

[Translation]

February 26, 2019

To whom it may concern,

Company name: IBJ Leasing Company, Limited  
Representative: President and CEO Hiroshi Motoyama  
(Code number: 8425 Tokyo Stock Exchange 1st Section)  
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**Notice Concerning Absorption-Type Company Split Agreement regarding Business Succession of Real Estate Leasing (Operating Lease) Business by Subsidiary through Company Split (Short-form Company Split)**

IBJ Leasing Co., Ltd. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on February 26, 2019, that it will transfer its real estate leasing (operating lease) business (“Target Business”) to KL Lease & Estate Co., Ltd. (the “Successor Company”) through an absorption-type company split (the “Absorption-Type Company Split”), and that it has executed an absorption-type company split agreement (the “Absorption-Type Company Split Agreement”).

Note that because the Absorption-Type Company Split is an absorption-type company split with a wholly owned subsidiary of the Company, part of the disclosure items and information are omitted from this announcement.

1. Purpose of the Absorption-Type Company Split

Amid intensifying competition both inside and outside the lease financing business and increasing momentum toward industry reorganization, for further development of business, at today’s Board of Directors meeting, the Company resolved it will execute an agreement regarding capital and business alliance between the Company and Mizuho Bank, Ltd. (“Mizuho Bank”), a consolidated subsidiary of Mizuho Financial Group, Inc. (“Mizuho FG”), and that the Company will issue new shares by third party allotment in order to make the Company an equity-method affiliate of Mizuho FG. Further details are available in “Signing of the Capital and Business Alliance Agreement between Mizuho Bank, Ltd. and IBJ Leasing Company, Limited” and “Notice Concerning Plans for Issuance of New Shares through Third-Party Allotment, and Change in the Largest Shareholder that is a Major Shareholder and Other Affiliate”, both issued today.

In accordance with the foregoing, the Company has decided to transfer its real estate leasing (operating lease) business to the Successor Company through an Absorption-Type Company Split, in an effort to increase operational efficiency and to grow and develop the entire corporate group by having itself focus on the leasing and financing business and the Successor Company focus on the real estate leasing (operating lease) business.

1. Outline of the Absorption-Type Company Split

(1) Schedule of the Absorption-Type Company Split

Date of Board of Directors resolution (the Company)	February 26, 2019
Date of Board of Directors resolution (the Successor Company)	February 26, 2019
Date of execution of the Absorption-Type Company Split Agreement	February 26, 2019
Date of General Meeting of Shareholders for approving the Absorption-Type Company Split Agreement (the Successor Company)	March 27, 2019 (scheduled)

Effective date of the Absorption-Type Company Split	March 29, 2019 (scheduled)
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Note: Because the Absorption-Type Company Split is, for the Company, a short-form Absorption-Type Company Split, as specified in Article 784, Paragraph 2 of the Companies Act, the Company will implement it without obtaining the approval of a general shareholders meeting.

(2) Method of the Absorption-Type Company Split

The Absorption-Type Company Split is an absorption-type company split under which the Company will be the splitting company and the Successor Company will be the successor company.

(3) Details of allocation of the consideration for the Absorption-Type Company Split

The Successor Company will issue 200 common shares, to be allocated to the Company.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights in connection with the Absorption-Type Company Split

No applicable.

(5) Change in the stated capital due to the Absorption-Type Company Split

There will be no change in the Company's stated capital due to the Absorption-Type Company Split.

(6) Rights and obligations to be succeeded by the Successor Company

The Successor Company will succeed to those set forth in the the Absorption-Type Company Split Agreement among the assets and liabilities belonging to the real estate leasing (operating lease) business as of the effective date of the Absorption-Type Company Split, as well as the ancillary rights and obligations attached thereto.

(7) Prospects for fulfillment of liabilities by the Successor Company

It has been determined that the liabilities to be borne by the Successor Company upon the effective date of the Absorption-Type Company Split are likely to be fulfilled without issue.

(8) Outline of parties concerned in the company split

	Splitting company (the Company)	
(1) Name	IBJ Leasing Company, Limited.	
(2) Location of head office	2-6 Toranomom 1-chome, Minato-ku, Tokyo	
(3) Name and title of representative	Hiroshi Motoyama	
(4) Business description	General leasing operations	
(5) Stated capital	17,874.19 million yen	
(6) Date of incorporation	December 1, 1969	
(7) Number of issued shares	42,649,000 shares	
(8) End of fiscal year	March 31	
(9) Major shareholders and shareholding ratios (as of September 30, 2018)	The Dai-ichi Life Insurance Company, Limited	6.87%
	NISSAN MOTOR Co., LTD. Retirement Benefit Trust Account, with the trustee being Mizuho Trust & Banking Co., Ltd., and re-trustee Trust & Custody Services Bank, Ltd.	4.10%
	Mizuho Bank, Ltd.	3.81%
	UNIZO Holdings Company, Limited	3.62%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.55%

	Japan Trustee Services Bank, Ltd. (Trust Account)	3.54%
	Meiji Yasuda Life Insurance Company	2.93%
	DOWA HOLDINGS Co., Ltd.	2.63%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Hongkong and Shanghai Banking Corporation Limited)	2.50%
	NIPPON STEEL KOWA REAL ESTATE CO., LTD.	2.29%
(10) Operating results and financial position in most recent fiscal year		
Fiscal year	Company (consolidated)	
	Fiscal year ending March 31, 2018	
Consolidated net assets	154,632 million yen	
Consolidated total assets	1,821,501 million yen	
Consolidated net assets per share	3,492.55 yen	
Consolidated revenues	399,738 million yen	
Consolidated operating income	19,162 million yen	
Consolidated ordinary income	19,964 million yen	
Net income attributable to owners of the parent	13,643 million yen	
Consolidated net income per share	319.91 yen	

	Successor Company	
(1) Name	KL Lease & Estate Co., Ltd.	
(2) Location of head office	2-6 Toranomom 1-chome, Minato-ku, Tokyo	
(3) Name and title of representative	Hidetoshi Yoshino	
(4) Business description	Real estate leasing and solar power sales operations	
(5) Stated capital	10 million yen	
(6) Date of incorporation	December 3, 1993	
(7) Number of issued shares	200 shares	
(8) Fiscal year end	March 31	
(9) Major shareholders and shareholding ratio	The Company	100%
(10) Operating results and financial position in most recent fiscal year		
Fiscal year	Successor Company (non-consolidated)	
	Fiscal year ending March 31, 2018	
Net assets	1,432 million yen	
Total assets	35,745 million yen	
Net assets per share	7,163 thousand yen	
Revenue	3,467 million yen	
Operating income	327 million yen	
Ordinary income	329 million yen	
Net income	214 million yen	
Net income per share	1,071 thousand yen	

### 3. Outline of the business subject to be splitted

#### (1) Description of the business to be splitted

Real estate leasing (operating lease) operations

#### (2) Operating results at the business to be splitted (fiscal year ending March 31, 2018)

Revenue: 61,614 million yen

#### (3) Assets and liabilities, book value of business to be splitted (as of December 31, 2018)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	7,739 million yen	Current liabilities	917 million yen
Fixed assets	161,400 million yen	Fixed liabilities	3,546 million yen
Total	169,140 million yen	Total	4,464 million yen

Note: The above figures are based on the balance sheet as of December 31, 2018. The assets and liabilities to be actually splitted will be determined by reflecting the changes until the effective date of the Absorption-Type Company Split.

#### 4. Status after the Absorption-Type Company Split

No changes in name, location of head office, name and title of representative, business description, stated capital, or fiscal year end in association with the Absorption-Type Company Split are planned, either for the Company or the Successor Company.

#### 5. Forecast

This event will have only a minor effect on the consolidated financial results of the Company, and thus the Company makes no changes to its consolidated financial results forecast for the fiscal year ending March 31, 2019 announced on February 7, 2019.

Furthermore, in conjunction with the Absorption-Type Company Split, the Company will individually transfer properties, contractual status and rights and obligations thereunder related to the commercial distribution intermediate business of the Company to KL & Co., Ltd. which is a wholly owned subsidiary of the Company.

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