

Country Report in 2018- Japan

Market Review

Overview of Lease Market Total lease transaction volume for FY2017 was 4,875.9 billion yen, a decrease of 2.9% compared with FY2016; and leasing capital investment was 4,642.8 billion yen, a decrease of 1.7% compared with FY2016, total lease transaction volume decreased in a row of 2 years, leasing capital investment turned to decrease for the first time in 3 years.

Leasing percentage (ratio of leasing capital investment to the total private capital investment) in FY2017 was 5.35%; i.e. approximately over 5% of private capital investments were made through leasing.

Table 1: Lease transaction volume, Leasing capital investment and Level of penetration

Fiscal Year	(A) Lease transaction volume (¥bn)	Yearly change(%)	(B) Leasing capital investment (¥bn)	Yearly change(%)	(C) Total private capital investment (¥bn)	Yearly change(%)	Penetration (%) (B)/(C)
2000	7,945.7	7.3	6,992.2	6.2	83,529.3	4.5	8.37
2001	7,733.7	-2.7	6,914.8	-1.1	77,993.5	-6.6	8.87
2002	7,374.3	-4.6	6,605.2	-4.5	73,652.5	-5.6	8.97
2003	7,377.8	0.0	6,591.7	-0.2	74,432.8	1.1	8.86
2004	7,625.2	3.4	6,808.6	3.3	76,741.1	3.1	8.87
2005	7,941.3	4.1	7,101.7	4.3	82,338.6	7.3	8.62
2006	7,867.7	-0.9	7,121.3	0.3	84,419.0	2.5	8.44
2007	7,154.2	-9.1	6,342.0	-10.9	83,883.4	-0.6	7.56
2008	6,056.4	-15.3	5,444.4	-14.2	78,841.3	-6.0	6.91
2009	4,921.9	-18.7	4,405.8	-19.1	67,515.6	-14.4	6.53
2010	4,555.3	-7.4	4,116.1	-6.6	68,120.5	0.9	6.04
2011	4,599.7	1.0	4,168.2	1.3	70,411.1	3.4	5.92
2012	4,875.4	6.0	4,510.6	8.2	71,858.9	2.1	6.28
2013	5,239.0	7.5	4,841.1	7.3	77,463.6	7.8	6.25
2014	4,825.2	-7.9	4,413.2	-8.8	81,113.3	4.7	5.44
2015	5,039.3	4.4	4,721.3	7.0	82,774.9	2.0	5.70
2016	5,020.3	-0.4	4,724.8	0.1	81,742.8	-1.2	5.78
2017	4,875.9	-2.9	4,642.8	-1.7	86,156.7	5.4	5.39

Source: JLA

Note:

Total Private Capital Investment, based upon nominal value, is researched by the Cabinet Office. Total Private Capital Investment is retroactively revised due to the benchmark revision of GDP.

Fiscal Year above is defined as the accounting period from April 1 to March 31.

The statistics above do not include hire-purchase transactions.

Lease Transaction Volume by Type of Equipment in FY 2017 Construction Equipment (22.5% up) had showed a double-digit increase. Factory Equipment (7.2% up) had also showed positive growth. On the other hand, Information and Communication Equipment (0.3% down), Office Equipment (2.1% down), Industrial Equipment (12.0% down), Transport Equipment (0.2% down), Medical Equipment (3.4% down), and Commercial and Service Equipment (1.5% down) had showed negative growth respectively.

Table 2: Trend in lease transaction volume by type of equipment

	Lease transaction volume (¥bn)				Component ratio (%)				Yearly change(%)			
	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017
Information and Communication Equipment	1,555.5	1,594.0	1,564.8	1,560.4	32.2	31.6	31.2	32.0	-11.9	2.5	-1.8	-0.3
Computer Hardware	798.0	810.7	824.8	837.4	16.5	16.1	16.4	17.2	-15.2	1.6	1.7	1.5
Computer Software	368.7	380.8	345.3	335.0	7.6	7.6	6.9	6.9	-17.9	3.3	-9.3	-3.0
Telecommunication Equipment	388.8	402.5	394.7	388.0	8.1	8.0	7.9	8.0	3.3	3.5	-1.9	-1.7
Office Equipment	441.7	430.0	420.5	411.6	9.2	8.5	8.4	8.4	-3.3	-2.7	-2.2	-2.1
Industrial Equipment	548.0	615.8	556.5	489.8	11.4	12.2	11.1	10.0	-2.5	12.4	-9.6	-12.0
Factory Equipment	87.5	113.1	111.8	119.9	1.8	2.2	2.2	2.5	-16.0	29.2	-1.2	7.2
Construction Equipment	150.5	137.3	130.7	160.1	3.1	2.7	2.6	3.3	-16.4	-8.8	-4.8	22.5
Transport Equipment	631.5	610.3	671.6	670.5	13.1	12.1	13.4	13.8	-4.5	-3.4	10.0	-0.2
Automobile	527.6	546.3	596.8	595.5	10.9	10.8	11.9	12.2	-3.5	3.5	9.2	-0.2
Vessel	1.6	2.0	11.5	2.7	0.0	0.0	0.2	0.1	-55.3	27.0	479.3	-76.5
Medical Equipment	227.8	248.5	253.3	244.8	4.7	4.9	5.0	5.0	-24.6	9.1	1.9	-3.4
Commercial and Service Equipment	629.4	612.3	615.0	605.9	13.0	12.2	12.3	12.4	-5.0	-2.7	0.5	-1.5
Commercial Equipment	437.1	412.7	416.5	429.6	9.1	8.2	8.3	8.8	1.8	-5.6	0.9	3.2
Others	553.3	678.1	695.9	613.1	11.5	13.5	13.9	12.6	1.7	22.5	2.6	-11.9
Physical and Chemical Equipment	49.0	55.1	64.7	65.1	1.0	1.1	1.3	1.3	-14.7	12.4	17.4	0.6
Total	4,825.2	5,039.3	5,020.3	4,875.9	100.0	100.0	100.0	100.0	-7.9	4.4	-0.4	-2.9
Source: JLA												
Note:												
FY above is defined as the accounting period from April 1 to March 31.												
The statistics above do not include hire-purchase transactions.												

Lease Transaction Volume by Size of lessee and by lessee's business type in FY 2017

“Small and Medium Sized Companies” (companies with capital of 0.1 billion yen and less or solo proprietors) which accounted for approximately over 50% of total lessees showed a slightly rise (0.2% up) for the first time in 2 years. “Public sector and Others” a rise (1.8% up) in a row of 6 years. “Large Companies” (companies with capital of over 0.1 billion yen) declined (8.5% down) for the fifth year in a row. “Manufacturing” (9.1% down) and “Non-Manufacturing” (1.1% down) had decreased in a row of 2 years respectively.

(Reference) Leasing Capital Investment for FY 2017 on a consolidated basis

Leasing capital investment for FY2017 on a consolidated basis was 6,814.7 billion yen, a decrease of 2.0% compared with FY2016. Components were 5,638.6 billion yen for domestic leasing (0.5% down) and 1,176.1 billion yen for overseas leasing (8.3% down).

Table 3: Trend in lease transaction volume by size of lessee

	Lease transaction volume (¥bn)				Component ratio (%)				Yearly change(%)			
	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017
Large Companies	1,979.8	1,905.5	1,871.5	1,712.5	41.0	37.8	37.3	35.1	-7.4	-3.7	-1.8	-8.5
Listed companies	841.8	807.9	899.9	764.2	17.4	16.0	17.9	15.7	-11.8	-4.0	11.4	-15.1
Small and Medium Sized Companies	2,362.8	2,603.5	2,565.5	2,569.6	49.0	51.7	51.1	52.7	-10.7	10.2	-1.5	0.2
Public Sector and Others	482.9	530.3	583.2	593.7	10.0	10.5	11.6	12.2	5.6	9.8	10.0	1.8
Total	4,825.2	5,039.3	5,020.3	4,875.8	100.0	100.0	100.0	100.0	-7.9	4.4	-0.4	-2.9
Source: JLA												
Note:												
FY above is defined as the accounting period from April 1 to March 31.												
The statistics above do not include hire-purchase transactions.												

Table 4: Trend in lease transaction volume by lessee's business type

	Lease transaction volume (¥bn)				Component ratio (%)				Yearly change(%)			
	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017
Agriculture, Forestry, Fisheries, and Mining and quarrying of stone and gravel	52.9	76.0	80.2	56.9	1.1	1.5	1.6	1.2	-25.2	43.8	5.4	-29.0
Construction	260.1	272.9	294.5	300.0	5.4	5.4	5.9	6.2	-4.7	5.0	7.9	1.9
Manufacturing	881.0	981.9	951.0	864.3	18.3	19.5	18.9	17.7	-8.8	11.5	-3.1	-9.1
Manufacture of Food	142.8	150.2	148.2	138.3	3.0	3.0	3.0	2.8	-15.0	5.2	-1.3	-6.6
Textile mill, Lumber and wood, and Pulp Products	69.8	72.5	74.0	77.1	1.4	1.4	1.5	1.6	-17.4	3.8	2.1	4.2
Chemical and allied, Petroleum and coal, Plastic Products	93.3	88.4	94.4	79.3	1.9	1.8	1.9	1.6	2.1	-5.2	6.8	-15.9
Iron and Steel, Non-ferrous Metal, and Fabricated Metal Products	108.1	113.9	108.7	114.3	2.2	2.3	2.2	2.3	-2.3	5.4	-4.6	5.3
Production, Electrical, Information and Communication, Transportation	343.6	435.1	415.8	347.5	7.1	8.6	8.3	7.1	-2.8	26.6	-4.4	-16.4
Others	123.5	121.8	109.9	107.5	2.6	2.4	2.2	2.2	-22.1	-1.4	-9.7	-2.1
Non-manufacturing	3,173.4	3,263.2	3,129.8	3,094.4	65.8	64.8	62.3	63.5	-10.0	2.8	-4.1	-1.1
Electricity, Gas, Heat supply and Water	58.4	80.6	67.1	132.2	1.2	1.6	1.3	2.7	-24.2	38.1	-16.8	97.0
Information and Communications	252.8	256.7	241.9	265.2	5.2	5.1	4.8	5.4	10.9	1.5	-5.7	9.6
Transport and Postal activities	278.4	299.2	293.1	284.0	5.8	5.9	5.8	5.8	-11.7	7.5	-2.0	-3.1
Wholesale and Retail trade	917.0	873.6	897.2	876.7	19.0	17.3	17.9	18.0	-10.1	-4.7	2.7	-2.3
Finance and Insurance	117.4	124.7	119.7	110.4	2.4	2.5	2.4	2.3	-13.8	6.2	-4.0	-7.7
Real estate, Goods rental, and Leasing	358.7	373.9	308.3	264.7	7.4	7.4	6.1	5.4	8.4	4.3	-17.5	-14.1
Accommodations, Eating and drinking services	96.8	115.8	108.3	114.1	2.0	2.3	2.2	2.3	-13.8	19.6	-6.5	5.4
Medical, Health care and Welfare	324.9	377.9	342.8	361.7	6.7	7.5	6.8	7.4	-18.8	16.3	-9.3	5.5
Services, N.E.C.	769.2	760.9	751.3	685.0	15.9	15.1	15.0	14.0	-15.3	-1.1	-1.3	-8.8
Government, Except elsewhere classified	457.9	445.2	564.9	560.1	9.5	8.8	11.3	11.5	14.0	-2.8	26.9	-0.8
Total	4,825.2	5,039.3	5,020.3	4,875.8	100.0	100.0	100.0	100.0	-7.9	4.4	-0.4	-2.9

Source: JLA

Note:

FY above is defined as the accounting period from April 1 to March 31.

The statistics above do not include hire-purchase transactions.

Table 5: Trend in Leasing capital investment (consolidated basis)

		Leasing capital investment (¥bn)				Component ratio (%)				Yearly change(%)			
		FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017	FY2014	FY2015	FY2016	FY2017
Domestic	Finance Lease	4,407.1	4,766.9	4,804.4	4,716.9	71.5	70.8	69.1	69.2	-11.5	8.2	0.8	-1.8
	Operating Lease	666.5	760.8	863.3	921.7	10.8	11.3	12.4	13.5	0.7	14.1	13.5	6.8
	Total	5,073.6	5,527.7	5,667.8	5,638.6	82.4	82.1	81.5	82.7	-10.1	9.0	2.5	-0.5
Overseas	Finance Lease	387.6	374.9	456.0	474.4	6.3	5.6	6.6	7.0	9.5	-3.3	21.6	4.0
	Operating Lease	699.5	831.3	827.1	701.7	11.4	12.3	11.9	10.3	72.8	18.8	-0.5	-15.2
	Total	1,087.1	1,206.2	1,283.1	1,176.1	17.6	17.9	18.5	17.3	43.3	11.0	6.4	-8.3
Total		6,160.7	6,733.9	6,950.9	6,814.7	100.0	100.0	100.0	100.0	-3.8	9.3	3.2	-2.0

Source: JLA

Note:

Companies subject to the consolidated lease statistics were the 27 companies to which the Association's directors and auditors belong (of which 21 companies were included in the statistics).

Calculated by adding the statistics, i.e. consolidated lease statistics (after adjustment for duplication) to the non-consolidated lease statistics.

FY above is defined as the accounting period from April 1 to March 31.

The statistics above do not include hire-purchase transactions.