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November 11, 2022

Sumitomo Mitsui Finance and Leasing Company, Limited

Notice Regarding Consolidated Financial Results for the Six Months Ended September 30, 2022

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, 2022 as follows.

1. Status of Operations

During the six months ended September 30, 2022, amid the weakening impact from COVID-19, the global economy gradually recovered despite the effects from the rising prices of resources and energy.

In the Japanese economy, the trend of recovery continued. Trends in export ranged from flat to upward, while corporate earnings improved overall apart from some sectors, and the employment and income environment and personal consumption continued on moderate improvement trends.

Although capital investment in Japan is recovering, weakness can be observed in some industries, and leasing volume (statistics from the Japan Leasing Association) decreased by 2.1% year on year.

Under these circumstances, the amount of new contracts executed by the Group during the six months ended September 30, 2022 increased by 13.5% year on year to ¥1,517.4 billion.

2. Status of Financial Results

Revenues for the six months ended September 30, 2022 increased by 27.3% year on year to ¥1,021.8 billion. In terms of profit and loss, operating income increased by 19.4% year on year to ¥55.9 billion, and ordinary profit increased by 19.9% year on year to ¥59.5 billion. Profit attributable to owners of parent increased by 4.4% year on year to ¥37.5 billion.

Operating assets as of September 30, 2022 increased by ¥647.0 billion from the end of the previous fiscal year to ¥7,366.4 billion, and total assets increased by ¥751.1 billion from the end of the previous fiscal year to ¥8,547.1 billion. Net assets increased by ¥144.7 billion from the end of the previous fiscal year to ¥1,166.3 billion.

Please refer to the attachment for details.

[Contact Information]

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 [Under Japanese GAAP]

November 11, 2022

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 Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(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, 2022	1,021,852	27.3	55,933	19.4	59,557	19.9	37,502	4.4
September 30, 2021	802,715	21.4	46,830	154.0	49,669	141.1	35,907	181.8

(Note) Comprehensive income: Six months ended September 30, 2022: ¥159,865 million [198.5%]
 Six months ended September 30, 2021: ¥53,550 million [484.6%]

	Earnings per share
Six months ended	Yen
September 30, 2022	429.31
September 30, 2021	411.06

(2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	8,547,146	1,166,338	10.9
March 31, 2022	7,795,958	1,021,541	10.6

(Reference) Equity:

As of September 30, 2022: ¥933,825 million
 As of March 31, 2022: ¥829,155 million

2. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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	1,930,000	6.1	124,500	7.1	130,000	8.8	79,000	123.4	904.36

(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 quarterly review procedures under the Financial Instruments and Exchange Act of Japan.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and bank deposits	318,296	322,715
Installment sales receivable	564,835	687,698
Lease receivables and investment assets	2,172,294	2,149,001
Loans receivable	604,651	654,696
Short-term investment securities	2,017	2,368
Merchandise	6,553	7,548
Real estate for sale	93,339	138,118
Real estate for sale in process	3,846	4,246
Other	197,637	276,540
Allowance for doubtful accounts	(14,486)	(15,590)
Total current assets	3,948,987	4,227,343
Non-current assets		
Property and equipment		
Leased assets		
Leased assets	3,143,790	3,574,732
Allowance for loss on disposal of leased assets	(286)	(294)
Advances on purchases of leased assets	152,963	146,342
Total leased assets	3,296,467	3,720,779
Other operating assets	77,764	94,963
Property and equipment for internal use	5,907	6,114
Total property and equipment	3,380,139	3,821,858
Intangible assets		
Goodwill	66,553	61,732
Other	70,812	68,662
Total intangible assets	137,365	130,395
Investments and other assets		
Investment securities	268,033	300,916
Long-term loans receivable	1	2
Delinquent receivables	28,242	35,904
Deferred tax assets	24,448	22,839
Net defined benefit asset	70	82
Other	20,781	23,524
Allowance for doubtful accounts	(12,111)	(15,722)
Total investments and other assets	329,466	367,549
Total non-current assets	3,846,971	4,319,802
Total assets	7,795,958	8,547,146

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Trade notes payable and accounts payable	91,145	91,844
Short-term loans	1,241,085	1,245,814
Long-term loans due within one year	481,290	516,716
Bonds due within one year	144,905	192,105
Commercial paper	959,700	1,041,700
Payables under securitization of lease receivables	2,600	2,600
Long-term payables under securitization of lease receivables due within one year	21,045	20,798
Lease obligations	13,694	12,110
Income taxes payable	7,529	11,013
Deferred profit on installment sales	20,125	25,535
Reserve for employee bonuses	2,296	2,968
Reserve for directors' bonuses	567	347
Asset retirement obligations	0	0
Other	147,384	178,049
Total current liabilities	3,133,371	3,341,605
Non-current liabilities		
Bonds	754,855	679,175
Long-term loans	2,501,636	2,952,946
Long-term payables under securitization of lease receivables	41,461	31,811
Lease obligations	24,584	20,228
Deferred tax liabilities	63,248	78,604
Reserve for directors' retirement benefits	399	457
Net defined benefit liability	4,953	4,303
Guarantee deposits received	142,923	146,107
Asset retirement obligations	3,985	4,707
Other	102,997	120,860
Total non-current liabilities	3,641,045	4,039,202
Total liabilities	6,774,417	7,380,808
Net assets		
Shareholders' equity		
Capital stock	15,000	15,000
Capital surplus	421,975	421,975
Retained earnings	402,421	427,443
Treasury stock	(73,313)	(73,313)
Total shareholders' equity	766,083	791,105
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	25,977	27,613
Deferred gains or losses on hedges	(11,069)	15,840
Foreign currency translation adjustments	48,969	99,949
Remeasurements of defined benefit plans	(805)	(683)
Total accumulated other comprehensive income	63,072	142,720
Share acquisition rights	123	122
Non-controlling interests	192,262	232,389
Total net assets	1,021,541	1,166,338
Total liabilities and net assets	7,795,958	8,547,146

(2) Quarterly Consolidated Statements of Income
[For the Six Months Ended September 30]

(Millions of yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Revenues	802,715	1,021,852
Cost and expenses	698,533	903,812
Gross profit	104,181	118,040
Selling, general and administrative expenses	57,351	62,107
Operating income	46,830	55,933
Non-operating income		
Interest income	34	58
Dividend income	590	1,003
Equity in earnings of affiliates	4,302	6,081
Other	233	444
Total non-operating income	5,162	7,588
Non-operating expenses		
Interest expenses	1,549	2,629
Amortization of bond issuance cost	53	52
Foreign exchange losses	294	1,110
Other	426	170
Total non-operating expenses	2,322	3,963
Ordinary profit	49,669	59,557
Extraordinary income		
Gain on sales of shares of subsidiaries and affiliates	–	783
Gain on bargain purchase	1,208	–
Other	35	1
Total extraordinary income	1,243	784
Extraordinary losses		
Loss on sales and retirement of property and equipment for internal use	43	15
Loss on sales of investment securities	0	63
Loss on liquidation of investment securities	6	1
Loss on valuation of investment securities	13	12
Other	–	4
Total extraordinary losses	63	98
Profit before income taxes	50,850	60,244
Income taxes	9,238	15,224
Profit	41,612	45,020
Profit attributable to non-controlling interests	5,704	7,518
Profit attributable to owners of parent	35,907	37,502