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May 14, 2024

Sumitomo Mitsui Finance and Leasing Company, Limited

## Notice Regarding Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

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, 2024 as follows.

### 1. Status of Operations

During the fiscal year ended March 31, 2024, the global economy recovered as a whole, despite evidence of weakness in certain regions. Amid a gradual slowdown in inflation from monetary tightening by the central banks of each country to curb the globally high prices, the economies of the United States and South East Asia continued to recover at a moderate level while moderate slowdown and stagnation were observed in the economies of China and Europe.

The Japanese economy generally recovered moderately, although there were signs of a standstill in some areas. Export and production activities remained at the same level, while being countered by the impact of the slowing pace of overseas economies in certain areas. As a result, corporate earnings generally remained at a high level. Capital investment in Japan increased gradually overall, although there were differing levels of investment in different industry sectors. Leasing volume (preliminary statistics from the Japan Leasing Association) increased by 7.6% year on year.

Under these circumstances, the Group launched its medium-term management plan, of which the current fiscal year is the first year. Under the theme of “Pursuing the strengths of a business company with financial capabilities and taking on the challenge of solving social issues,” the following medium-term management plan strategies were pursued. Under “Creation of new core businesses,” we established a joint venture with an overseas pension fund for aircraft investment, entered the grid storage battery business, reached an agreement regarding acquisition of an overseas real estate private placement fund and strengthened our helicopter operating lease business. Under “Fundamental transformation of existing business,” we worked to promote electronic contracts and orders, select and focus on businesses, strengthen our business structure, and deepen cooperation with partners. Under “Solve further social issues,” we promoted the renewable energy power generation business and the provision of renewable energy power generation services based on the on-site and off-site PPA model, we decided to move forward with the establishment of a joint venture for industrial waste management, and we began to consider the global expansion of the lithium-ion battery recycling business. Under “Establish business foundation,” we worked to execute human resource strategies to respond to the expansion of our business areas, and to enhance risk management and diversify the financing platform.

The amount of new contracts during the fiscal year ended March 31, 2024 was ¥2,446.8 billion (down 22.2% year on year).

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

Revenues for the fiscal year ended March 31, 2024 increased by 5.0% year on year to ¥2,267.5 billion. In terms of profit and loss, operating income increased by 18.2% year on year to ¥157.4 billion, and ordinary profit increased by 9.6% year on year to ¥149.7 billion due to contributions from the transportation business and the real estate business. Profit attributable to owners of parent increased by 157.3% year on year to ¥129.7 billion mainly due to the recording of gain on insurance claims related to Russia in extraordinary income.

Operating assets as of March 31, 2024 increased by ¥274.1 billion from the end of the previous fiscal year to ¥8,331.5 billion, and total assets increased by ¥450.4 billion from the end of the previous fiscal year to ¥9,696.1 billion. Net assets increased by ¥202.6 billion from the end of the previous fiscal year to ¥1,377.9 billion.

## **3. Financial Results Forecasts**

For the consolidated financial results forecasts for the fiscal year ending March 31, 2025, we forecast revenues of ¥2,100 billion, down 7.4% year on year, operating income of ¥150 billion, down 4.7% year on year, ordinary profit of ¥140 billion, down 6.5% year on year, and profit attributable to owners of parent of ¥80 billion, down 38.3% year on year, mainly due to the absence of gain on insurance claims related to Russia recorded in the previous fiscal year. The assumed exchange rate for the calculation of the earnings forecasts is ¥140 per dollar.

Please refer to the attachment for details of the financial results and forecasts.

[Contact Information]

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# Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Under Japanese GAAP]

May 14, 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 Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	2,267,470	5.0	157,392	18.2	149,667	9.6	129,731	157.3
March 31, 2023	2,159,316	18.7	133,197	14.6	136,566	14.3	50,418	42.6

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥237,241 million [113.2%]  
 Fiscal year ended March 31, 2023: ¥111,265 million [12.3%]

	Earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating income to revenues
Fiscal year ended	Yen	%	%	%
March 31, 2024	1,485.12	13.2	1.6	6.9
March 31, 2023	577.17	5.8	1.6	6.2

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	9,696,059	1,377,920	10.8	12,040.66
March 31, 2023	9,245,649	1,175,290	9.8	10,408.70

(Reference) Equity:

As of March 31, 2024: ¥1,051,803 million  
 As of March 31, 2023: ¥909,244 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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	2,100,000	(7.4)	150,000	(4.7)	140,000	(6.5)	80,000	(38.3)	915.81

- 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

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank deposits	298,272	457,976
Installment sales receivable	643,875	616,144
Lease receivables and investment assets	2,102,929	1,928,155
Loans receivable	592,285	512,884
Short-term investment securities	629	0
Merchandise	8,946	18,217
Real estate for sale	166,250	240,837
Real estate for sale in process	4,733	5,834
Other	293,833	310,242
Allowance for doubtful accounts	(17,630)	(11,032)
<b>Total current assets</b>	<b>4,094,124</b>	<b>4,079,261</b>
<b>Non-current assets</b>		
<b>Property and equipment</b>		
<b>Leased assets</b>		
Leased assets	4,375,205	4,724,677
Allowance for loss on disposal of leased assets	(292)	(286)
Advances on purchases of leased assets	143,674	197,247
<b>Total leased assets</b>	<b>4,518,587</b>	<b>4,921,638</b>
Other operating assets	101,900	137,380
Property and equipment for internal use	16,575	21,512
<b>Total property and equipment</b>	<b>4,637,063</b>	<b>5,080,530</b>
<b>Intangible assets</b>		
Goodwill	57,548	48,189
Other	66,942	66,636
<b>Total intangible assets</b>	<b>124,490</b>	<b>114,826</b>
<b>Investments and other assets</b>		
Investment securities	316,065	360,983
Long-term loans receivable	2	11
Delinquent receivables	37,979	38,200
Deferred tax assets	19,320	12,956
Net defined benefit asset	122	161
Other	27,223	27,209
Allowance for doubtful accounts	(10,742)	(18,083)
<b>Total investments and other assets</b>	<b>389,971</b>	<b>421,440</b>
<b>Total non-current assets</b>	<b>5,151,525</b>	<b>5,616,798</b>
<b>Total assets</b>	<b>9,245,649</b>	<b>9,696,059</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Trade notes payable and accounts payable	75,627	56,646
Short-term loans	1,198,493	1,076,955
Long-term loans due within one year	430,782	601,953
Bonds due within one year	180,470	273,814
Commercial paper	899,700	659,000
Payables under securitization of lease receivables	26,769	–
Long-term payables under securitization of lease receivables due within one year	18,573	11,141
Lease obligations	11,201	9,141
Income taxes payable	14,790	21,177
Deferred profit on installment sales	29,066	35,224
Reserve for employee bonuses	2,635	3,131
Reserve for directors' bonuses	898	636
Other	226,570	234,337
Total current liabilities	3,115,579	2,983,159
Non-current liabilities		
Bonds	691,517	993,680
Long-term loans	3,789,074	3,838,067
Long-term payables under securitization of lease receivables	23,316	22,627
Lease obligations	28,475	23,504
Deferred tax liabilities	73,699	95,596
Reserve for directors' retirement benefits	491	690
Net defined benefit liability	2,966	809
Guarantee deposits received	146,658	144,231
Asset retirement obligations	4,868	5,958
Other	193,710	209,814
Total non-current liabilities	4,954,779	5,334,979
Total liabilities	8,070,359	8,318,138
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,000	15,000
Capital surplus	421,975	421,857
Retained earnings	440,339	544,739
Treasury stock	(73,313)	(73,313)
Total shareholders' equity	804,002	908,283
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	27,343	26,875
Deferred gains or losses on hedges	2,260	1,827
Foreign currency translation adjustments	75,836	113,091
Remeasurements of defined benefit plans	(198)	1,724
Total accumulated other comprehensive income	105,242	143,519
Share acquisition rights	122	118
Non-controlling interests	265,923	325,999
Total net assets	1,175,290	1,377,920
Total liabilities and net assets	9,245,649	9,696,059

## (2) Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Revenues	2,159,316	2,267,470
Cost and expenses	1,895,797	1,979,631
Gross profit	263,519	287,839
Selling, general and administrative expenses	130,322	130,446
Operating income	133,197	157,392
Non-operating income		
Interest income	132	241
Dividend income	1,987	1,565
Equity in earnings of affiliates	9,772	8,734
Value-added tax refund	235	1,763
Other	887	564
Total non-operating income	13,016	12,869
Non-operating expenses		
Interest expenses	7,617	17,836
Amortization of bond issuance cost	281	1,140
Foreign exchange losses	1,347	1,068
Other	400	549
Total non-operating expenses	9,647	20,594
Ordinary profit	136,566	149,667
Extraordinary income		
Gain on sales of investment securities	625	13,156
Gain on sales of shares of subsidiaries and affiliates	881	–
Gain on insurance claims related to Russia	–	82,972
Other	1	15
Total extraordinary income	1,507	96,144
Extraordinary losses		
Loss related to sanctions on Russia	59,480	19,486
Other	621	1,564
Total extraordinary losses	60,101	21,050
Profit before income taxes	77,972	224,761
Income taxes - current	25,643	32,066
Income taxes - deferred	166	21,264
Total income taxes	25,809	53,331
Profit	52,162	171,430
Profit attributable to non-controlling interests	1,744	41,698
Profit attributable to owners of parent	50,418	129,731