

## CHAPTER 6 COMPETITIVE LANDSCAPE

Orix is Japan's leading leaser of vehicles, with over 389,000 vehicles. The company offers a wide range of leasing options. Trucks can be hired by the day or up to 3 years. There are also bespoke contracts that can be extended to customer-liveried trucks. It provides fleets of vehicles with specifications to meet most types of demands. However, in line with market trends, the profits from the leasing sector fell from £56 million in Q1 of 2002 to £50 million in Q1 of 2003, a 10% drop (This figure is a combination of all of Orix's corporate finance leasing, including that of truck-hire).

Japan Leasing Auto (JLA) is the second largest truck leasing company in Japan, and is owned by the American firm GE Fleet Services. JLA has over 130,000 modern vehicles, among which are refrigerated vans, light duty vans, postal vans, and straight trucks.

Aside from the two largest firms above, most of the truck-leasing firms in Japan are still small companies, with a fleet of 10-20 vehicles. During the 1990s, most of the truck-leasing firms operating had a fleet of 10-20 vehicles, but due to the severe Japanese recession and severe competition, there was a rapid increase in the number of operators going into bankruptcy. They numbered 400 in 1997, the lowest level in the last 10 years. The level of bankruptcies has gone into decline, but as can be seen by Orix, other small leasing companies have been purchased by the larger market players, and integrated into their set-ups.

The truck-leasing sector is one of severe competition, due to the number of operators in that market. The largest companies are looking at conservative growth figures, and are looking to consolidate rather than pursue aggressive marketing policies.