

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2023 and 2022

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
December 31, 2023 and March 31, 2023

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
|----------------------------------------------------|----------------------|-------------------|------------------------------------------|
| | December 31, 2023 | March 31, 2023 | December 31, 2023 |
| <u>Assets</u> | | | |
| Current assets: | | | |
| Cash and bank deposits | ¥ 351,081 | ¥ 298,272 | \$ 2,475,371 |
| Installment sales receivable | 613,392 | 643,875 | 4,324,843 |
| Lease receivables and investment assets | 2,020,804 | 2,102,929 | 14,248,078 |
| Loans receivable | 544,182 | 592,285 | 3,836,864 |
| Short-term investment securities | 2,791 | 629 | 19,679 |
| Merchandise | 7,779 | 8,946 | 54,849 |
| Real estate for sale | 227,224 | 166,250 | 1,602,091 |
| Real estate for sale in progress | 1,185 | 4,733 | 8,358 |
| Other | 292,084 | 293,833 | 2,059,396 |
| Allowance for doubtful accounts | (11,138) | (17,630) | (78,533) |
| Total current assets | 4,049,387 | 4,094,124 | 28,550,997 |
| Property and equipment: | | | |
| Assets for lease | 4,628,140 | 4,375,205 | 32,631,602 |
| Allowance for loss on disposal of assets for lease | (291) | (292) | (2,057) |
| Advances on purchases of assets for lease | 175,608 | 143,674 | 1,238,160 |
| Other operating assets | 130,547 | 101,900 | 920,453 |
| Property and equipment for internal use | 18,485 | 16,575 | 130,339 |
| Total property and equipment | 4,952,490 | 4,637,063 | 34,918,497 |
| Intangible assets: | | | |
| Goodwill | 50,508 | 57,548 | 356,121 |
| Other | 66,820 | 66,942 | 471,134 |
| Total intangible assets | 117,329 | 124,490 | 827,256 |
| Investments and other assets: | | | |
| Investment securities | 348,981 | 316,065 | 2,460,561 |
| Long-term loans receivable | 8 | 2 | 57 |
| Delinquent receivables | 37,991 | 37,979 | 267,868 |
| Deferred tax assets | 19,743 | 19,320 | 139,204 |
| Net defined benefit asset | 142 | 122 | 1,004 |
| Other | 26,143 | 27,223 | 184,331 |
| Allowance for doubtful accounts | (16,650) | (10,742) | (117,395) |
| Total investments and other assets | 416,360 | 389,971 | 2,935,629 |
| Total assets | ¥ 9,535,568 | ¥ 9,245,649 | \$ 67,232,378 |

(Continued)

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
December 31, 2023 and March 31, 2023

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
|----------------------------------------------------------------------------------|----------------------|--------------------|------------------------------------------|
| | December 31, 2023 | March 31, 2023 | December 31, 2023 |
| <u>Liabilities and Net Assets</u> | | | |
| Current liabilities: | | | |
| Trade notes payable and accounts payable | ¥ 55,190 | ¥ 75,627 | \$ 389,132 |
| Short-term loans | 1,175,198 | 1,198,493 | 8,285,968 |
| Long-term loans due within one year | 479,840 | 430,782 | 3,383,208 |
| Bonds due within one year | 162,881 | 180,470 | 1,148,430 |
| Commercial paper | 792,000 | 899,700 | 5,584,150 |
| Payables under securitization of lease receivables | – | 26,769 | – |
| Long-term payables under securitization of lease receivables due within one year | 13,001 | 18,573 | 91,668 |
| Lease obligations | 10,047 | 11,201 | 70,843 |
| Income taxes payable | 14,737 | 14,790 | 103,913 |
| Deferred profit on installment sales | 34,275 | 29,066 | 241,668 |
| Reserve for employee bonuses | 1,900 | 2,635 | 13,402 |
| Reserve for directors' bonuses | 129 | 898 | 915 |
| Asset retirement obligations | 0 | – | 3 |
| Other | 176,732 | 226,570 | 1,246,084 |
| Total current liabilities | <u>2,915,937</u> | <u>3,115,579</u> | <u>20,559,383</u> |
| Non-current liabilities: | | | |
| Bonds | 981,438 | 691,517 | 6,919,826 |
| Long-term loans | 3,799,884 | 3,789,074 | 26,791,827 |
| Long-term payables under securitization of lease receivables | 24,786 | 23,316 | 174,761 |
| Lease obligations | 24,993 | 28,475 | 176,219 |
| Deferred tax liabilities | 91,546 | 73,699 | 645,464 |
| Reserve for directors' retirement benefits | 623 | 491 | 4,393 |
| Net defined benefit liability | 2,928 | 2,966 | 20,651 |
| Guarantee deposits received | 144,509 | 146,658 | 1,018,895 |
| Asset retirement obligations | 5,832 | 4,868 | 41,126 |
| Other | 203,620 | 193,710 | 1,435,669 |
| Total non-current liabilities | <u>5,280,165</u> | <u>4,954,779</u> | <u>37,228,831</u> |
| Total liabilities | <u>8,196,102</u> | <u>8,070,359</u> | <u>57,788,215</u> |
| Net assets (Note 7): | | | |
| Shareholders' equity: | | | |
| Capital stock | 15,000 | 15,000 | 105,760 |
| Capital surplus | 421,857 | 421,975 | 2,974,386 |
| Retained earnings | 536,279 | 440,339 | 3,781,144 |
| Treasury stock | (73,313) | (73,313) | (516,911) |
| Total shareholders' equity | <u>899,823</u> | <u>804,002</u> | <u>6,344,379</u> |
| Accumulated other comprehensive income: | | | |
| Net unrealized holding gains or losses on securities | 24,284 | 27,343 | 171,224 |
| Deferred gains or losses on hedges | 114 | 2,260 | 806 |
| Foreign currency translation adjustments | 100,562 | 75,836 | 709,038 |
| Remeasurements of defined benefit plans | (76) | (198) | (539) |
| Total accumulated other comprehensive income | <u>124,885</u> | <u>105,242</u> | <u>880,528</u> |
| Stock acquisition rights | 118 | 122 | 835 |
| Non-controlling interests | 314,638 | 265,923 | 2,218,421 |
| Total net assets | <u>1,339,465</u> | <u>1,175,290</u> | <u>9,444,163</u> |
| Total liabilities and net assets | <u>¥ 9,535,568</u> | <u>¥ 9,245,649</u> | <u>\$ 67,232,378</u> |
| See accompanying notes. | | | (Concluded) |

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED STATEMENTS OF INCOME
Nine Months Ended December 31, 2023 and 2022

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
|-------------------------------------------------------------------------|--------------------------------|-------------|------------------------------------------|
| | Nine Months Ended December 31, | | |
| | 2023 | 2022 | 2023 |
| Revenues | ¥ 1,588,617 | ¥ 1,567,068 | \$ 11,200,859 |
| Costs and expenses | 1,377,193 | 1,384,356 | 9,710,170 |
| Gross profit | 211,424 | 182,711 | 1,490,689 |
| Selling, general and administrative expenses | 91,396 | 89,975 | 644,410 |
| Operating income | 120,027 | 92,736 | 846,280 |
| Other income (expenses): | | | |
| Interest income | 173 | 85 | 1,224 |
| Dividend income | 845 | 1,281 | 5,965 |
| Interest expenses | (12,937) | (4,311) | (91,215) |
| Equity in earnings of affiliates | 6,108 | 7,604 | 43,066 |
| Foreign exchange losses | (1,047) | (867) | (7,383) |
| Amortization of bond issuance costs | (782) | (100) | (5,516) |
| Gain on sales of investment securities | 12,832 | 215 | 90,481 |
| Gain on sales of shares of subsidiaries and affiliates | – | 783 | – |
| Loss on sales and retirement of property and equipment for internal use | (69) | (23) | (489) |
| Loss on sales of investment securities | (65) | (63) | (465) |
| Loss on valuation of investment securities | (192) | (64) | (1,355) |
| Loss on sales of shares of subsidiaries and affiliates | (94) | – | (668) |
| Other—net | 1,829 | 282 | 12,898 |
| Total other income (expenses)—net | 6,600 | 4,823 | 46,541 |
| Extraordinary gains: | | | |
| Gain on insurance claims related to Russia (Note 5) | 77,763 | – | 548,287 |
| Total extraordinary gains | 77,763 | – | 548,287 |
| Profit before income taxes | 204,392 | 97,559 | 1,441,107 |
| Income taxes | 43,138 | 23,323 | 304,153 |
| Profit | 161,254 | 74,235 | 1,136,954 |
| Profit attributable to non-controlling interests | 39,982 | 12,987 | 281,907 |
| Profit attributable to owners of parent | ¥ 121,271 | ¥ 61,248 | \$ 855,047 |

| | Yen | | U.S. Dollars |
|---------------------------------------------|------------|----------|--------------|
| Per share of common stock (Note 14): | | | |
| Basic earnings per share | ¥ 1,388.27 | ¥ 701.15 | \$ 9.79 |

See accompanying notes.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Nine Months Ended December 31, 2023 and 2022

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
|-------------------------------------------------------------------------------------|--------------------------------|-----------|------------------------------------------|
| | Nine Months Ended December 31, | | |
| | 2023 | 2022 | 2023 |
| Profit | ¥ 161,254 | ¥ 74,235 | \$ 1,136,954 |
| Other comprehensive income: | | | |
| Net unrealized holding gains or losses on securities | (2,729) | (262) | (19,246) |
| Deferred gains or losses on hedges | (3,517) | 29,581 | (24,800) |
| Foreign currency translation adjustments | 36,076 | 43,469 | 254,363 |
| Remeasurements of defined benefit plans | 131 | 214 | 926 |
| Share of other comprehensive income of affiliates accounted for using equity method | 2,425 | 1,514 | 17,100 |
| Total other comprehensive income | 32,385 | 74,517 | 228,343 |
| Comprehensive income | ¥ 193,640 | ¥ 148,753 | \$ 1,365,297 |
| Comprehensive income attributable to: | | | |
| Owners of parent | ¥ 140,914 | ¥ 116,734 | \$ 993,546 |
| Non-controlling interests | 52,725 | 32,019 | 371,750 |
| See accompanying notes. | | | |

1. BASIS OF PRESENTATION

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

The accounting standard for quarterly financial statements requires companies to prepare a set of interim consolidated financial statements for each quarter comprised of the consolidated balance sheet as of the current quarter-end and the consolidated statements of income, comprehensive income, and cash flows for the year-to-date period. A statement of changes in net assets is not required, and the year-to-date consolidated statements of cash flows for the first quarter and the third quarter may be prepared at the company’s option but are not required. Therefore, the consolidated statements of changes in net assets and cash flows are not presented herein.

These interim consolidated financial statements have been restructured and translated into English from the interim consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Some supplementary information included in the statutory Japanese language interim consolidated financial statements, but not necessarily required for fair presentation, is not presented in the accompanying interim consolidated financial statements.

The interim consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. As permitted by the Financial Instruments and Exchange Act of Japan, amounts less than one million yen have been omitted. As a result, the totals shown in the interim consolidated financial statements do not necessarily agree with the sums of the individual amounts.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at December 31, 2023, which was ¥141.83 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

2. CHANGES IN SCOPE OF CONSOLIDATION OR SCOPE OF APPLICATION OF THE EQUITY METHOD

(1) Significant change in scope of consolidation

For the nine months ended December 31, 2023

In the nine months ended December 31, 2023, Shanghai Sumitomo Mitsui Finance and Leasing Co., Ltd. and Kyushu Capital Finance Co., Ltd. merged into Shanghai Sumitomo Mitsui General Finance and Leasing Co., Ltd. and the Company, respectively, and ceased to exist. Accordingly, they were excluded from the scope of consolidation.

For the nine months ended December 31, 2022

Goshawk Management Limited and its 188 subsidiaries became consolidated subsidiaries of the Company mainly because SMBC Aviation Capital Limited, the Company’s consolidated subsidiary, acquired the shares of Goshawk Management in the nine months ended December 31, 2022.

SMFL MIRAI Partners Investment 2 Co., Ltd. was excluded from the scope of consolidation since it was dissolved following the merger with SMFL MIRAI Partners Co., Ltd. in the nine months ended December 31, 2022.

(2) Significant change in scope of application of the equity method

For the nine months ended December 31, 2023

LCI Investments Limited was included in the scope of equity method since the Company acquired the shares in LCI Investments in the nine months ended December 31, 2023.

For the nine months ended December 31, 2022

SMBC Leasing (UK) Limited was newly included in the scope of equity method due to the acquisition of shares in the nine months ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Substantially the same accounting policies have been followed in these interim consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended March 31, 2023, except for such policies as specifically allowed and adopted for interim accounting periods described below.

Calculation of income tax expenses

The Company and some of its domestic consolidated subsidiaries calculated their income tax expenses by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year that includes the nine months ended December 31, 2023. The amount of income taxes includes deferred income taxes.

4. CONTINGENT LIABILITIES

| | Millions of Yen | | Thousands of |
|------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|--------------------------------------|
| | December 31, 2023 | March 31, 2023 | U.S. Dollars December 31, 2023 |
| 7,287 (7,355 at March 31, 2023) guarantees of obligations for business (including commitments to guarantee obligations)..... | ¥ 49,889 | ¥ 52,537 | \$ 351,752 |
| Loan guarantees to affiliates | 4,949 | 5,113 | 34,894 |
| Loan guarantees to employees (housing loans, etc.) | 3 | 4 | 21 |

Note: ¥100 million (\$705 thousand) and ¥100 million at December 31, 2023 and March 31, 2023, respectively, of the above guarantees of obligations for business are guaranteed by other third parties.

5. GAIN ON INSURANCE CLAIMS RELATED TO RUSSIA

For the nine months ended December 31, 2023

In the year ended March 31, 2022, SMBC Aviation Capital Limited, the Company's consolidated subsidiary, terminated all lease contracts with Russian airlines pursuant to the rules of the sanctions against Russia imposed by the European Union, the United States, the United Kingdom and other countries due to Russia's invasion of Ukraine and recognized an extraordinary loss on impairment of such 34 aircraft accordingly in the years ended March 31, 2023 and 2022.

In the nine months ended December 31, 2023, for 19 aircraft which had been under lease contracts with Aeroflot Russian Airlines and another company, SMBC Aviation Capital received insurance proceeds of \$756 million in total from Insurance Company NSK, a Russian insurance company, and recognized an extraordinary gain of \$548 million (¥77,763 million), which is a difference between the carrying amount of the aircraft and the insurance proceeds.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Nine Months Ended December 31, 2023 and 2022

6. CASH FLOW INFORMATION

The interim consolidated statements of cash flows for the nine months ended December 31, 2023 and 2022 have not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill were as follows:

| | Millions of Yen | | Thousands of |
|-------------------------------|--------------------------------|-----------|--------------|
| | Nine Months Ended December 31, | | |
| | 2023 | 2022 | 2023 |
| Depreciation..... | ¥ 142,483 | ¥ 103,187 | \$ 1,004,604 |
| Amortization of goodwill..... | 7,070 | 7,177 | 49,848 |

7. NET ASSETS

Dividends paid in the nine months ended December 31, 2023 and 2022

| 2023 | | | | | | |
|----------------|-----------------|---------------------------|--------------------|--------------|----------------|----------------|
| Class of Stock | Total dividends | | Dividend per share | | Record date | Effective date |
| | Millions of Yen | Thousands of U.S. Dollars | Yen | U.S. Dollars | | |
| Common stock | ¥ 25,332 | \$ 178,608 | ¥ 290 | \$ 2.04 | March 31, 2023 | June 28, 2023 |

Notes: 1. Resolved at the ordinary general meeting of shareholders held on June 27, 2023
2. The dividends were paid out from retained earnings.

| 2022 | | | | | | |
|----------------|-----------------|--|--------------------|--|----------------|----------------|
| Class of Stock | Total dividends | | Dividend per share | | Record date | Effective date |
| | Millions of Yen | | Yen | | | |
| Common stock | ¥ 12,491 | | ¥ 143 | | March 31, 2022 | June 27, 2022 |

Notes: 1. Resolved at the ordinary general meeting of shareholders held on June 24, 2022
2. The dividends were paid out from retained earnings.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Nine Months Ended December 31, 2023 and 2022

8. SEGMENT INFORMATION

(1) Information about revenues and profit or loss by reportable segment

| For the nine months ended December 31, 2023 | Millions of Yen | | | | | |
|------------------------------------------------|---------------------|------------------|---------------------|------------------|---------------------|----------------------|
| | Reportable Segment | | | | Adjustments (*1) | Consolidated (*3) |
| | Domestic Leasing | Real Estate | Trans- portation | Overseas | | |
| Revenues: | | | | | | |
| Lease sales | ¥ 490,732 | ¥ 202,123 | ¥ 389,287 | ¥ 29,615 | ¥ - | ¥ 1,111,759 |
| Installment sales | 272,114 | - | 213 | 63,096 | - | 335,424 |
| Finance revenue | 8,444 | 1,309 | 6,411 | 3,292 | - | 19,457 |
| Other revenues (*2)..... | 28,057 | 85,619 | 6,442 | 1,856 | - | 121,976 |
| Revenues from external customers | 799,348 | 289,052 | 402,355 | 97,860 | - | 1,588,617 |
| Intersegment revenues or transfers..... | 8,903 | 813 | 23,632 | 142,573 | (175,923) | - |
| Total revenues | ¥ 808,252 | ¥ 289,866 | ¥ 425,988 | ¥ 240,434 | (175,923) | ¥ 1,588,617 |
| Segment profit..... | ¥ 28,870 | ¥ 38,885 | ¥ 45,592 | ¥ 1,932 | ¥ (1,044) | ¥ 114,235 |

| For the nine months ended December 31, 2022 | Millions of Yen | | | | | |
|------------------------------------------------|---------------------|------------------|---------------------|------------------|---------------------|----------------------|
| | Reportable Segment | | | | Adjustments (*1) | Consolidated (*3) |
| | Domestic Leasing | Real Estate | Trans- portation | Overseas | | |
| Revenues: | | | | | | |
| Lease sales | ¥ 512,046 | ¥ 264,203 | ¥ 265,482 | ¥ 26,796 | ¥ - | ¥ 1,068,528 |
| Installment sales | 328,363 | - | 6,278 | 54,285 | - | 388,927 |
| Finance revenue | 6,674 | 1,347 | 7,753 | 2,076 | - | 17,851 |
| Other revenues (*2)..... | 25,322 | 57,185 | 7,835 | 1,416 | - | 91,760 |
| Revenues from external customers | 872,406 | 322,736 | 287,349 | 84,575 | - | 1,567,068 |
| Intersegment revenues or transfers..... | 6,892 | 1,155 | 5,514 | 124,533 | (138,095) | - |
| Total revenues | ¥ 879,298 | ¥ 323,892 | ¥ 292,863 | ¥ 209,108 | (138,095) | ¥ 1,567,068 |
| Segment profit..... | ¥ 25,937 | ¥ 34,819 | ¥ 32,992 | ¥ 4,283 | ¥ (1,310) | ¥ 96,722 |

| For the nine months ended December 31, 2023 | Thousands of U.S. Dollars | | | | | |
|------------------------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Reportable Segment | | | | Adjustments (*1) | Consolidated (*3) |
| | Domestic Leasing | Real Estate | Trans- portation | Overseas | | |
| Revenues: | | | | | | |
| Lease sales | \$3,460,001 | \$ 1,425,108 | \$ 2,744,744 | \$ 208,806 | \$ - | \$ 7,838,673 |
| Installment sales | 1,918,593 | - | 1,502 | 444,871 | - | 2,364,972 |
| Finance revenue | 59,536 | 9,229 | 45,202 | 23,211 | - | 137,185 |
| Other revenues (*2)..... | 197,821 | 603,673 | 45,421 | 13,086 | - | 860,016 |
| Revenues from external customers | 5,635,959 | 2,038,017 | 2,836,882 | 689,981 | - | 11,200,859 |
| Intersegment revenues or transfers..... | 62,772 | 5,732 | 166,622 | 1,005,239 | (1,240,379) | - |
| Total revenues | \$ 5,698,738 | \$ 2,043,757 | \$ 3,003,511 | \$ 1,695,227 | (1,240,379) | \$ 11,200,859 |
| Segment profit..... | \$ 203,554 | \$ 274,166 | \$ 321,455 | \$ 13,622 | \$ (7,361) | \$ 805,436 |

*1. “Adjustments” for “segment profit” of ¥(1,044) million (\$7,361) thousand and ¥(1,310) million for the nine months ended December 31, 2023 and 2022 include amortization of goodwill of ¥(6,315) million (\$44,525) thousand and ¥(6,455) million and equity in earnings of affiliates of ¥5,743 million (\$40,492 thousand) and ¥5,359 million, which were not allocated to the reportable segments.

*2. “Other revenues” include revenue from contracts with customers.

*3. “Segment profit” was reconciled to ordinary income, which is calculated as operating income plus non-operating income minus non-operating expenses in the interim consolidated statement of income as shown below. Ordinary income is required to be presented under Japanese GAAP and is widely used as key financial data in Japan.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Nine Months Ended December 31, 2023 and 2022

Operating income in the interim consolidated statements of income was reconciled to ordinary income as follows:

| | Millions of Yen | | Thousands of U.S. Dollars | |
|-------------------------------------------|--------------------------------|----------|---------------------------|--|
| | Nine Months Ended December 31, | | | |
| | 2023 | 2022 | 2023 | |
| Operating income..... | ¥ 120,027 | ¥ 92,736 | \$ 846,280 | |
| Interest income | 173 | 85 | 1,224 | |
| Dividend income..... | 845 | 1,281 | 5,965 | |
| Interest expenses..... | (12,937) | (4,311) | (91,215) | |
| Equity in earnings of affiliates..... | 6,108 | 7,604 | 43,066 | |
| Foreign exchange losses | (1,047) | (867) | (7,383) | |
| Amortization of bond issuance costs | (782) | (100) | (5,516) | |
| Other—net | 1,847 | 293 | 13,023 | |
| Ordinary income | ¥ 114,235 | ¥ 96,722 | \$ 805,436 | |

(2) Changes in reportable segments

(Changes in measurement methods of segment profit and loss)

To present the operating results of the respective reportable segments more appropriately, the Group changed the allocation basis of corporate expenses at the beginning of the first quarter of the year ending March 31, 2024. Segment information for the nine months ended December 31, 2022 has been prepared using the new basis.

(3) Information about assets by reportable segment

For the nine months ended December 31, 2023

There were no items to be reported.

For the nine months ended December 31, 2022

The amount of assets of the “Transportation” segment as of December 31, 2022 increased by ¥1,153,457 million compared with that at the end of the year ended March 31, 2022 mainly because Goshawk Management Limited (current company name: SMBC Aviation Capital Management Limited) and its 188 subsidiaries became consolidated subsidiaries of SMBC Aviation Capital Limited, the Company’s consolidated subsidiary, during the three months ended December 31, 2022.

(4) Information about impairment loss on fixed assets, goodwill, etc. by reportable segment

For the nine months ended December 31, 2023

(Significant impairment loss on fixed assets)

The “Transportation” segment recognized an impairment loss on assets for lease whose profitability significantly declined in “Costs and expenses.” Such impairment loss for the nine months ended December 31, 2023 is ¥8,518 million (\$60,058 thousand).

For the nine months ended December 31, 2022

(Significant change in goodwill)

Goodwill arose in the “Transportation” segment as Goshawk Management Limited (current company name: SMBC Aviation Capital Management Limited) and its 188 subsidiaries became consolidated subsidiaries of SMBC Aviation Capital Limited, the Company’s consolidated subsidiary. Such goodwill was provisionally determined since the purchase price allocation had not yet been completed. At the end of the second quarter of the year ending March 31, 2024, the purchase price allocation was completed, and the provisional goodwill was finalized. As a result, the goodwill was reduced from ¥2,102 million to ¥513 million.

9. FINANCIAL INSTRUMENTS

There were no significant changes in the Group’s financial instruments compared with those at the end of the year ended March 31, 2023.

10. SECURITIES

There were no significant changes in the Group’s securities compared with those at the end of the year ended March 31, 2023.

11. DERIVATIVE TRANSACTIONS

There were no significant changes in the Group’s derivatives compared with those at the end of the year ended March 31, 2023.

12. BUSINESS COMBINATION

There were no items to be reported.

13. REVENUE RECOGNITION

Disclosures of revenue recognition have been omitted since the amount of revenue from contracts with customers was immaterial.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Nine Months Ended December 31, 2023 and 2022

14. PER SHARE DATA

| For the nine months ended December 31, | Yen | | U.S. Dollars |
|----------------------------------------|----------|----------|--------------|
| | 2023 | 2022 | 2023 |
| Basic earnings per share..... ¥ | 1,388.27 | ¥ 701.15 | \$ 9.79 |

Notes: 1. Diluted earnings per share is not disclosed because there were no dilutive potential shares.
2. Basic earnings per share were calculated based on the following:

| For the nine months ended December 31, | Millions of Yen | | Thousands of U.S. Dollars |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------|---------------------------|
| | 2023 | 2022 | 2023 |
| Profit attributable to owners of parent ¥ | 121,271 | ¥ 61,248 | \$ 855,047 |
| Amount not attributable to common shareholders | — | — | — |
| Profit attributable to owners of parent related to common stock..... | 121,271 | 61,248 | 855,047 |
| Average number of shares of common stock during the period (thousands of shares)..... | 87,354 | 87,354 | |
| Overview of potential shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect and that significantly changed compared with those at the end of the previous fiscal year | — | — | |

15. SUBSEQUENT EVENTS

There were no items to be reported.