

May 13, 2021

Sumitomo Mitsui Finance and Leasing Company, Limited

## Notice Regarding Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

Sumitomo Mitsui Finance and Leasing Company, Limited (the “Company,” President: Masaki Tachibana) hereby announces the consolidated financial results for the fiscal year ended March 31, 2021 as follows.

### **1. Status of Operations**

During the fiscal year ended March 31, 2021, the global economy deteriorated rapidly, reflecting the impact of the global outbreak of the novel coronavirus infectious disease (COVID-19). Although the economy subsequently began to recover as economic activities resumed, the overall situation remained severe as the resurgence of infections restricted economic activities in some countries and regions.

Although the Japanese economy also saw a sharp decline due to the impact of the novel coronavirus infectious disease, signs of recovery were observed in conjunction with the resumption of economic activities. However, the situation remained difficult in general, partly due to another wave of infections spreading from the middle of the year.

Capital investment in Japan gradually recovered from a declining trend. However, leasing volume (preliminary statistics from the Japan Leasing Association) decreased by 14.1% year on year to ¥4,551.7 billion.

The amount of new contracts executed by the Group during the fiscal year under review decreased by 2.5% year on year to ¥2,433.5 billion.

### **2. Status of Financial Results**

Revenues for the fiscal year ended March 31, 2021 decreased by 5.0% year on year to ¥1,438.2 billion. In terms of profit and loss, operating income decreased by 53.7% year on year to ¥41.3 billion, and ordinary profit decreased by 50.1% year on year to ¥45.0 billion. Profit attributable to owners of parent decreased by 45.1% year on year to ¥33.6 billion.

Operating assets at the end of the fiscal year ended March 31, 2021 increased by ¥775.3 billion year on year to ¥6,053.6 billion, and total assets increased by ¥663.2 billion year on year to ¥7,041.9 billion. Net assets increased by ¥186.5 billion year on year to ¥922.0 billion, primarily because the Company increased its capital in the amount of ¥100.0 billion through the disposal of treasury stock underwritten by Sumitomo Mitsui Financial Group, Inc. and SUMITOMO CORPORATION.

Please refer to the attachment for details.

[Contact Information]

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# Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Under Japanese GAAP]

May 13, 2021

Company name: Sumitomo Mitsui Finance and Leasing Company, Limited  
 URL: <https://www.smfl.co.jp/english/>  
 Representative: Masaki Tachibana, President  
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(Amounts of less than one million are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (Accumulated) (% indicates changes from the previous corresponding period.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	1,438,293	(5.0)	41,395	(53.7)	45,096	(50.1)	33,627	(45.1)
March 31, 2020	1,513,701	0.8	89,413	(1.7)	90,321	3.1	61,219	(23.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥73,785 million [300.6%]

Fiscal year ended March 31, 2020: ¥18,417 million [(77.8)%]

	Earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating income to revenues
Fiscal year ended	Yen	%	%	%
March 31, 2021	436.54	4.9	0.7	2.9
March 31, 2020	795.01	10.0	1.5	5.9

(2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	7,041,995	922,067	10.6	8,569.72
As of March 31, 2020	6,378,701	735,542	9.6	7,976.67

(Reference) Equity: As of March 31, 2021: ¥748,601 million

As of March 31, 2020: ¥614,239 million

## 2. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	1,500,000	4.3	83,500	101.7	83,000	84.1	57,000	69.5	652.52

- The earnings forecasts and other forward-looking statements in these materials are based on the information currently available to the Company and certain assumptions that are judged to be reasonable, and are not intended as a guarantee that the Company will achieve these targets. Actual results may differ significantly due to various factors.
- These materials are outside the scope of audit procedures under the Financial Instruments and Exchange Act of Japan. As of the time of disclosure of these materials, the audit procedures of the Company's financial statements under the Financial Instruments and Exchange Act have not been completed.

Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and bank deposits	252,775	267,722
Installment sales receivable	558,161	524,857
Lease receivables and investment assets	2,161,247	2,118,375
Loans receivable	361,029	500,867
Short-term investment securities	-	4,958
Merchandise	8,854	9,421
Real estate for sale	-	42,897
Other	185,460	192,552
Allowance for doubtful accounts	(8,811)	(15,512)
Total current assets	3,518,718	3,646,141
Non-current assets		
Property and equipment		
Leased assets		
Leased assets	2,151,414	2,758,044
Allowance for loss on disposal of leased assets	(214)	(273)
Advances on purchases of leased assets	384,793	160,184
Total leased assets	2,535,993	2,917,956
Other operating assets	-	46,022
Property and equipment for internal use	5,876	6,185
Total property and equipment	2,541,869	2,970,164
Intangible assets		
Goodwill	68,144	76,624
Other	33,231	75,216
Total intangible assets	101,376	151,841
Investments and other assets		
Investment securities	170,815	222,040
Long-term loans receivable	2	3
Delinquent receivables	17,611	35,493
Deferred tax assets	22,628	21,962
Net defined benefit asset	-	4
Other	13,404	16,579
Allowance for doubtful accounts	(7,724)	(22,235)
Total investments and other assets	216,736	273,848
Total non-current assets	2,859,982	3,395,854
Total assets	6,378,701	7,041,995

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Trade notes payable and accounts payable	86,578	80,588
Short-term loans	1,037,413	1,024,954
Long-term loans due within one year	351,793	454,577
Bonds due within one year	67,400	133,274
Commercial paper	1,021,900	954,400
Payables under securitization of lease receivables	17,179	7,760
Long-term payables under securitization of lease receivables due within one year	21,047	14,906
Lease obligations	18,633	16,173
Income taxes payable	4,451	7,772
Deferred profit on installment sales	25,417	19,032
Reserve for employee bonuses	2,095	1,874
Reserve for directors' bonuses	394	438
Asset retirement obligations	209	2
Other	115,851	154,483
Total current liabilities	2,770,366	2,870,239
Non-current liabilities		
Bonds	695,552	687,364
Long-term loans	1,791,445	2,171,217
Long-term payables under securitization of lease receivables	22,402	28,155
Lease obligations	34,432	28,577
Deferred tax liabilities	39,207	58,601
Reserve for directors' retirement benefits	411	272
Net defined benefit liability	9,818	6,721
Guarantee deposits received	113,275	127,762
Asset retirement obligations	1,184	2,858
Other	165,063	138,158
Total non-current liabilities	2,872,792	3,249,689
Total liabilities	5,643,158	6,119,928
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,000	15,000
Capital surplus	419,255	412,086
Retained earnings	362,264	379,836
Treasury stock	(168,639)	(73,313)
Total shareholders' equity	627,880	733,609
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	16,671	26,382
Deferred gains or losses on hedges	(42,617)	(28,332)
Foreign currency translation adjustments	15,905	18,490
Remeasurements of defined benefit plans	(3,600)	(1,548)
Total accumulated other comprehensive income	(13,641)	14,991
Non-controlling interests	121,303	173,465
Total net assets	735,542	922,067
Total liabilities and net assets	6,378,701	7,041,995

## (2) Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Revenues	1,513,701	1,438,293
Cost and expenses	1,332,526	1,281,942
Gross profit	181,175	156,351
Selling, general and administrative expenses	91,761	114,956
Operating income	89,413	41,395
Non-operating income		
Interest income	184	125
Dividend income	1,327	1,623
Equity in earnings of affiliates	2,761	4,099
Foreign exchange gains	142	-
Other	543	1,231
Total non-operating income	4,959	7,080
Non-operating expenses		
Interest expenses	3,054	2,750
Amortization of bond issuance cost	794	361
Foreign exchange losses	-	118
Loss on sales of long-term receivables	125	-
Other	77	148
Total non-operating expenses	4,051	3,379
Ordinary profit	90,321	45,096
Extraordinary income		
Gain on sales of investment securities	2,550	1,885
Gain on transfer from business divestitures	280	-
Other	165	3
Total extraordinary income	2,995	1,888
Extraordinary losses		
Loss on valuation of investment securities	2,041	26
Expenses related to system migration	-	3,484
Other	239	385
Total extraordinary losses	2,281	3,896
Profit before income taxes	91,035	43,088
Income taxes - current	9,963	10,941
Income taxes - deferred	6,783	(2,949)
Total income taxes	16,747	7,991
Profit	74,288	35,096
Profit attributable to non-controlling interests	13,069	1,468
Profit attributable to owners of parent	61,219	33,627