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November 11, 2024

Sumitomo Mitsui Finance and Leasing Company, Limited

## Notice Regarding Consolidated Financial Results for the Six Months Ended September 30, 2024

Sumitomo Mitsui Finance and Leasing Company, Limited (the “Company,” President: Masaki Tachibana) hereby announces the consolidated financial results for the six months ended September 30, 2024 as follows.

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

During the six months ended September 30, 2024, the global economy has continued to recover as a whole, despite evidence of weakness in certain regions. The economy of China came to a standstill as the real estate market continued to adjust, while the economy of Europe picked up despite some stagnation, the economy of the United States experienced moderate growth mainly in consumer spending, and the economy of Southeast Asia recovered moderately due to improved domestic demand. The Japanese economy continued to recover moderately, although there were some weak trends. Export activities remained at the same level, shifting from recovery. Production activities headed toward recovery, while being countered by the impact of stagnation in some industries. As a result, corporate earnings generally improved. Capital investment in Japan continued to increase gradually. Leasing volume (statistics from the Japan Leasing Association) increased by 10.7% year on year.

Under these circumstances, the Group entered the second year of its medium-term management plan launched in the previous fiscal year and implemented various strategic measures set forth in the plan. In the domestic leasing business, we worked on portfolio management with an awareness of asset selection and asset turnover, and promoted two partnership approaches advocating “a partner indispensable for customers’ growth” and “a partner to solve social issues together.” We also focused on improving operations and productivity, including the electrification of lease contracts, as well as selecting and focusing on businesses with these initiatives in mind, thereby creating a high-quality business portfolio. In addition, we have established Circular LinX CO., LTD., a joint venture with a major industrial waste recycler to provide waste management services, and also established a Circular Economy Division to strengthen our efforts to contribute to the realization of a circular economy. In the environmental and energy business, we worked mainly on development-led type solar low-voltage bulk off-site PPAs and on-site PPAs whereby surplus power can be utilized. In the real estate business, we worked on the development of large-scale commercial facilities and hotel facilities in Japan and overseas. In the transportation business, amid a recovery in the business environment that has led to a significant improvement in performance, the Group has, while focusing on the new acquisition of aircraft, fully embarked on an asset turnover-type business, selling aircraft airframes and engines. The amount of new contracts executed during the six months ended September 30, 2024 decreased by 16.8% year on year to ¥1,047.5 billion due to the selection of assets to be acquired and other factors.

**2. Status of Financial Results**

Revenues for the six months ended September 30, 2024 decreased by 6.7% year on year to ¥976.1 billion. In terms of profit and loss, operating income increased by 20.0% year on year to ¥91.5 billion, ordinary profit increased by 22.9% year on year to ¥90.3 billion, and profit attributable to owners of parent increased by 27.1% year on year to ¥55.3 billion due to an increase in revenues in the transportation business and the real estate business, reduction in credit-related costs and other factors.

Operating assets as of September 30, 2024 increased by ¥73.9 billion from the end of the previous fiscal year to ¥8,405.4 billion, total assets increased by ¥33.6 billion from the end of the previous fiscal year to ¥9,729.7 billion, and net assets increased by ¥8.8 billion from the end of the previous fiscal year to ¥1,386.7 billion.

For details, please refer to the attachments.

[Contact Information]

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# Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 [Under Japanese GAAP]

November 11, 2024

Company name: Sumitomo Mitsui Finance and Leasing Company, Limited  
 URL: <https://www.smfl.co.jp/english/>  
 Representative: Masaki Tachibana, President  
 Contact: Michie Iino, General Manager of the Corporate Communications Department  
 Phone: +81-3-5219-6334

(Amounts of less than one million are rounded down.)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

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

	Revenues		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	976,088	(6.7)	91,484	20.0	90,268	22.9	55,269	27.1
September 30, 2023	1,046,088	2.4	76,212	36.3	73,431	23.3	43,496	16.0

(Note) Comprehensive income: Six months ended September 30, 2024: ¥40,809 million [(68.6)%]  
 Six months ended September 30, 2023: ¥129,817 million [(18.8)%]

	Earnings per share
Six months ended	Yen
September 30, 2024	632.71
September 30, 2023	497.93

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	9,729,673	1,386,735	10.8
March 31, 2024	9,696,059	1,377,920	10.8

(Reference) Equity:

As of September 30, 2024: ¥1,053,444 million  
 As of March 31, 2024: ¥1,051,803 million

## 2. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Revenues		Operating income		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	2,100,000	(7.4)	150,000	(4.7)	140,000	(6.5)	80,000	(38.3)	915.81

(Note) Revision of earnings forecasts recently announced: None

- 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 interim review procedures under the Financial Instruments and Exchange Act of Japan. As of the time of disclosure of these materials, the review procedures of the Company's semi-annual consolidated financial statements under the Financial Instruments and Exchange Act have not been completed.

Semi-annual Consolidated Financial Statements  
(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and bank deposits	457,976	393,338
Installment sales receivable	616,144	595,594
Lease receivables and investment assets	1,928,155	1,814,895
Loans receivable	512,884	498,633
Short-term investment securities	0	0
Merchandise	18,217	16,004
Real estate for sale	240,837	373,301
Real estate for sale in process	5,834	8,589
Other	310,242	329,830
Allowance for doubtful accounts	(11,032)	(9,711)
Total current assets	4,079,261	4,020,476
Non-current assets		
Property and equipment		
Leased assets		
Leased assets	4,724,677	4,742,248
Allowance for loss on disposal of leased assets	(286)	(278)
Advances on purchases of leased assets	197,247	203,656
Total leased assets	4,921,638	4,945,626
Other operating assets	137,380	193,693
Property and equipment for internal use	21,512	20,098
Total property and equipment	5,080,530	5,159,418
Intangible assets		
Goodwill	48,189	43,490
Other	66,636	71,523
Total intangible assets	114,826	115,014
Investments and other assets		
Investment securities	360,983	375,518
Long-term loans receivable	11	9
Delinquent receivables	38,200	34,883
Deferred tax assets	12,956	11,420
Net defined benefit asset	161	267
Other	27,209	26,167
Allowance for doubtful accounts	(18,083)	(13,502)
Total investments and other assets	421,440	434,764
Total non-current assets	5,616,798	5,709,197
Total assets	9,696,059	9,729,673

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Trade notes payable and accounts payable	56,646	51,506
Short-term loans	1,076,955	1,092,806
Long-term loans due within one year	601,953	642,090
Bonds due within one year	273,814	177,410
Commercial paper	659,000	684,000
Long-term payables under securitization of lease receivables due within one year	11,141	7,683
Lease obligations	9,141	7,944
Income taxes payable	21,177	17,442
Deferred profit on installment sales	35,224	34,288
Reserve for employee bonuses	3,131	3,172
Reserve for directors' bonuses	636	396
Other	234,337	200,606
Total current liabilities	2,983,159	2,919,347
Non-current liabilities		
Bonds	993,680	1,214,240
Long-term loans	3,838,067	3,683,107
Long-term payables under securitization of lease receivables	22,627	21,747
Lease obligations	23,504	25,075
Deferred tax liabilities	95,596	99,498
Reserve for directors' retirement benefits	690	752
Net defined benefit liability	809	3,125
Guarantee deposits received	144,231	149,145
Asset retirement obligations	5,958	6,043
Other	209,814	220,852
Total non-current liabilities	5,334,979	5,423,590
Total liabilities	8,318,138	8,342,937
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,000	15,000
Capital surplus	421,857	421,857
Retained earnings	544,739	557,555
Treasury stock	(73,313)	(73,313)
Total shareholders' equity	908,283	921,099
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	26,875	27,831
Deferred gains or losses on hedges	1,827	(4,288)
Foreign currency translation adjustments	113,091	108,549
Remeasurements of defined benefit plans	1,724	252
Total accumulated other comprehensive income	143,519	132,345
Share acquisition rights	118	118
Non-controlling interests	325,999	333,172
Total net assets	1,377,920	1,386,735
Total liabilities and net assets	9,696,059	9,729,673

## (2) Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Revenues	1,046,088	976,088
Cost and expenses	910,727	820,986
Gross profit	135,360	155,102
Selling, general and administrative expenses	59,148	63,617
Operating income	76,212	91,484
Non-operating income		
Interest income	102	211
Dividend income	738	628
Equity in earnings of affiliates	5,069	7,635
Other	1,208	376
Total non-operating income	7,119	8,851
Non-operating expenses		
Interest expenses	8,530	9,626
Amortization of bond issuance cost	721	266
Foreign exchange losses	576	33
Other	71	142
Total non-operating expenses	9,900	10,068
Ordinary profit	73,431	90,268
Extraordinary income		
Gain on step acquisitions	–	518
Gain on sales of investment securities	196	2,239
Gain on transfer of businesses	–	747
Other	0	138
Total extraordinary income	196	3,643
Extraordinary losses		
Loss on sales and retirement of property and equipment for internal use	55	355
Loss on sales of investment securities	79	197
Loss on valuation of investment securities	187	17
Other	22	118
Total extraordinary losses	345	688
Profit before income taxes	73,283	93,223
Income taxes	18,006	24,068
Profit	55,276	69,154
Profit attributable to non-controlling interests	11,779	13,884
Profit attributable to owners of parent	43,496	55,269