

# **Results Briefing for the Second Quarter of the Fiscal Year Ending March 2012**

**October 25, 2011**

**Ricoh Leasing Company, Ltd.**



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# **1. Performance Overview**

**(Six months ended September 30, 2011)**

### ◆ Revenue and income growth achieved

- Credit cost reduced thanks to prudent credit review and the Government's economic stimulus measures
- Fund procurement cost slashed due to refinancing at lower interest rates
- Renewal of lease contract increased attributable to leased property's longer duration

### ◆ Transaction volume grew by 11.5%

- Maintained and strengthened transactions with vendors
- Reinforced sales contacts with excellent customers
- Beefed up measures for restoration demand and new areas

### ◆ Balance of operating assets began to increase

Thanks to growth in transaction volume, balance of operating assets increased from the previous fiscal year-end.

# Consolidated Results

# Performance Overview

(100 million yen, %)

	10/9	11/9				
	Actual	Initial forecast	Actual	Difference	Actual/Forecast	YoY (%)
Revenue	1,150	1,131	1,151	20	101.8	0.1
Gross profit	149	-	153	-	-	2.1
Selling, general and administrative expenses	71	-	65	-	-	-8.6
Operating income	78	69	87	17	125.7	12.0
Income before special items	77	68	87	18	127.6	12.8
Net income	44	38	51	12	133.4	15.6

(Yen, %)

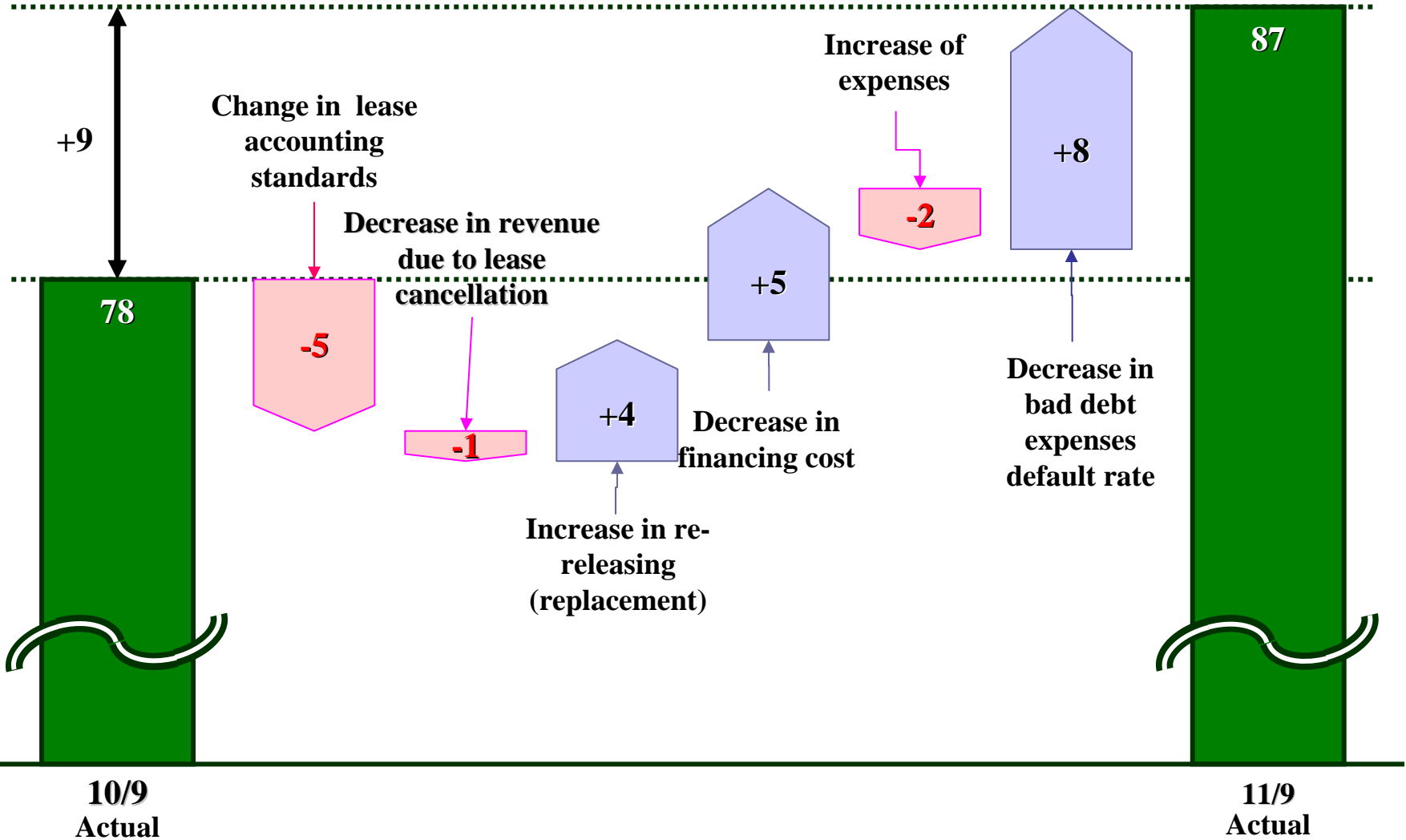
YoY (Yen)

EPS	142.24	123.33	164.49	41.16	-	22.25
Dividends	19.00	19.50	19.50	0.00	-	0.50

Items of Gross Profit

Items of SG & A Expenses

(100 million yen)



(100 million yen, %)

	10/9	11/9	
	Actual	Actual	YoY (%)
<b>Leasing revenue</b>	<b>968</b>	<b>949</b>	<b>-2.0</b>
<b>Installment revenue</b>	<b>58</b>	<b>85</b>	<b>47.1</b>
<b>Revenue from loans</b>	<b>10</b>	<b>10</b>	<b>2.6</b>
<b>Received commission</b>	<b>14</b>	<b>14</b>	<b>-2.3</b>
<b>Other revenue</b>	<b>99</b>	<b>92</b>	<b>-7.0</b>
<b>Total revenue</b>	<b>1,150</b>	<b>1,151</b>	<b>0.1</b>

(100 million yen, %)

	10/9 Actual	11/9	
		Actual	YoY (%)
Finance leases	1,036	1,133	9.3
Operating leases	40	54	33.6
Installments	116	114	-1.7
Lease/installment business	1,193	1,301	9.0
Financial services business	69	107	53.9
Total transaction volume	1,263	1,409	11.5

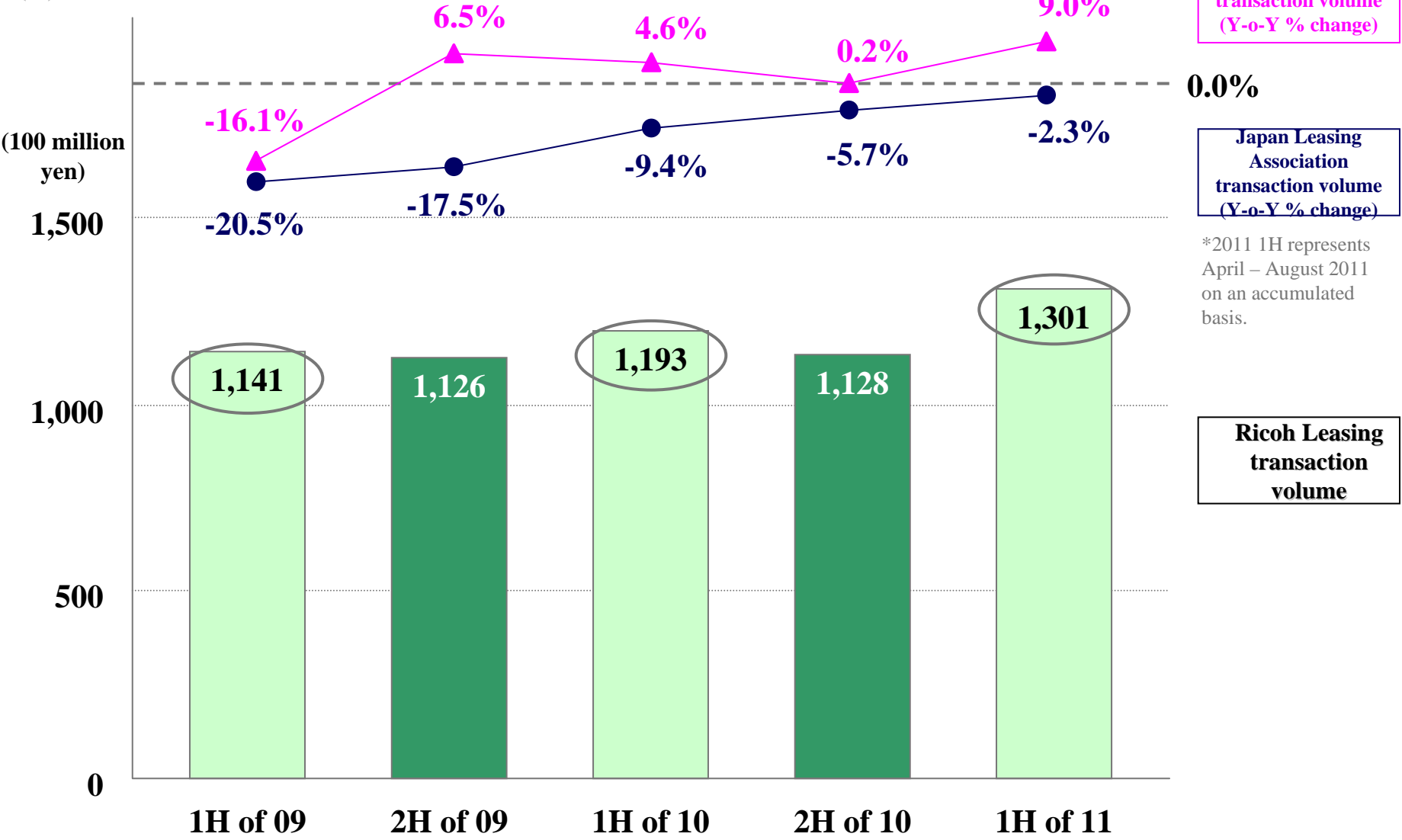
\*The above transaction volume is based on acceptance inspections

(100 million yen, %)

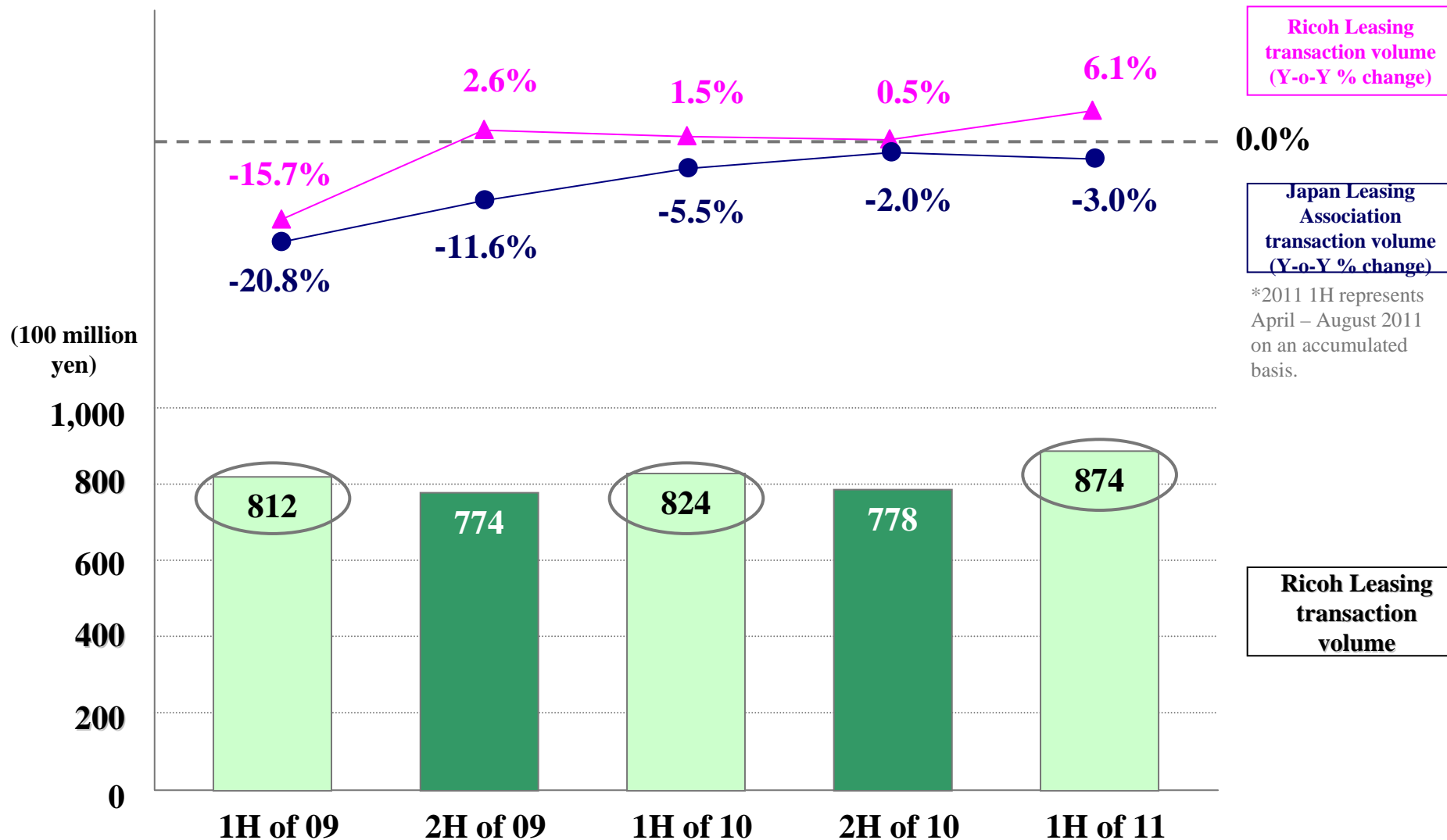
	10/9	11/9		Japan Leasing Association Accumulated in 11/4 to 8  YoY (%)
	Actual	Actual	YoY (%)	
Office and IT-related equipment	824	874	6.1	-3.0
Medical equipment	161	191	18.8	-8.6
Industrial machinery	55	44	-20.0	2.6
Commercial and service industry equipment	65	81	24.2	-4.5
Vehicles and transport equipment	34	41	19.2	-11.4
Others	52	68	29.8	12.2
<b>Total transaction volume</b>	<b>1,193</b>	<b>1,301</b>	<b>9.0</b>	<b>-2.3</b>

# Lease/Installments Business - Transaction Volume by Half-year Period Performance Overview

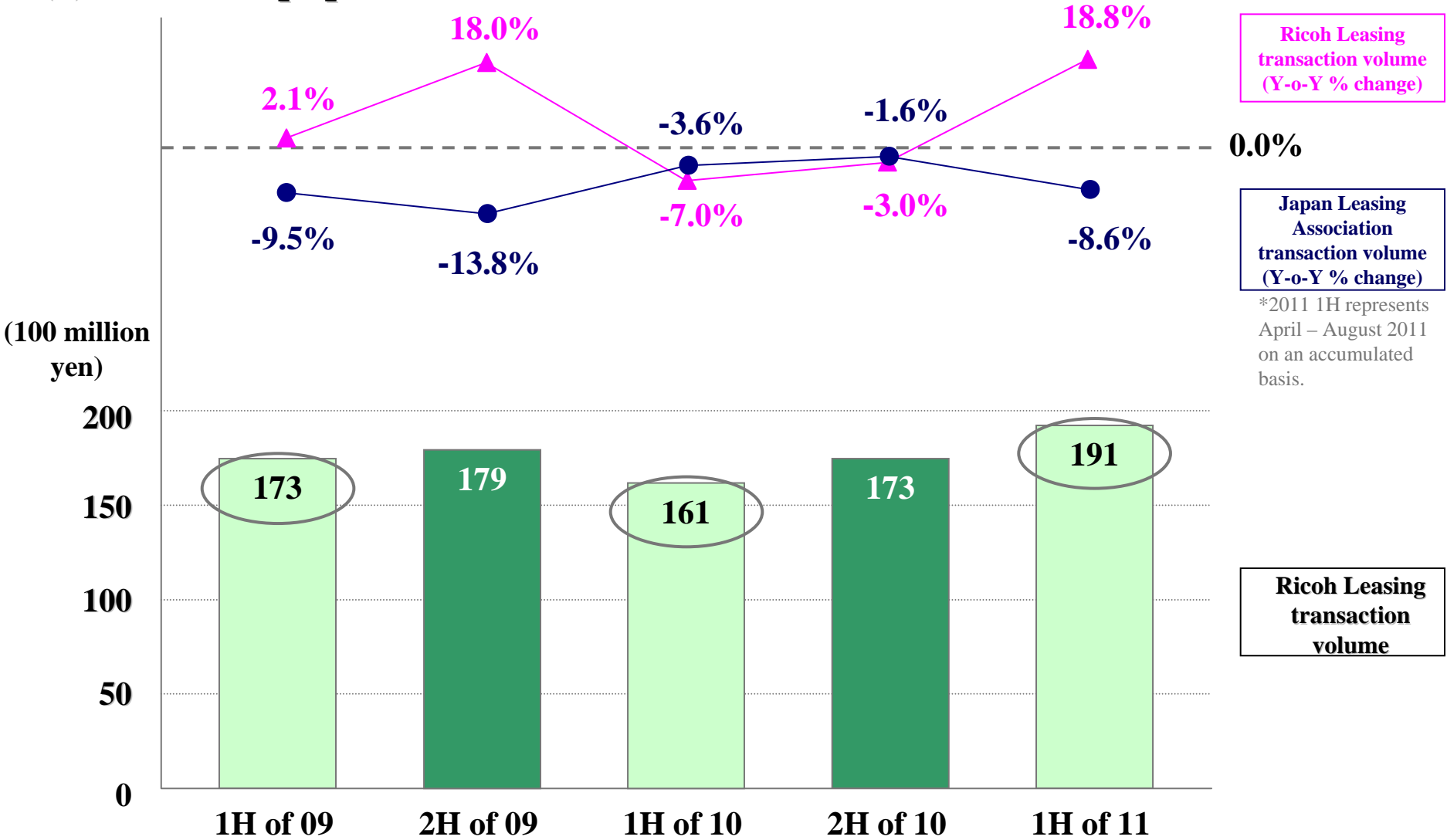
## (1) Total



## (2) Office and IT-related equipment



**(3) Medical equipment**



Ricoh Leasing transaction volume (Y-o-Y % change)

Japan Leasing Association transaction volume (Y-o-Y % change)

\*2011 1H represents April – August 2011 on an accumulated basis.

Ricoh Leasing transaction volume

### ■ Enhance value offered to vendors

- Increase share by strengthening response to the existing vendors' needs
- Explore new vendor channels

### ■ Reinforce sales contacts with excellent customers

- Strengthen marketing based on new proposals
- Promote additional services on leased property such as PC Management Service (PCMS) and carbon offset leasing

### ■ Respond to restoration and recovery demand

- Meet the restoration demand for equipment such as construction machinery and electronic generators in the affected areas
- Implement recovery assistance leasing

### ■ Reinforce exploration of new areas

- Small-sized wind turbine generator, airport vehicle, air ambulance, etc.



Small-sized wind turbine generator



Airport vehicle

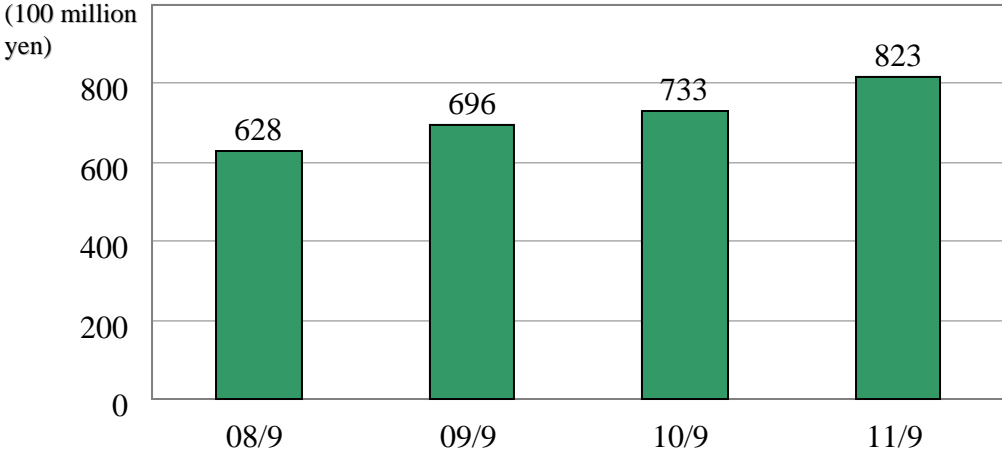


Air ambulance

**■ Loan business**

- **Loan balance is growing firmly thanks to an increase in loans related to housing and clinic opening, and a higher corporate loans transaction volume.**

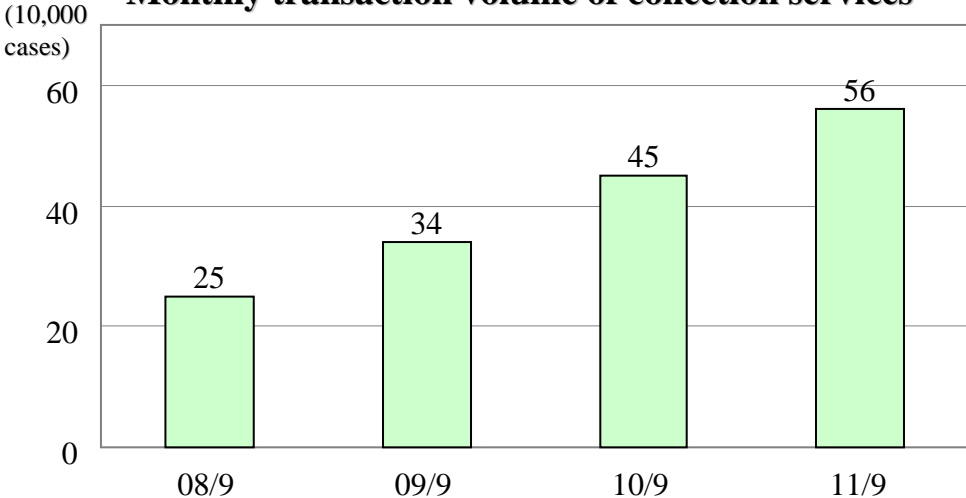
**Balance of loans**



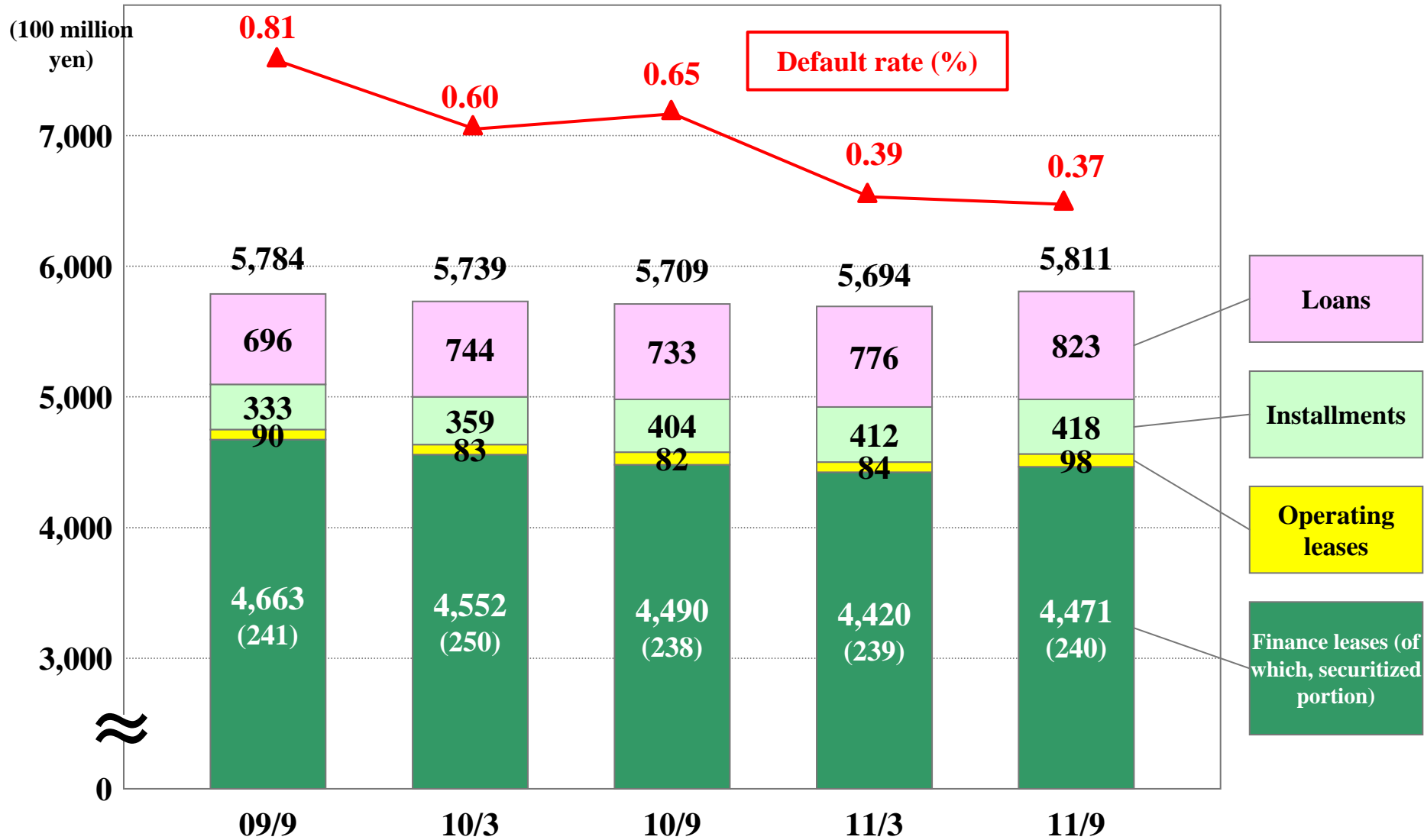
**■ Commission business**

- **Transaction volume of collection agency services is steadily increasing.**

**Monthly transaction volume of collection services**



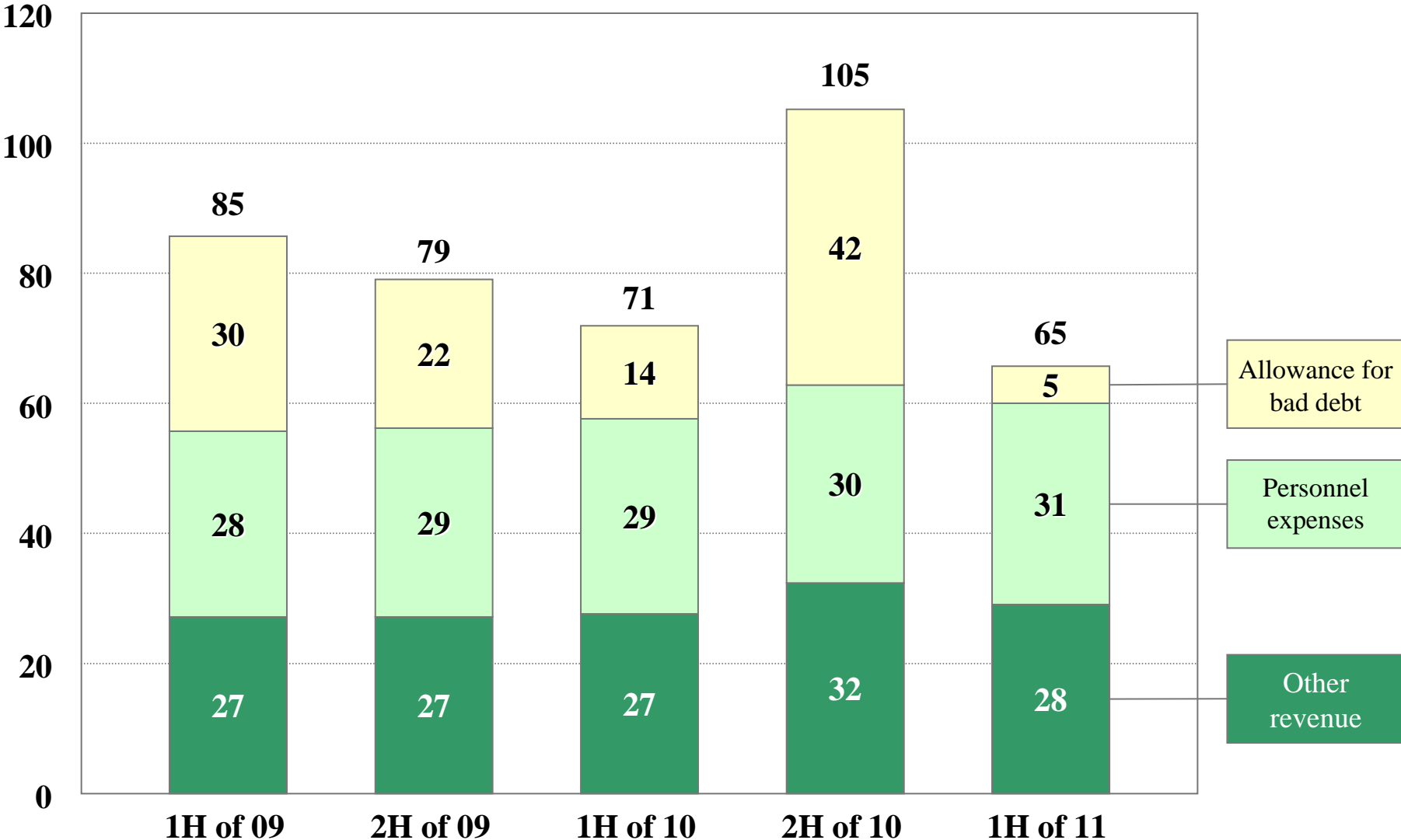
Default rate = Default loss amount / Average balance of operating assets

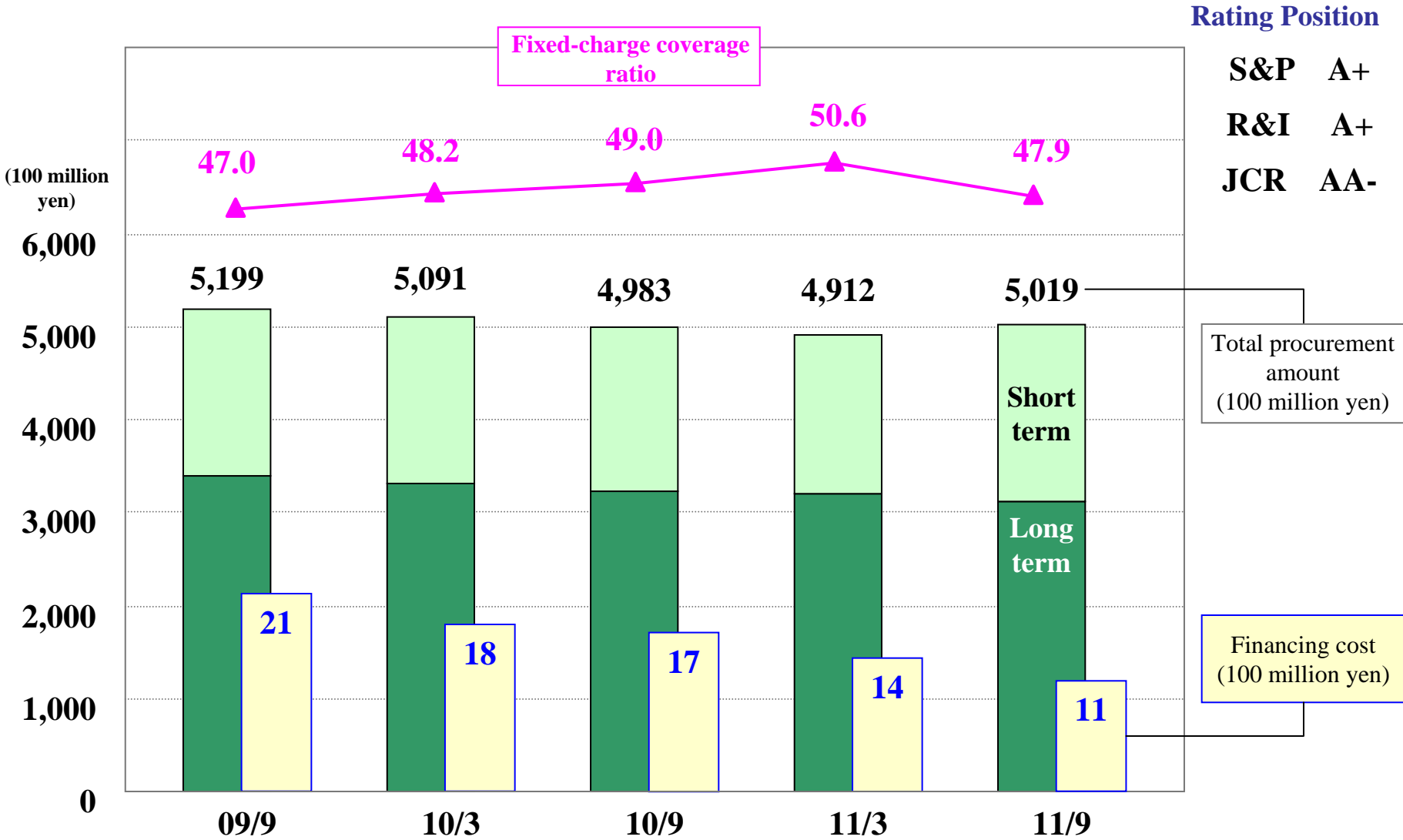


\* Figures show balances with securitized portions not deducted.

# Selling, general & administrative (SG&A) expenses by half-year period

(100 million yen)





\* Interest-bearing debt shows balance with debts payable due to securitization not deducted.  
 Financing costs show expenses included in gross profit on sales.

## **2. Forecasts**

**(Fiscal year ending March 2012)**

# Consolidated Income Forecast

Forecasts

(100 million yen, %)

	11/3 Actual	12/3			
		Initial forecast	Revised forecast	Change	YoY (%)
Revenue	2,297	2,251	2,330	79	1.4
Gross profit	299	292	305	13	1.9
Selling, general and administrative expenses	176	157	135	-22	-23.7
Operating income	122	135	170	35	38.8
Income before special items	121	133	169	36	38.6
Net income	70	76	98	22	39.6
YoY (Yen)					
EPS	224.92	243.46	313.93	70.47	89.01

(100 million yen, %)

	11/3	12/3			
	Actual	Initial forecast	Revised forecast	Change	YoY (%)
Leasing revenue	1,921	1,862	1,918	56	-0.2
Installment revenue	137	148	171	23	24.5
Revenue from loans	19	21	21	0	5.0
Received commission	27	28	28	0	4.8
Other revenue	191	191	191	0	0.2
<b>Total revenue</b>	<b>2,297</b>	<b>2,251</b>	<b>2,330</b>	<b>79</b>	<b>1.4</b>

# Transaction Volume Plan

Forecasts

(100 million yen, %)

	11/3 Actual	12/3			
		Initial forecast	Revised forecast	Change	YoY (%)
Finance leases	2,021	2,031	2,140	109	5.8
Operating leases	81	84	89	5	8.8
Installments	218	220	230	10	5.1
Lease/installment business	2,322	2,335	2,459	124	5.9
Financial services business	153	159	187	28	21.5
Total transaction volume	2,476	2,494	2,646	152	6.8

# Lease/Installment Business - Transaction Volume Plan by Business

Forecasts

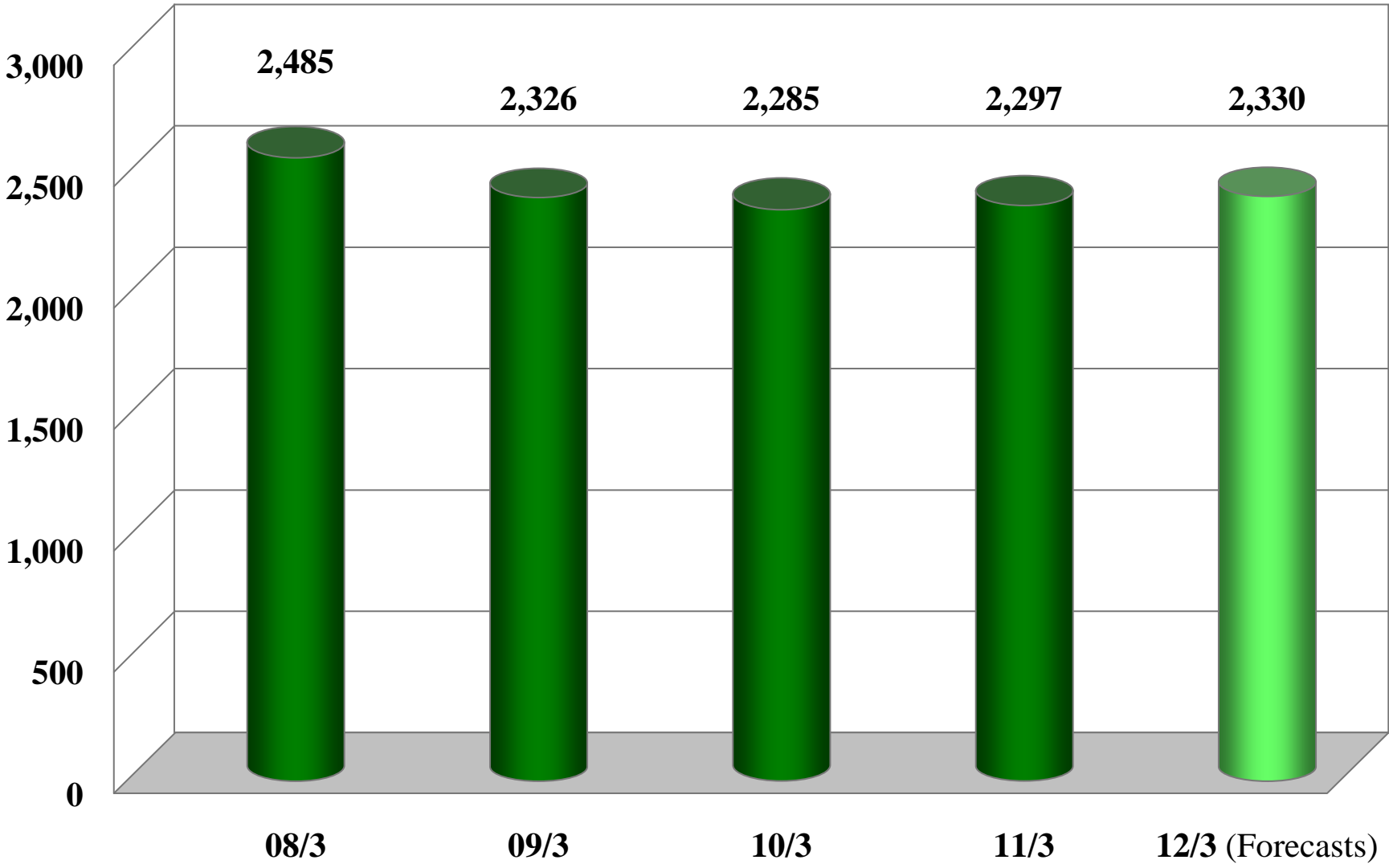
(100 million yen, %)

	11/3	12/3			
	Actual	Initial forecast	Revised forecast	Change	YoY (%)
Office and IT-related equipment	1,602	1,593	1,640	47	2.3
Medical equipment	335	355	378	23	12.7
Industrial machinery	90	92	92	0	1.4
Commercial and service industry equipment	129	130	154	24	18.9
Vehicles and transport equipment	60	60	70	9	16.5
Others	104	104	125	20	19.7
<b>Total</b>	<b>2,322</b>	<b>2,335</b>	<b>2,459</b>	<b>124</b>	<b>5.9</b>

# Revenue by Year

Forecasts

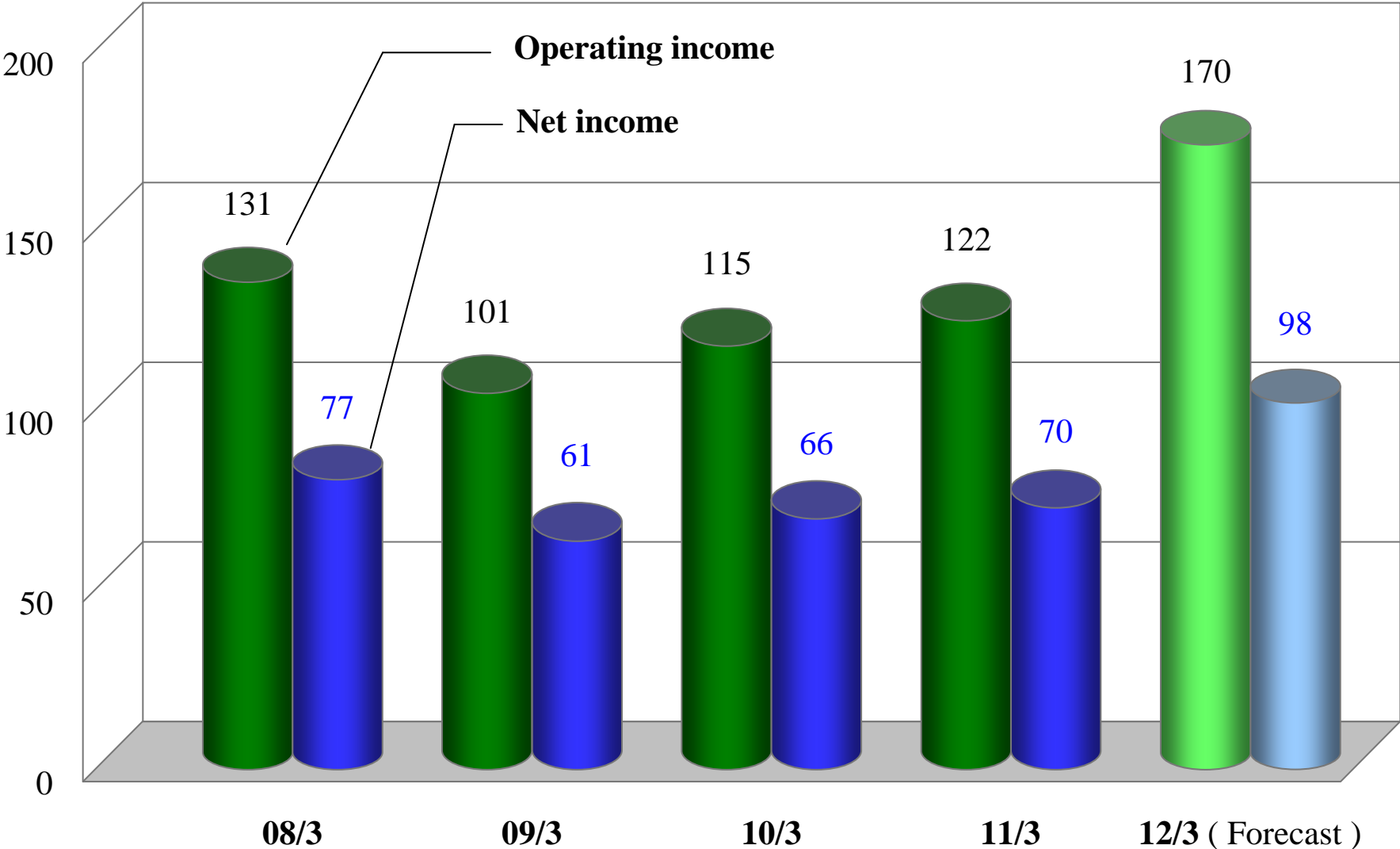
(100 million yen)



# Operating Income and Net Income by Year

Forecasts

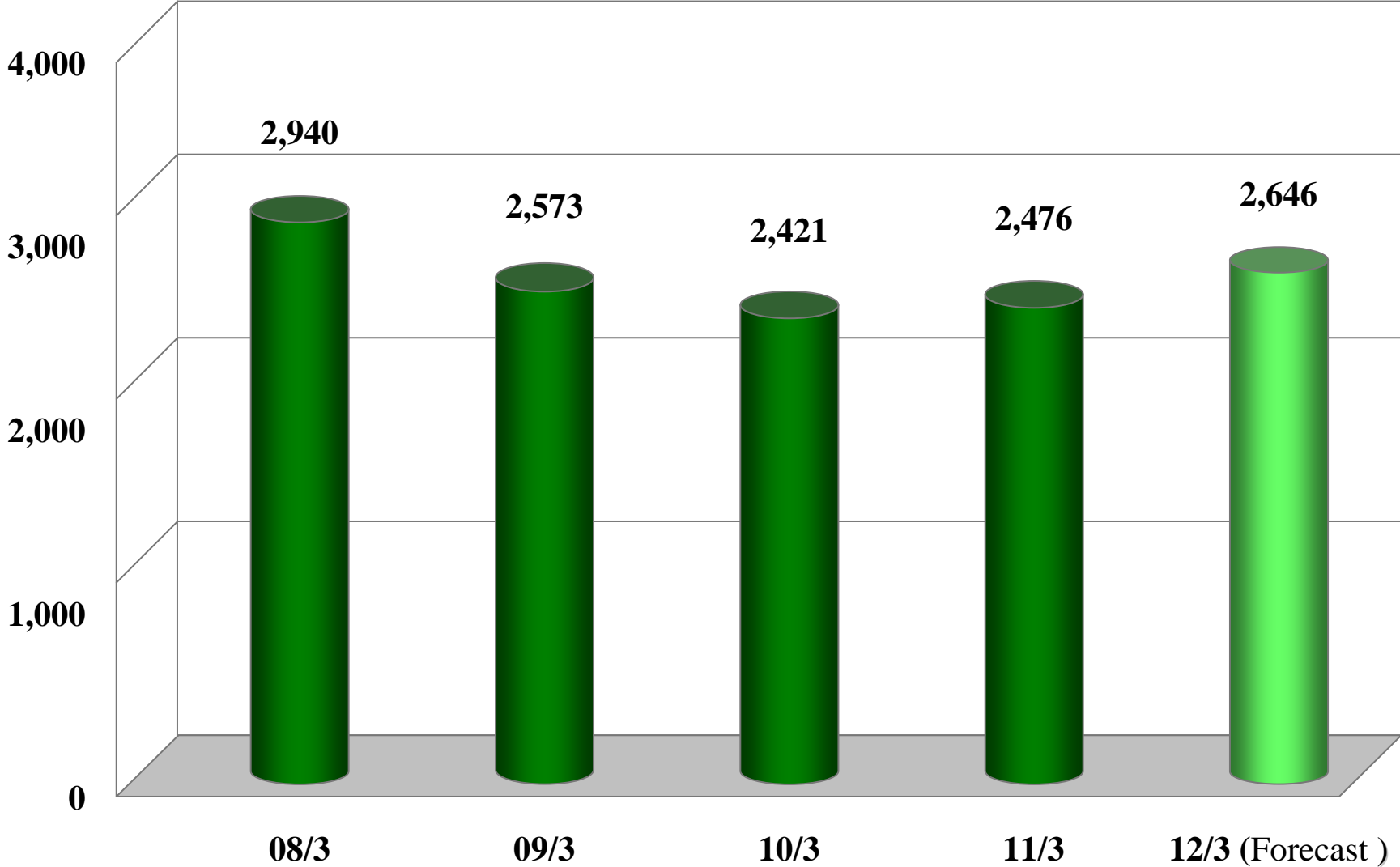
(100 million yen)



# Transaction Volume by Year

Forecasts

(100 million yen)

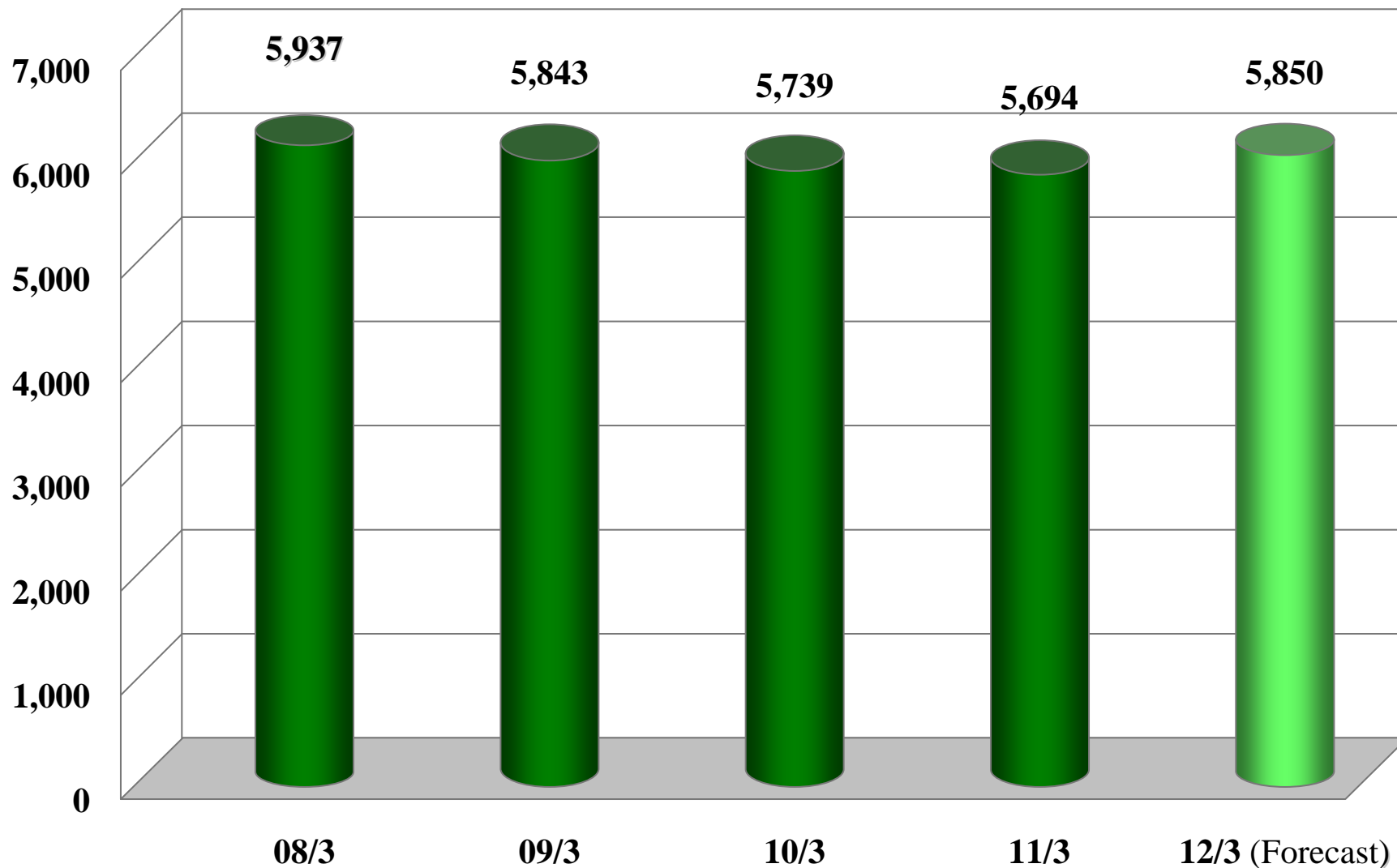


# Balance of Operating Assets by Year

Forecasts

\* Figures show balances with securitized portions not deducted.

(100 million yen)



- 1. Respond actively to the restoration demand and create new growth area**
- 2. Strengthen operation base and increase prime assets balance through expansion into new areas**
- 3. Further reinforce business structure with high levels of efficiency and profitability**
- 4. Implement faithful and adequate credit management to assist rehabilitation of firms affected by the earthquake**
- 5. Beef up CSR and risk management activities**
- 6. Develop human resources and enhance organizational capabilities**

**1. Expand prime operating assets centering on vendor marketing**

- (1) Increase transaction volume through existing vendor channel
- (2) Explore prime vendors
- (3) Enhance measures to improve rate of return

**2. Reinforce sales contacts with excellent users on organizational basis**

Develop measures to improve relationship with customers

**3. Strengthen response to reconstruction demand**

- (1) Reinforce sales activities regarding manufacturers of construction equipment and electric generators and trading firms
- (2) Maintain leasing services to assist reconstruction

**4. Exploit new fields**

- (1) Strengthen marketing to small-sized wind turbine generator makers and groundwater filtration equipment makers
- (2) Beef up sales activities in the environmental area

**Reliability  
for  
the Future**

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# Reference Material – FY 12/3 Forecast of Factors Affecting Operating Income

