



FOR IMMEDIATE RELEASE

January 13, 2011

Fuyo General Lease Co., Ltd.
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Announcement of Absorption-Type Merger (Simplified, Short-Form) with Consolidated Subsidiary

Fuyo General Lease Co., Ltd. announces that its board of directors, at a meeting held earlier today, decided to conduct an absorption-type merger (the “Merger”) of its wholly owned subsidiary Japan Mortgage Co., Ltd. (JMC), effective from April 1, 2012.

The contents of this release have been partially abbreviated because the Merger is a simplified, absorption-type merger of an already wholly owned subsidiary of the Fuyo General Lease.

1. Purpose of the Merger

Fuyo General Lease has been operating JMC, a real-estate finance company, as a wholly owned subsidiary. However, Fuyo General Lease’s new medium-term management plan for fiscal years 2012–2014, also announced earlier today, positions the “restructuring of our financing business” as a key business strategy. Management has therefore decided to merge JMC with Fuyo General Lease as one of the first concrete measures taken in line with this strategy, because it believes that bringing JMC’s assets, staff, and knowhow under direct control of Fuyo General Lease is the most appropriate method for restructuring the financing business and establishing a unified structure.

The Merger will lead to the dissolution of JMC as a separate corporate entity. However, because closing out the outstanding mortgage-backed securities sold by JMC is expected to take considerable time, the Merger’s scheduled effective date is April 1, 2012.

2. Merger outline

(1) Schedule

Board of directors decision to pursue merger	January 13, 2011	
Board meeting for final merger resolution	Late December 2011	(planned)
Conclusion of merger agreement	Late December 2011	(planned)
Merger date (effective date)	April 1, 2012	(planned)

Note: For Fuyo General Lease, the Merger is a simplified merger in accordance with Article 796-3 of Japan’s Companies Act. For JMC, the Merger will be a short-form merger in accordance with Article 784-1 of that Act. Consequently, the Merger does not need to be approved at a general meeting of the shareholders of either company.

(2) Merger method

JMC will cease to exist as an individual corporate entity following its absorption by Fuyo General Lease, the surviving entity of this absorption-type merger.

(3) Merger ratio

As Fuyo General Lease already owns all the outstanding shares of JMC, the Merger will not entail the exchange of shares or any other monies.

(4) Treatment of the non-surviving entity's share warrants or corporate bonds with share warrants

JMC has no such outstanding instruments.

3. Outline of the merger parties (as of March 31, 2010)

(1)	Company name	Fuyo General Lease Co., Ltd. (surviving entity)	Japan Mortgage Co., Ltd. (absorbed entity)
(2)	Address	3-3-23 Misaki-cho, Chiyoda-ku, Tokyo	8-1 Nihonbashikobunacho, Chuo-ku, Tokyo
(3)	Name and title of representative	Takashi Sato, President & CEO	Shunichi Fujii, President
(4)	Business	Comprehensive leasing	Lending business, holding and sales of mortgage-backed securities
(5)	Paid-in capital	¥10,532 million	¥1,400 million
(6)	Date of incorporation	May 1, 1969	June 11, 1973
(7)	Outstanding shares	30,287,810	2,800,000
(8)	Fiscal year-end	31 March	31 March
(9)	Major shareholders and their percentage of ownership	Hulic Co., Ltd. 10.26% Marubeni Corporation 9.47% Meiji Yasuda Life Insurance Company 7.46%	Fuyo General Lease Co., Ltd. 100%
(10)	Financial condition and business results	Year ended March 31, 2010 (consolidated)	Year ended March 31, 2010 (non-consolidated)
	Net assets	¥113,089 million	¥15,060 million
	Total assets	¥1,670,931 million	¥150,859 million
	Net assets per share	¥3,315.76	¥5,378.58
	Total revenues	¥382,042 million	¥3,329 million
	Operating income	¥21,742 million	¥197 million
	Ordinary income	¥23,636 million	¥299 million
	Net income	¥11,432 million	¥187 million
	Net income per share	¥378.98	¥66.80

4. Post-merger situation

The Merger will result in no changes to the surviving company's name, business, head office address, name and title of representative, capital, or fiscal year-end.

5. Outlook

As the Merger involves the absorption of a wholly owned subsidiary, the impact on Fuyo General Lease's consolidated results is expected to be negligible. Consequently, the consolidated forecasts for the fiscal year ending March 2011 are unchanged from the guidance announced on November 5, 2010.

For reference

Forecasts for the fiscal year ending March 31, 2011 (April 1, 2010 – March 31, 2011)

Total revenues	Operating income	Ordinary income	Net income	Net income per share
¥410,000mn	¥25,000mn	¥27,000mn	¥13,500mn	¥447.50