

Financial Results for Q1 of the Fiscal Year Ending March 31, 2026 (FY2026)

July 30, 2025

NEC Capital Solutions Limited

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Financial Results for Q1 of the Fiscal Year Ending March 31, 2026 (FY2026)

1. Financial Results for Q1 of FY2026
 - 1) Highlights of Financial Results
 - 2) Business Environment
 - 3) Financial Summary
 - 4) Revenues by Business Segment
 - 5) Business Results by Business Segment
 - 6) Leasing Business
 - 7) Finance Business
 - 8) Investment Business
 - 9) Operating Asset Balances
 - 10) Procuring Funds
 - 11) Credit Costs
2. Forecasts for FY2026

1. Financial Results for Q1 FY2026

1) Highlights of Financial Results

Business Environment

Total leasing contracts in the industry remained flat Y/Y.

We need to continue to monitor future trends in the financing environment and bankruptcies.

Results in Key Business Units

In the Leasing Business, new transactions rose Y/Y due to the recording of assets for large-scale projects for government agencies and municipalities.

Both contracts executed and new transactions in the finance business decreased Y/Y.

<Leasing Business>

Contracts executed : 1.7% down New transactions : 24.9% up

<Finance Business>

Contracts executed : 8.7% down New transactions : 8.1% down

Business Performance

Although revenue and gross profit increased Y/Y due to the growth of the leasing business and other businesses, net income remained flat Y/Y due to decrease in reversal of allowance for doubtful accounts.

2) Business Environment

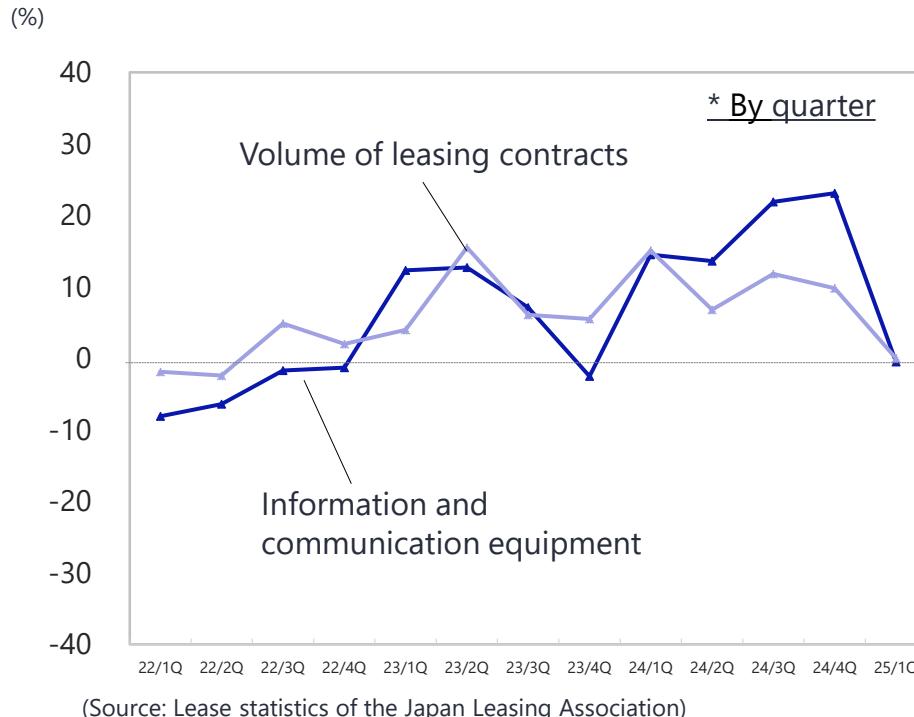
Total Leasing Contracts:

Total leasing contracts in the industry overall remained flat Y/Y and our mainstay Information and communication equipment leasing decreased by 0.5% Y/Y.

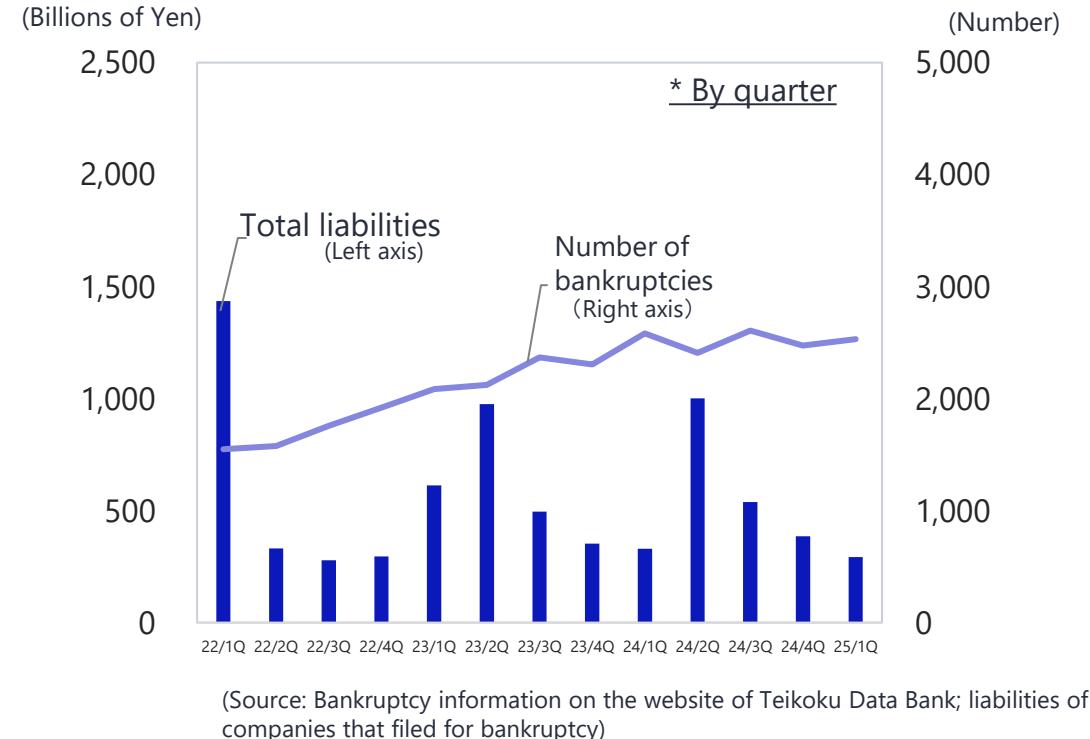
Bankruptcies:

Both total liabilities and number of bankruptcies decreased Y/Y.

Y/Y change in total leasing contracts



Bankruptcies (Total liabilities/Number)



3) Financial Summary

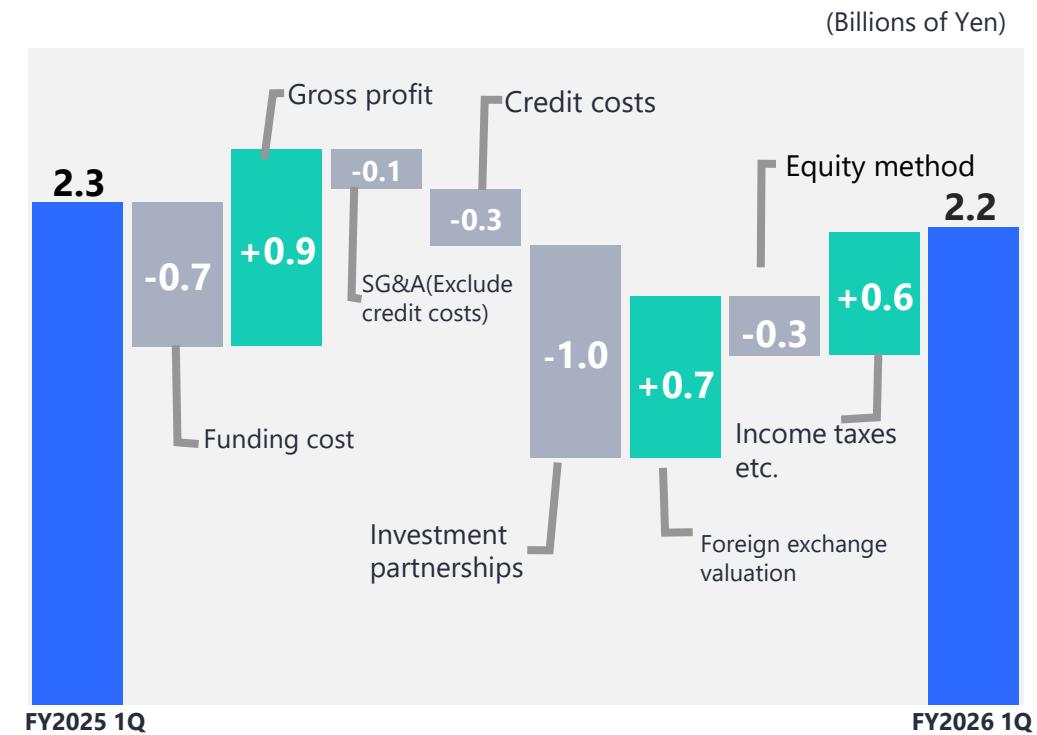
Revenues: Revenue Increased by 5.7% Y/Y driven by the growth of the leasing business and the sale of properties held for sale.

Net Income: The impact of rising funding costs was mitigated by increased revenue, leading to increase in gross profit Y/Y. Net income remained at the same level as the previous year due to non-operating income, income taxes, and other factors.

Performance measures

	(Billions of Yen)		
	FY2025 1Q	FY2026 1Q	Y/Y Change
Revenues	61.5	65.0	+5.7%
Operating Income	2.6	2.4	-7.0%
Ordinary Income	3.7	3.0	-18.7%
Profit attributable to owners of parent	2.3	2.2	-5.0%
Net Income per Share (Yen)	106.70	101.32	—
Operating Asset Balance	984.7	1,021.2	+3.7%
Net Assets	139.8	140.2	+0.3%
Shareholders' Equity	118.4	119.8	+1.2%
Equity Ratio (%)	10.7	10.3	—
Dividend per share (Yen)	75	※plan 75	+0

Main Reasons for Y/Y Increase/Decrease in Net Income



4) Revenues by Business Segment

Revenues by Business Segment

(Billions of Yen)

		FY2025 1Q	FY2026 1Q	Y/Y Change
Leasing Business	Revenues	56.6	58.2	+2.8%
	Gross Profit	4.2	4.3	+3.8%
	Operating Income	1.6	1.6	+3.7%
Finance Business	Revenues	2.0	1.7	-15.1%
	Gross Profit	1.3	0.9	-32.0%
	Operating Income	1.0	0.4	-58.8%
Investment Business	Revenues	2.0	2.9	+39.5%
	Gross Profit	1.4	1.7	+18.1%
	Operating Income	0.6	0.8	+37.7%
Other Business	Revenues	0.9	2.4	+150.3%
	Gross Profit	0.5	0.8	+43.1%
	Operating Income	0.2	0.2	+29.2%
Total	Revenues	61.5	65.0	+5.7%
	Gross Profit	7.4	7.6	+3.3%
	Operating Income	2.6	2.4	-7.0%

*Excluding adjustment amount

Leasing Business

Revenue and gross profit rose steadily, while operating profit remained flat Y/Y due to a decrease in reversal of allowance for doubtful Accounts.

Finance Business

Revenue decreased Y/Y due to lower interest income and dividend income. Operating profit also declined Y/Y, mainly due to a smaller reversal of allowance for doubtful accounts.

Investment Business

Both revenue and income increased Y/Y due to gains on sales of investment securities and higher loan interest income.

Other Business

Revenue significantly increased Y/Y due to the sale of properties held for sale. Although SG&A expenses increased, operating profit also grew Y/Y.

5) Business Results by Business Segment

Contracts Executed by Business Segment

	(Billions of Yen)		
	FY2025 1 Q	FY2026 1 Q	Y/Y Change
Leasing Business	44.5	43.7	-1.7%
Leasing	40.4	40.6	+0.6%
Installment Sales	4.1	3.1	-24.4%
Finance Business	83.7	76.4	-8.7%
Loans	55.2	49.7	-10.0%
Bulk Factoring	28.5	26.7	-6.3%
Other Business	—	—	—
Total	128.2	120.2	-6.3%

New Transactions by Business Segment

	(Billions of Yen)		
	FY2025 1 Q	FY2026 1 Q	Y/Y Change
Leasing Business	62.4	77.9	+24.9%
Leasing	59.0	74.9	+27.0%
Installment Sales	3.4	3.0	-10.5%
Finance Business	82.9	76.3	-8.1%
Loans	54.5	49.6	-9.0%
Bulk Factoring	28.5	26.7	-6.3%
Other Business	—	—	—
Total	145.3	154.2	+6.1%

Contracts Executed by Business Segment

Although the leasing business remain at the same level as the previous year, the overall results declined due to a decrease in the finance business.

New Transactions by Business Segment

Increased Y/Y due to growth in the leasing business.

6) Leasing Business

Contracts Executed by Customer Sector

(Billions of Yen)

	FY2025	FY2026	Y/Y Change
	1 Q	1 Q	
Public Sector: Government agencies and Municipalities	15.7	20.0	+27.3%
Private Sector	28.8	23.8	-17.5%
Services	10.6	8.9	-15.5%
Distribution	4.0	4.0	-0.1%
Manufacturing	7.8	6.3	-19.3%
Other	6.4	4.5	-29.5%
Total	44.5	43.7	-1.7%

New Transactions by Customer Sector

(Billions of Yen)

	FY2025	FY2026	Y/Y Change
	1 Q	1 Q	
Public Sector: Government agencies and Municipalities	37.4	56.9	+52.1%
Private Sector	25.0	21.0	-15.7%
Services	8.4	8.2	-1.6%
Distribution	3.3	3.6	+9.5%
Manufacturing	7.0	5.4	-22.6%
Other	6.3	3.8	-40.3%
Total	62.4	77.9	+24.9%

(For ref.) Contracts Executed by Equipment Type

(Billions of Yen)

	FY2025	FY2026	Y/Y Change
	1 Q	1 Q	
IT Equipment	35.5	32.3	-9.0%
Computer Hardware	18.6	16.4	-11.5%
Computer Software	13.5	13.9	+2.5%
Telecommunications Equipment	3.4	2.0	-41.6%
Office Equipment	4.2	3.2	-23.4%
Other	4.9	8.3	+69.4%
Total	44.5	43.7	-1.7%

Contracts Executed by Customer Sector

In the public sector, contracts executed rose Y/Y due to the consistent growth in deal acquisition.

Private demand decreased Y/Y due to a decrease in the service industries and manufacturing industries, etc.

New Transactions by Customer Sector

New transactions rose significantly Y/Y in the public sector due to the acquisition of large-scale projects.

In the private sector, decreased Y/Y due to the decrease of the manufacturing sector and others.

7) Finance Business

Contracts Executed by Form of Contract

	(Billions of Yen)		
	FY2025 1 Q	FY2026 1 Q	Y/Y Change
Reimbursements, APF, Installment Sales Transaction-Backed	4.2	3.7	-11.2%
Individual Factoring	26.2	20.2	-23.1%
Bulk Factoring	28.5	26.7	-6.3%
Business Loans	23.3	24.3	+4.1%
Other	1.5	1.6	+4.6%
Total	83.7	76.4	-8.7%

Contracts Executed by Customer Sector

	(Billions of Yen)		
	FY2025 1 Q	FY2026 1 Q	Y/Y Change
Public sector: Government agencies and Municipalities	0.0	0.0	-43.3%
Private Sector	55.2	49.7	-9.9%
Services	4.0	3.1	-22.9%
Distribution	0.7	0.7	-10.5%
Manufacturing	27.6	21.8	-20.9%
Financial and insurance	7.1	3.0	-57.5%
Real Estate	11.3	15.0	+32.8%
Other	4.5	6.2	+37.1%
Bulk Factoring	28.5	26.7	-6.3%
Total	83.7	76.4	-8.7%

Contracts Executed by Form of Contract

Although business loans increased, total result declined Y/Y due to a decrease in the factoring.

Contracts Executed by Customer Sector

Business loans to real estate sector increased, but the total result declined due to a decrease in manufacturing clients, mainly use individual factoring.

8) Investment Business

Revenues by Business Segment

(Billions of Yen)

		FY2025 1Q	FY2026 1Q	difference
Asset Business	Revenues	1.5	2.2	0.7
	Gross profit	1.1	1.3	0.2
	Operating income	0.5	0.7	0.2
Real Estate Business	Revenues	0.4	0.6	0.2
	Gross profit	0.2	0.3	0.1
	Operating income	-0.0	0.1	0.0
Advisory Services Business	Revenues	0.2	0.1	-0.0
	Gross profit	0.2	0.1	-0.0
	Operating income	0.1	0.0	-0.0
Total (Consolidated)	Revenues	2.0	2.9	0.8
	Gross profit	1.4	1.7	0.3
	Operating income	0.6	0.8	0.2

*Excluding adjustment amount

Revenue and income were both increased Y/Y due to sales of investment securities and higher interest income from loans

Asset Business

Gross profit increased due to the sale of investment securities and higher interest income.

Real Estate Business

Earnings were recorded from income gain assets

Advisory Services Business

Trended in line with the previous year's levels

9) Operating Asset Balances



Leasing Business

Increased by 20.2 billion yen Y/Y due to the recording of assets for large-scale projects for government agencies and municipalities.

Finance Business

Although decreased Y/Y, there was progress in asset replacement.

Investment Business

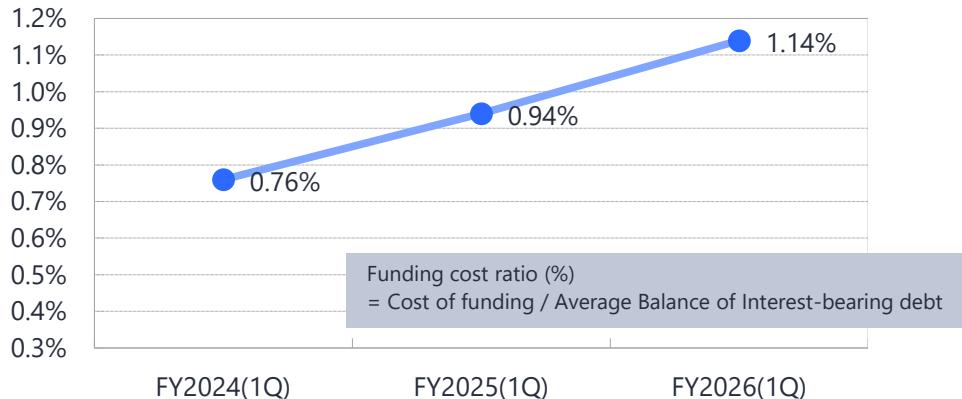
In addition to the progress of investment activities, the operating asset balance was up 13.9 billion yen Y/Y due to the acquisition of income gain assets.

Other Business

The operating asset balance rose by 21.1 billion yen Y/Y due to progress on initiatives in real estate for residence.

10) Procuring Funds

Funding Cost Ratio

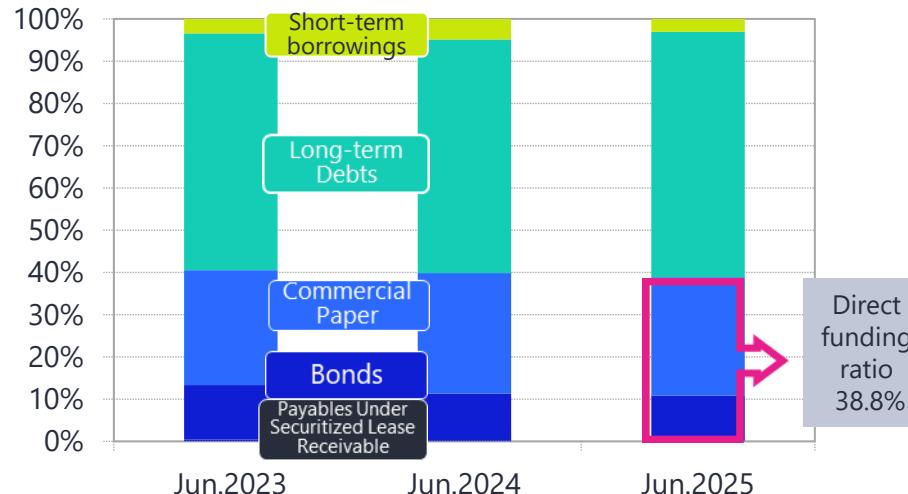


Composition of Interest-bearing Debt

(Billions of Yen)

	Jun. 2024	Jun. 2025	Y/Y Change	
	Composition Ratio	Composition Ratio		
Short-term Borrowings	44.8	4.9%	30.0	3.1%
Long-term Debts	505.3	55.3%	565.3	58.1%
Commercial Paper	261.0	28.5%	272.0	28.0%
Bonds	100.7	11.0%	103.6	10.6%
Payables Under Securitized Lease Receivables	2.5	0.3%	2.1	0.2%
Total	914.3	100.0%	973.1	100.0%
				+58.7

Composition of Interest-bearing Debt

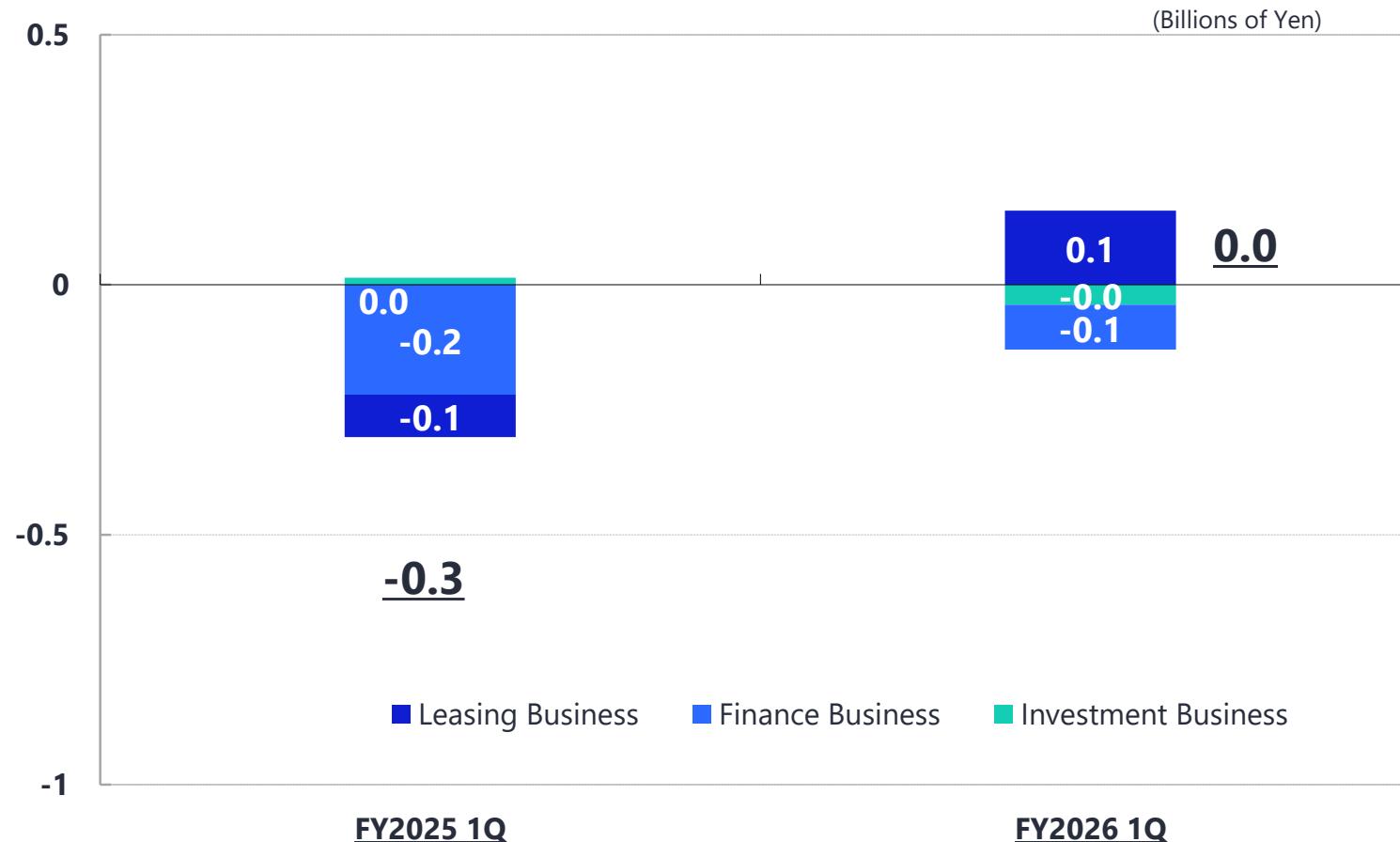


Funding cost ratio was up 0.20 percentage points Y/Y to 1.14% due to the rise market rate for Japanese currency while interest rates on foreign currencies fell

The direct funding ratio was 38.8% at the end-June 2025, we are aiming for a direct funding ratio of approximately 40%. (39.8% at end-June 2024)

11) Credit Costs

Increased 300 million yen Y/Y, reflecting reversal gains in the same period of the previous year.



2. Forecasts for FY2026

1) Earnings Forecasts

- Plan to achieve record-high profits by continuing steady growth in leasing and finance businesses, expanding earnings from investment business, and creating business synergies with the SBI Shinsei Bank, Limited.
- We plan to maintain FY2026 dividend per share at 150 yen, the same level as in FY2025.

Forecast

(Billions of Yen)

	FY2026 1 Q(Actual)	FY2026 (Forecast)
Revenues	65.0	295.0
Operating Income	2.4	15.5
Ordinary Income	3.0	16.0
Profit attributable to owners of parent	2.2	10.0
Net Income per Share (Yen)	101.32	464.25

Dividend per Share

(Yen)

	Interim	Year-end	Total
FY2025 actual	75.00	75.00	150.00
FY2026 forecast	75.00	75.00	150.00

**Be a solution company leading
the next-generation circular economy**



NEC

\Orchestrating a brighter world