

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 9, 2023

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 26, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 27, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	298,889	(1.6)	21,242	10.2	21,587	10.6	14,879	10.4
Year ended March 31, 2022	303,853	(6.9)	19,280	10.4	19,522	11.5	13,481	12.2

	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, 2023	482.70	–	7.2	1.8	7.1
Year ended March 31, 2022	437.34	–	6.9	1.7	6.3

(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, 2023	1,236,834	211,708	17.1	6,868.14
As of March 31, 2022	1,177,723	201,480	17.1	6,536.27

(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, 2023	(16,897)	(17,297)	43,487	14,119
Year ended March 31, 2022	9,138	(9,548)	(5,791)	4,827

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, 2022	–	55.00	–	65.00	120.00	3,698	27.4	1.9
Year ended March 31, 2023	–	65.00	–	80.00	145.00	4,469	30.0	2.2
Year ending March 31, 2024 (Forecast)	–	75.00	–	75.00	150.00		32.1	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	306,000	2.4	20,600	(3.0)	20,700	(4.1)	14,400	(3.2)	467.16

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: Yes

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, 2023	31,243,223 shares	As of March 31, 2022	31,243,223 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	418,481 shares	As of March 31, 2022	418,291 shares
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Average number of shares during the period

Year ended March 31, 2023	30,824,856 shares	Year ended March 31, 2022	30,824,964 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	4,827	14,119
Notes and accounts receivable - trade	10	242
Installment receivables	183,783	181,611
Lease payments receivable	30,074	27,369
Lease receivables and investments in leases	511,493	509,737
Accounts receivable - operating loans	221,951	253,706
Accounts receivable - other loans to customers	37,383	31,198
Other operating assets	12,552	12,528
Accounts receivable - lease	13,909	13,406
Other current assets	38,590	45,537
Allowance for doubtful accounts	(12,727)	(12,338)
Total current assets	1,041,848	1,077,120
Non-current assets		
Property, plant and equipment		
Assets for lease		
Assets for lease	61,656	69,141
Total assets for lease	61,656	69,141
Own-used assets		
Own-used assets	26,584	36,952
Total own-used assets	26,584	36,952
Total property, plant and equipment	88,240	106,094
Intangible assets		
Assets for lease	152	42
Other intangible assets	3,616	6,883
Total intangible assets	3,768	6,926
Investments and other assets		
Investment securities	30,423	31,234
Distressed receivables	482	602
Deferred tax assets	4,466	5,511
Other	8,966	9,936
Allowance for doubtful accounts	(474)	(592)
Total investments and other assets	43,864	46,693
Total non-current assets	135,874	159,714
Total assets	1,177,723	1,236,834

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,296	19,995
Short-term borrowings	283	–
Current portion of bonds payable	55,000	30,000
Current portion of long-term borrowings	92,500	103,000
Current portion of long-term payables under securitization of lease receivables	4,406	14,577
Commercial papers	18,000	36,000
Underwriting debt payment	25,753	20,142
Lease liabilities	73	3
Income taxes payable	3,225	4,308
Advances received - lease	5,291	4,429
Deferred profit on installment sales	22,969	24,033
Provision for bonuses	1,198	1,364
Provision for bonuses for directors (and other officers)	59	65
Other current liabilities	31,678	35,805
Total current liabilities	280,736	293,724
Non-current liabilities		
Bonds payable	115,000	85,000
Long-term borrowings	532,500	612,000
Long-term payables under securitization of lease receivables	35,594	21,017
Lease liabilities	88	84
Retirement benefit liability	756	764
Guarantee received	10,435	11,109
Asset retirement obligations	1,004	1,132
Other noncurrent liabilities	127	293
Total non-current liabilities	695,506	731,402
Total liabilities	976,243	1,025,126
Net assets		
Shareholders' equity		
Share capital	7,896	7,896
Capital surplus	10,159	10,159
Retained earnings	184,175	195,047
Treasury shares	(1,690)	(1,680)
Total shareholders' equity	200,541	211,423
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	566	(253)
Deferred gains or losses on hedges	428	640
Remeasurements of defined benefit plans	(55)	(102)
Total accumulated other comprehensive income	939	285
Total net assets	201,480	211,708
Total liabilities and net assets	1,177,723	1,236,834

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	303,853	298,889
Cost of sales	263,812	255,617
Gross profit	40,040	43,272
Selling, general and administrative expenses		
Commission expenses	4,215	5,421
Employees' salaries and allowances	5,363	5,925
Provision for bonuses	1,198	1,364
Provision of allowance for doubtful accounts	2,615	1,272
Other	7,367	8,046
Total selling, general and administrative expenses	20,759	22,030
Operating profit	19,280	21,242
Non-operating income		
Interest income	41	95
Dividend income	211	212
Gain on investments in investment partnerships	237	133
Other	35	33
Total non-operating income	525	474
Non-operating expenses		
Interest expenses	36	49
Commission expenses	2	25
Bond issuance costs	218	–
Social Contribution	–	37
Other	24	17
Total non-operating expenses	282	129
Ordinary profit	19,522	21,587
Profit before income taxes	19,522	21,587
Income taxes - current	6,540	7,420
Income taxes - deferred	(498)	(711)
Total income taxes	6,041	6,708
Profit	13,481	14,879
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	13,481	14,879

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	13,481	14,879
Other comprehensive income		
Valuation difference on available-for-sale securities	(402)	(819)
Deferred gains or losses on hedges	375	212
Remeasurements of defined benefit plans, net of tax	57	(46)
Total other comprehensive income	30	(653)
Comprehensive income	13,511	14,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,511	14,225
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(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	174,084	(1,716)	190,424
Changes during period					
Dividends of surplus			(3,390)		(3,390)
Profit attributable to owners of parent			13,481		13,481
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				26	26
Net changes in items other than shareholders' equity					
Total changes during period	–	–	10,090	26	10,116
Balance at end of period	7,896	10,159	184,175	(1,690)	200,541

	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	968	52	(113)	908	191,333
Changes during period					
Dividends of surplus					(3,390)
Profit attributable to owners of parent					13,481
Purchase of treasury shares					(0)
Disposal of treasury shares					26
Net changes in items other than shareholders' equity	(402)	375	57	30	30
Total changes during period	(402)	375	57	30	10,147
Balance at end of period	566	428	(55)	939	201,480

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			14,879		14,879
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				10	10
Net changes in items other than shareholders' equity					
Total changes during period	–	–	10,872	10	10,882
Balance at end of period	7,896	10,159	195,047	(1,680)	211,423

	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					14,879
Purchase of treasury shares					(0)
Disposal of treasury shares					10
Net changes in items other than shareholders' equity	(819)	212	(46)	(653)	(653)
Total changes during period	(819)	212	(46)	(653)	10,228
Balance at end of period	(253)	640	(102)	285	211,708

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	19,522	21,587
Depreciation of assets for lease	16,451	16,100
Depreciation and loss on retirement of own-used assets	1,879	2,189
Increase (decrease) in allowance for doubtful accounts	1,337	(271)
Increase (decrease) in provision for bonuses	63	116
Increase (decrease) in provision for bonuses for directors (and other officers)	(17)	5
Increase (decrease) in retirement benefit liability	(103)	(58)
Interest and dividend income	(252)	(307)
Capital costs and interest expenses	1,410	1,547
Bond issuance costs	218	–
Loss (gain) on investments in investment partnerships	(237)	(133)
Decrease (increase) in installment receivables	882	3,235
Decrease (increase) in lease payments receivable	3,747	2,705
Net decrease (increase) in lease receivables and investments in leases	16,985	1,763
Decrease (increase) in accounts receivable - operating loans	(21,290)	(31,755)
Decrease (increase) in accounts receivable-other loans to customers	(2,372)	6,185
Decrease (increase) in accounts receivable - lease	129	502
Purchase of assets for lease	(28,255)	(33,926)
Increase (decrease) in trade payables	1,184	(300)
Decrease (increase) in distressed receivables	209	(120)
Other, net	6,230	1,976
Subtotal	17,723	(8,958)
Interest and dividends received	180	246
Interest paid	(1,337)	(1,488)
Income taxes paid	(7,428)	(6,697)
Net cash provided by (used in) operating activities	9,138	(16,897)
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(4,479)	(3,841)
Proceeds from sale and redemption of short-term and long-term investment securities	2,089	2,030
Purchase of own-used assets	(7,829)	(13,545)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,189)
Other, net	670	248
Net cash provided by (used in) investing activities	(9,548)	(17,297)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(14,935)	(283)
Net increase (decrease) in commercial papers	3,000	18,000
Proceeds from long-term borrowings	145,000	182,500
Repayments of long-term borrowings	(145,247)	(93,315)
Repayments of payables under securitization of lease receivables	–	(4,406)
Proceeds from issuance of bonds	59,781	–
Redemption of bonds	(50,000)	(55,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(3,390)	(4,007)
Net cash provided by (used in) financing activities	(5,791)	43,487
Net increase (decrease) in cash and cash equivalents	(6,201)	9,292
Cash and cash equivalents at beginning of period	11,028	4,827
Cash and cash equivalents at end of period	4,827	14,119