	(362)
Capital costs and interest expenses	1,547	2,080
Bond issuance costs	–	160
Loss (gain) on investments in investment partnerships	(133)	(485)
Decrease (increase) in installment receivables	3,235	6,807
Decrease (increase) in lease payments receivable	2,705	3,034
Net decrease (increase) in lease receivables and investments in leases	1,763	3,511
Decrease (increase) in accounts receivable - operating loans	(31,755)	(6,470)
Decrease (increase) in accounts receivable-other loans to customers	6,185	20,391
Decrease (increase) in accounts receivable - lease	502	3,750
Purchase of assets for lease	(33,926)	(44,551)
Increase (decrease) in trade payables	(300)	1,572
Decrease (increase) in distressed receivables	(120)	(5,336)
Other, net	1,969	(16,234)
Subtotal	(8,958)	8,689
Interest and dividends received	246	223
Interest paid	(1,488)	(1,627)
Income taxes paid	(6,697)	(8,037)
Net cash provided by (used in) operating activities	(16,897)	(753)
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(3,841)	(4,193)
Proceeds from sale and redemption of short-term and long-term investment securities	2,030	2,300
Purchase of own-used assets	(13,545)	(12,102)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,189)	–
Other, net	248	601
Net cash provided by (used in) investing activities	(17,297)	(13,393)

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(283)	–
Net increase (decrease) in commercial papers	18,000	(11,000)
Proceeds from long-term borrowings	182,500	123,500
Repayments of long-term borrowings	(93,315)	(103,000)
Repayments of payables under securitization of lease receivables	(4,406)	(14,577)
Proceeds from issuance of bonds	–	44,839
Redemption of bonds	(55,000)	(30,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(4,007)	(4,777)
Net cash provided by (used in) financing activities	43,487	4,984
Net increase (decrease) in cash and cash equivalents	9,292	(9,163)
Cash and cash equivalents at beginning of period	4,827	14,119
Cash and cash equivalents at end of period	14,119	4,956