

# Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026

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.

August 7, 2025

信用で人をつなぐ  




証券コード: 7187

### Progress in Group management aimed at future growth

I am Tsuchi Nakashima, Representative Director and President. I would like to express our sincere appreciation for your continued support. I hereby would like to report our financial results for the first quarter of the fiscal year ending March 31, 2026.

In the first quarter of the fiscal year under review, both sales and profits exceeded the company plan as a result of strong performance in residential rent guarantees and business rent guarantees, our main businesses. This was driven by the success of our industry-leading store network and attentive services with close ties to local communities. We opened the Mie Branch in June and also plan to open the Yamagata Branch in September, focusing on the Tohoku area where we are progressing with development. In addition, medical expense guarantees, the real-estate-related business, and the IT-related business, which we position as Businesses in Development, have also continued performing strongly.

We are aiming at further enhancing services to customers through “Group management,” in addition to organic growth of existing businesses. For example, with K-net Co., Ltd. (a rent guarantee company) that joined our Group in April 2025, we have implemented initiatives such as exchanging human resources, strengthening credit management, and cooperating with an industry-leading real estate company leveraging whole-building guarantee service. These initiatives have accelerated the growth of the entire Group. Furthermore, in July, we integrated AFB Co., Ltd. (a general advertising agency) into our Group to strengthen our marketing and promotion functions, etc. We will make efforts to co-create value with partner companies that are in line with the Group’s philosophy and vision, aiming to improve services to customers and enhance corporate value.

Going forward, we will continue to make every effort to return profits to our shareholders, aiming to further improve our business performance and enhance corporate value through various initiatives. I would sincerely like to request your continued support.



Representative Director and President

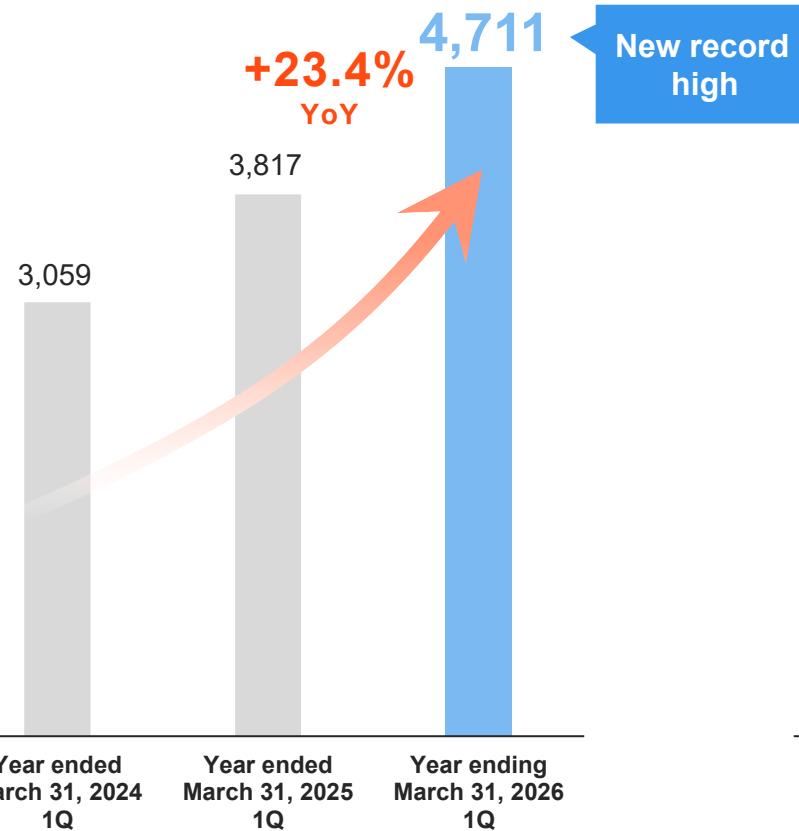
(中島 土)

# Financial Results for 1Q of the Fiscal Year Ending March 31, 2026

**Sales and profit both hit record highs and exceeded the company plan**

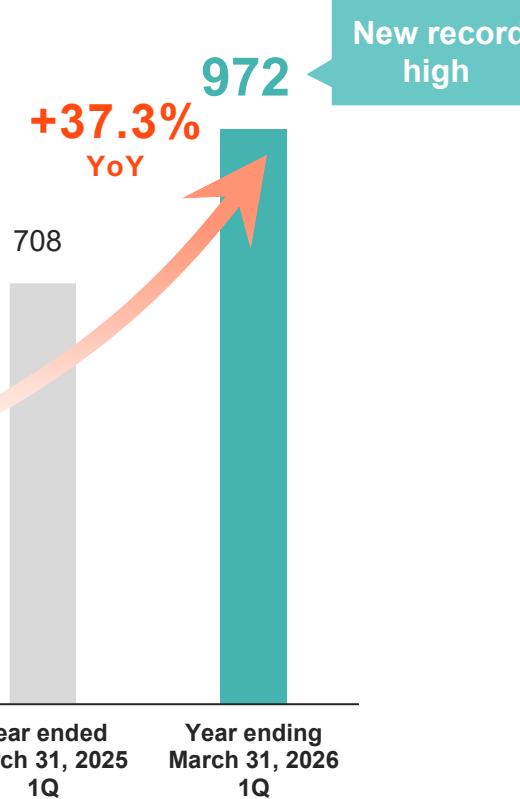
## Net sales

(Millions of yen)



## Operating profit

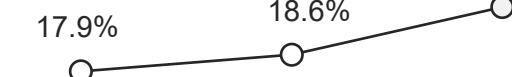
(Millions of yen)



## Operating profit margin

Rose due to improved operational efficiency

**20.6%**



Year ended March 31, 2024 1Q      Year ended March 31, 2025 1Q      Year ending March 31, 2026 1Q

Year ended March 31, 2024 1Q      Year ended March 31, 2025 1Q      Year ending March 31, 2026 1Q

Year ended March 31, 2024 1Q      Year ended March 31, 2025 1Q      Year ending March 31, 2026 1Q

\*The results for the first quarter of fiscal year ended March 2025 have been retrospectively changed due to the finalization of provisional accounting treatment for company combination and changes in segment classifications.

# Summary of Financial Results for 1Q of the Fiscal Year Ending March 31, 2026

## Sales and profit both hit record highs and exceeded the company plan

(Millions of yen)	Year ended March 31, 2025 1Q results	Year ending March 31, 2026 1Q results	YoY change
<b>Net sales</b>	3,817	<b>4,711</b>	+23.4%
<b>Operating profit</b>	708	<b>972</b>	+37.3%
<b>Operating profit margin</b>	18.6%	<b>20.6%</b>	—
<b>Ordinary profit</b>	712	<b>955</b>	+34.2%
<b>Profit attributable to owners of parent</b>	468	<b>664</b>	+41.8%

- ▶ Net sales growth in residential rent guarantees accelerated due to successful sales activities driven by human resource development and alliances. Business rent guarantees also performed well. The IT-related business of subsidiary AIVS and the real-estate-related business of Asumirai also exceeded the company plan.
- ▶ Business performance of K-net, which became a subsidiary in April 2025, has outperformed the company plan, though it was not reflected in 1Q results. (As the fiscal year ends are different, only the B/S amount as of the end of April (deemed acquisition date) was reflected for 1Q; P/L will be consolidated from 2Q.) \* See Page 18 for details
- ▶ Operating profit margin rose due to improved operational efficiency and is expected to approach the plan (16.7%) for the full year due to factors such as the consolidation of K-net.
- ▶ All profits exceeded the company plan, absorbing higher bad-debt-related costs in line with an increase in the number of contracts and an increase in administrative fees (cost of sales) resulting from intensifying competition.
- ▶ Continuously promoted appropriate risk control and improvements in operational efficiency through credit screening and credit management operations, etc. utilizing AI.

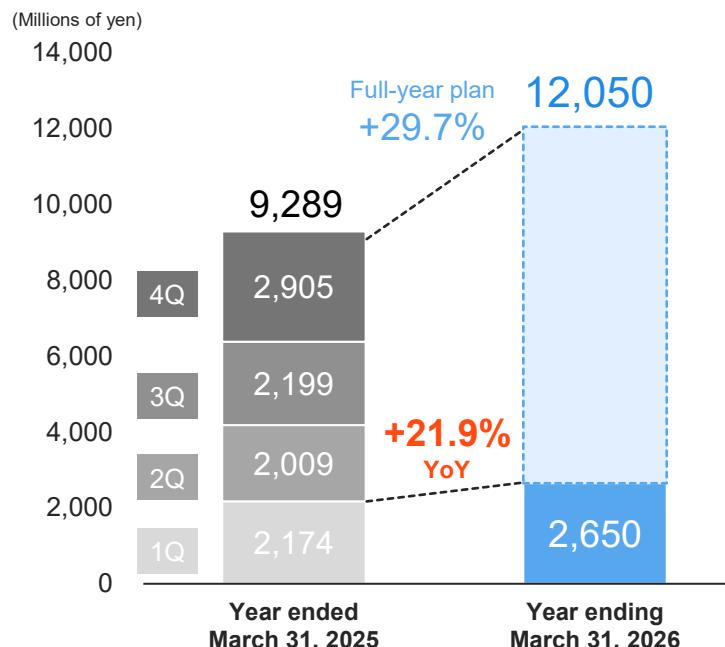
\*The results for the first quarter of fiscal year ended March 2025 have been retrospectively changed due to the finalization of provisional accounting treatment for company combination and changes in segment classifications.

# Performance Status of Main Businesses

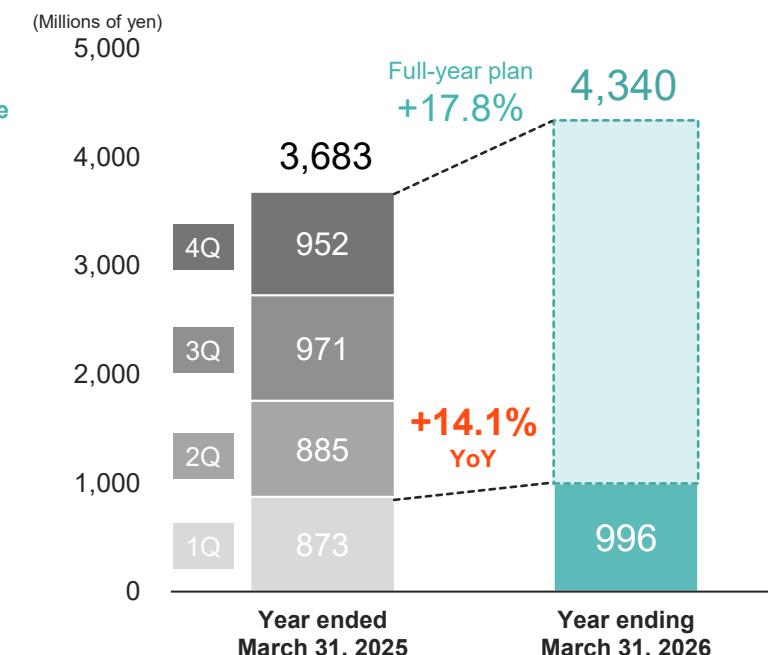
## Both main businesses remained strong

(\* Business performance of K-net, which became a subsidiary, is scheduled to be reflected from the second quarter)

### Residential rent guarantee



### Business rent guarantee



#### Residential rent guarantee

##### Significant growth of +21.9% YoY (excluding K-net)

New transactions increased due to the success of various strategies, including the strengthening of human resources in the Tokyo metropolitan area, human resource development, and the formation of alliances

Further solidified relationships with existing customers by responding to their detailed community-based needs and made progress in acquiring customers in areas where stores were opened

#### Business rent guarantee

##### Strong performance toward renewing the record-high full-year sales

Further focused on marketing in the Tokyo metropolitan area, where the market is large, against a backdrop of risk avoidance among real estate owners and the growing use of business rent guarantees

Aimed to expand through solutions sales by teams specialized in approaching large real estate companies

#### Other

Medical expense guarantees, IT-related business, and real-estate-related business remained strong, exceeding plans  
Subrogation fees and collection agency fees also increased in line with an increase in the number of contracts

## Main Businesses: Growth Strategy of Residential Rent Guarantee

### Significantly outperformed market growth rate

#### Market environment

- Mature market with over 200 competitors but few new entrants (including credit card and consumer credit companies)
- Use of guarantees for leased residential properties is becoming common, and guarantee company utilization rates remain high
- Leveraging our own strengths (see right), we significantly outperformed the market growth rate of 3% and are performing well

(Condominiums, apartments, etc.)

	Year ended March 31, 2024 Results	Year ended March 31, 2025 Results	Year ending March 31, 2026 Plan
Guarantee company utilization rate in the market	75%	76%	77%
Market sales size (Market growth rate)	224.0 billion yen (+4%)	230.0 billion yen (+3%)	<b>236.0 billion yen (+3%)</b>
Our Group's net sales (Growth rate)	7.7 billion yen (+19.6%)	9.2 billion yen (+19.3%)	<b>12.0 billion yen (+29.7%)</b>

**1Q results 2.6 billion yen  
(+21.9%)**

Note: "Guarantee company utilization rate in the market" (percentage of rental contracts that use guarantee contracts) and "Market sales size (Market growth rate)" are the Company's estimates.

#### The Company's strengths in residential rent guarantee

- Listed on the Prime Market of the Tokyo Stock Exchange, with proven track record and high credibility accumulated over 22 years since our establishment
- No. 1 store network in the industry; attentive service through localization
- Continued development of marketing human resources with a high level of expertise and response capabilities
- High-precision credit screening that leverages AI analysis, and strong credit management capabilities through a customer-oriented approach
- Rich services created through co-creation with diverse alliance partners

See Page 11 for details.

#### Residential rent guarantee strategies

- Further expansion of nationwide network by opening stores
- Expansion of sales in the Tokyo metropolitan area, where market share is currently small
- Sales synergy with subsidiary K-net (increase sales of the whole-building guarantee service and grow market share in the Kinki area)
- Engagement in marketing collaborations with partner companies and approaches to large real estate companies through teams of experts selected from across the country
- Cross-selling of residential and business rent guarantees

Note: Net sales to be consolidated from 2Q onwards.

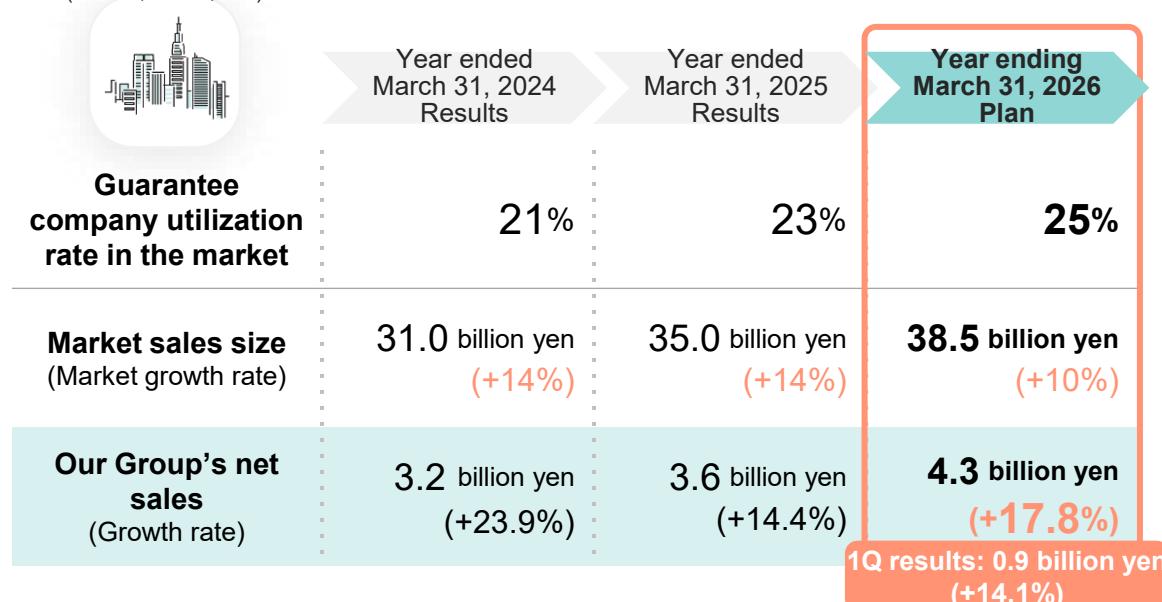
## Main Businesses: Growth Strategy of Business Rent Guarantee

### Business rent guarantee market continues to expand

#### Market environment

- Taking into consideration that the special demand for active move-ins and move-outs in the post-pandemic period has tailed off, the market growth rate is estimated to be approx. 10%.
- The utilization rate for business rent guarantees remains in the 20% range, which is still low compared with the utilization rate for residential rent guarantees (77%). Thus, **the market will continue to expand**.
- We have expanded the market base through expansion into various sizes and formats including large-scale facilities.

(Offices, stores, etc.)



#### Potential for expansion in the business rent guarantee market

- Small- and medium-sized offices, stores, restaurants, etc.  
→ Guarantee needs remain strong and use continues to expand
  - Large offices and commercial facilities  
→ Began to be used by some customers and there is great potential for expansion
- The current market size for business rent guarantees is estimated at **38.5 billion yen**; the market will expand to approximately **120 billion yen** in the future

#### Business rent guarantee strategies

- Strategic allocation of human resources to the Tokyo metropolitan area, where needs are expanding
- Approaches to investment properties and large commercial/office complex facilities through engagement in marketing collaborations with partner companies
- Approaches to building owners, investment companies, and general Contractors, etc.
- Cross-selling of residential and business rent guarantees
- Expansion of whole-building guarantee service (K-net) to business properties

Note: "Guarantee company utilization rate in the market" (percentage of rental contracts that use guarantee contracts) and "Market sales size (Market growth rate)" are the Company's estimates.

## Key Performance Indicators (KPI)

### Indicators related to sales and subrogation remained strong

J-lease Guarantee-related business	Year ended March 31, 2025 1Q results	Year ending March 31, 2026 1Q results	YoY
<b>Number of real estate company agreements</b> (thousands)	26	<b>29</b>	+10.3%
<b>Number of applications</b> (thousands)	63	<b>71</b>	+12.3%
<b>Guaranteed monthly rent</b> (millions of yen)*	52,145	<b>61,123</b>	+17.2%
<b>Subrogation incidence rate</b>	6.3% (Full-year plan 6.6%)	<b>6.5%</b>	+0.2pt
<b>Subrogation recovery rate</b>	97.3% (Full-year plan 96.8%)	<b>97.6%</b>	+0.3pt
<b>Balance of advance subrogation payments</b> (millions of yen)	6,725	<b>7,464</b>	+11.0%
<b>Number of stores</b> (stores)	36	<b>No. 1 store network in the industry</b> <b>41</b>	+5 stores
<b>Number of prefectures with stores</b>	33	<b>38</b>	+5 prefectures
<b>Number of employees</b> (persons)	431	<b>445</b>	+14 persons

-0.1pt versus plan

+0.8pt versus plan

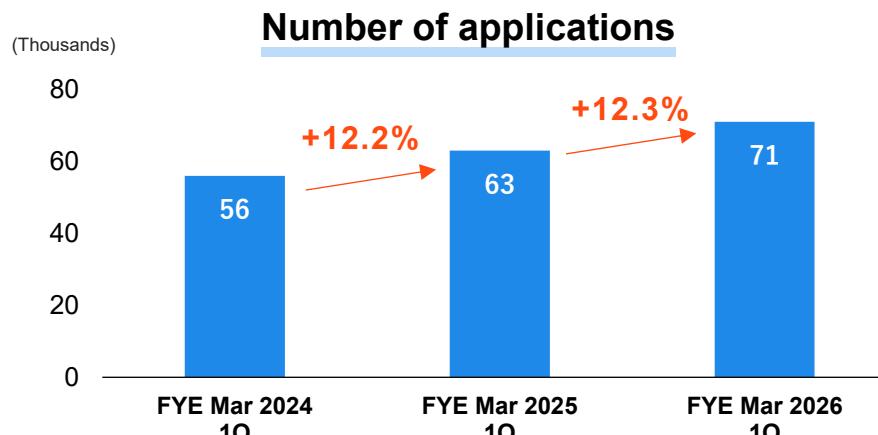
Yamagata Branch  
to open on Sep. 1

Figures for each indicator are those for J-lease alone, excluding K-net

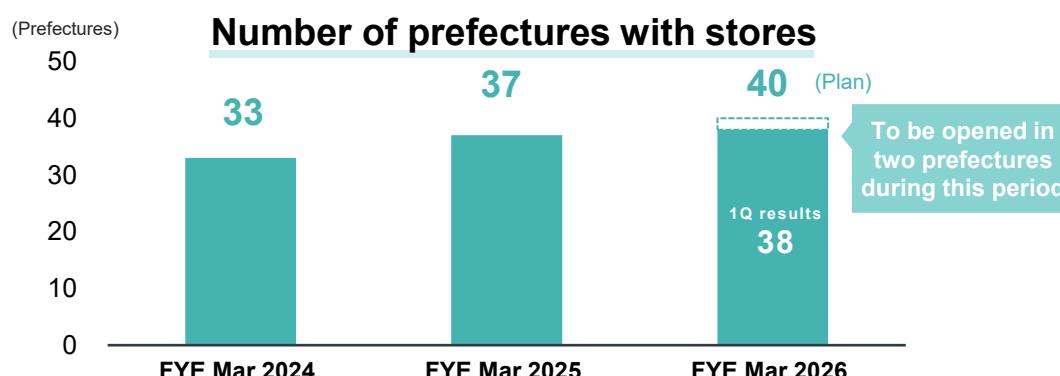
\*Guaranteed monthly rent: Amount to be subrogated if the subrogation incident rate were 100% (monthly)

# Key Performance Indicators (KPI)

## Indicators related to sales and subrogation remained strong

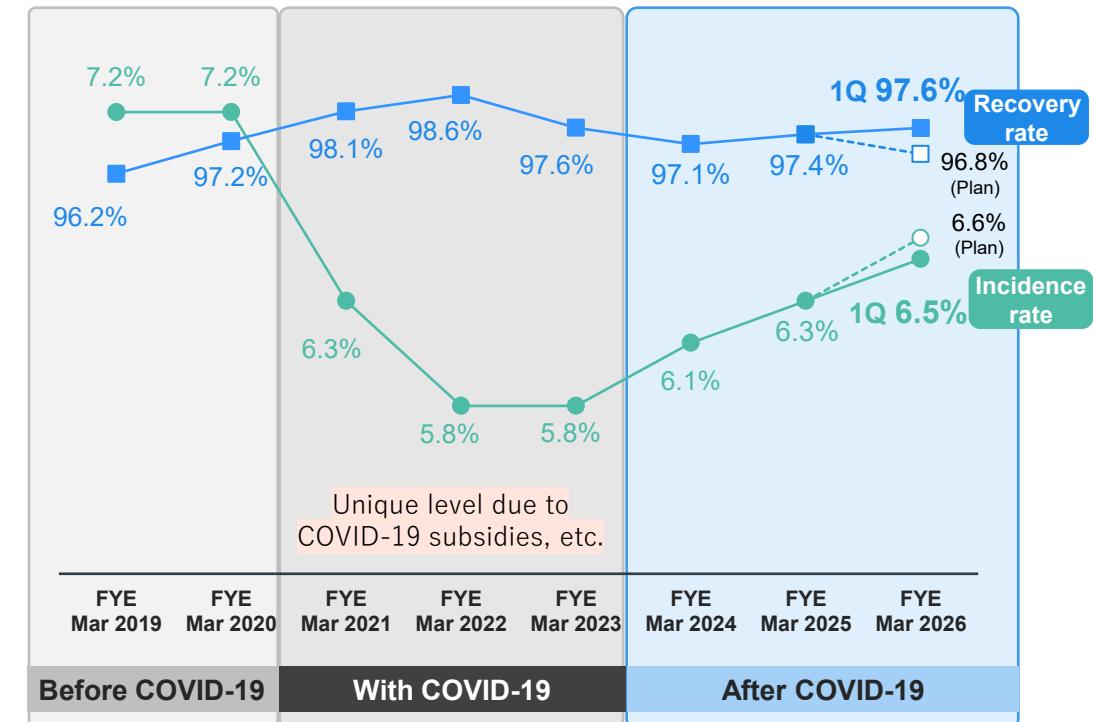


- ▶ The number of new applications continued its double-digit growth



- ▶ We aim at opening branches in 47 prefectures, with the Mie Branch opened in June 2025 and the Yamagata Branch to be opened in September

## Subrogation incidence and recovery rates



- ▶ Subrogation incidence rate remained in line with the plan through measures such as credit screening based on AI analysis
- ▶ Subrogation recovery rate was brought to a favorable level of 0.8 pt above the full-year plan through attentive customer service and other efforts

## Aiming for further growth by turning risks into opportunities

Opportunities	AIX (AI Transformation)	Operational efficiency will be improved through optimizing operations using generative AI and utilizing big data, as demand for technology will increase due to the declining birthrate, aging population, and shrinking population. → e.g., collaboration with the group company AIVS (IT-related business)
	Awareness of risk aversion	As more businesses fail due to labor shortages and the rising costs of food ingredients and materials, real estate owners will become more risk averse, which will increase the need for residential and business rent guarantees, and therefore expand our Group's opportunities.
	Preference for rentals	The shift of preference from owner-occupied to rental housing will expand due to rising interest rates and property prices.*1
	Foreign nationals	Due to the increase in the number of foreign students, workers, etc., the number of guarantees for foreign nationals will increase and business opportunities for Asumirai Co., Ltd., a subsidiary engaged in the real estate business for such nationals, will expand. *2
	Aging population	The need for credit enhancement service will expand with the arrival of an aging society.
	Rent increases	If rents are pushed upward by pressures such as the sharply rising costs of construction materials and renovation, this will bring a corresponding rise in the guarantee fee portion of our Group's sales, resulting in sales growth.
Risks	Increase in interest rates	The direct impact is minimal due to the amount of our Group's borrowings. On the other hand, the number of applications for guarantees may stagnate because of companies' postponing store openings due to higher borrowing costs and curbing moves in the wake of the economic downturn. → <b>This will support "Preference for rentals" opportunities.</b>
	Price increases	If raw material prices rise due to inflation or economic stagnation deteriorates, it may have a certain impact on the operations of tenant companies such as restaurants, which may affect the Company's advance subrogation payments, etc. → <b>This will support "Awareness of risk aversion" opportunities.</b>

\*1 According to the "Ownership and Renting Orientation" survey in the 2023 "Survey on Public Awareness of Land Issues" (Ministry of Land, Infrastructure, Transport and Tourism), the percentage of respondents who "do not mind renting or prefer renting" is on an increasing trend to 17.5% from 15.1%.

\*2 The Company has expanded its services for foreign visitors to Japan (see "Notice of Expansion of Rent Guarantee Services for Foreign Visitors to Japan" dated January 24, 2024).

# Scheme for Further Growth

## Ecosystem that realizes competitiveness and sustainable growth



## Status of Group Management

Corporate Philosophy: We pursue the happiness of all employees and everyone involved with us.

Vision: We will create a society in which everyone can live their lives to the fullest.



### Rent guarantee business

Oct. 2017 "J-AKINAI" Strategic business rent guarantee plan

April 2025 Made K-net Co., Ltd. a subsidiary

May 2025 Made Wellon Solutions Co., Ltd. an equity method company

### Businesses in development

June 2012 Established Asumirai Co., Ltd.(Real-estate-related business)

July 2018 Launched the medical expense guarantee service

May 2023 Launched the child support guarantee service

### New businesses

April 2024 Made AIVS (IT-related business) a subsidiary

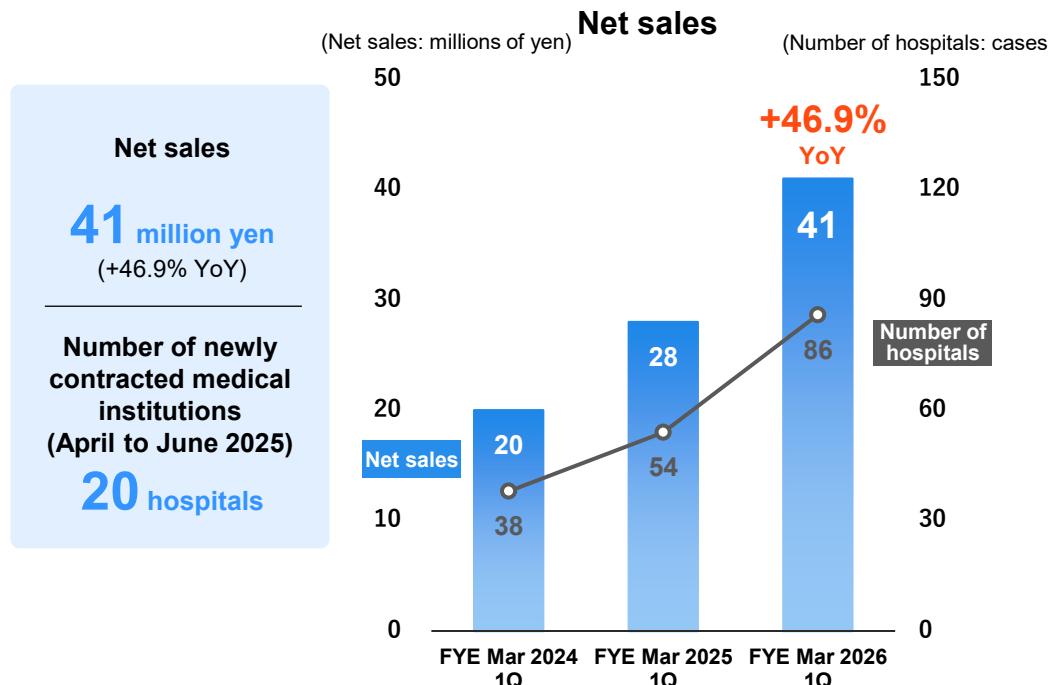
April 2025 Established J-Lease Football Club Co., Ltd. (company split)

July 2025 Made AFB Co., Ltd. (advertising-related business) a subsidiary

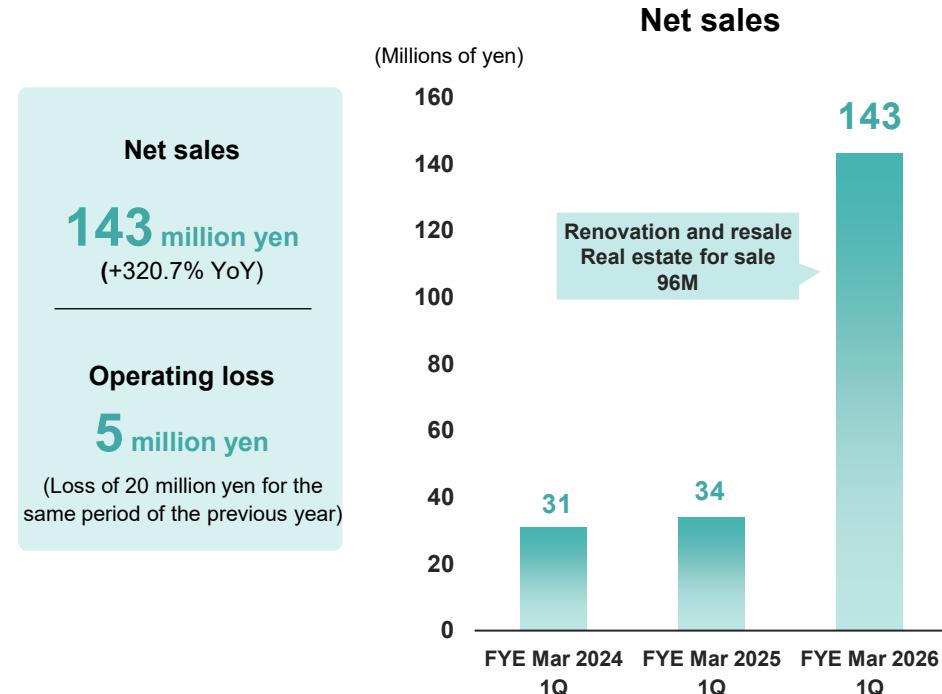
**Expanding businesses that solve social issues, aiming to realize our philosophy and vision**

# Performance Status of Businesses in Development

## Medical expense guarantees Exceeded the company plan



## Real-estate-related business (Asumirai Co., Ltd.) Significant growth through renovation and resale, etc.



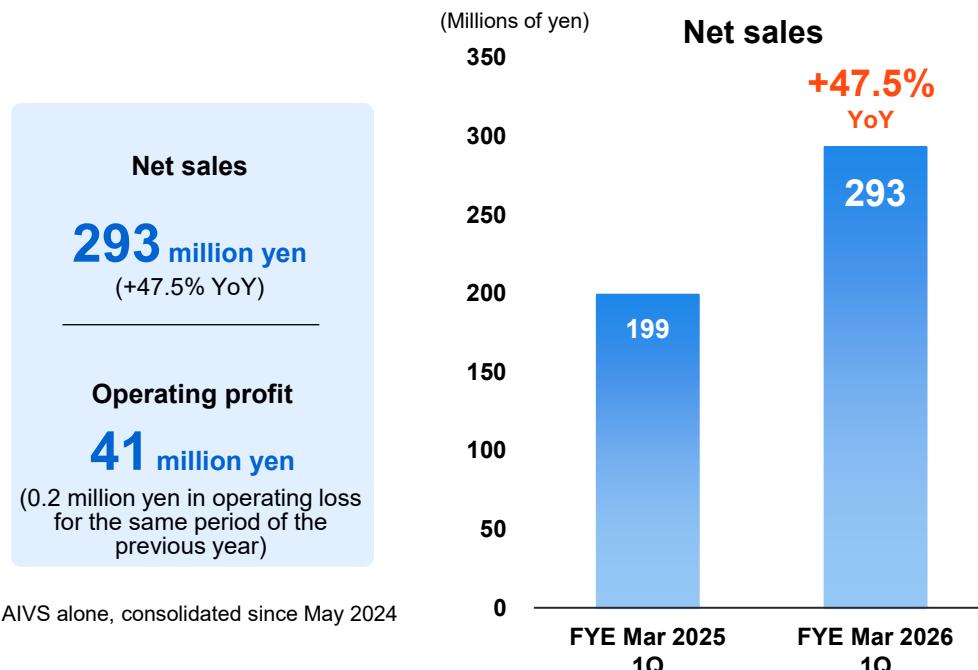
- ▶ Medical expense guarantees: Number of new contracted medical institutions was expanded owing to expanded recognition through direct sales, in addition to referrals from existing customers and alliance partners
- ▶ Entering into a growth period, sales activities have expanded from specialized departments to all stores nationwide from this term

- ▶ Real-estate-related business (subsidiary Asumirai: real estate brokerage for foreign nationals): Sales significantly increased due to strong performance in renovation and resale and real estate for sale

## Status of New Group Companies

### IT-related business (AIVS)

Operating profit turned profitable,  
significantly exceeding the company plan



- ▶ AIVS: Strong business performance securing a profit even in typically slow 1Q, supported by enhanced creditworthiness after it joined the Group
- ▶ Business synergies generated due to system contracting from J-lease, joint system projects, etc.

### K-net Co., Ltd.

Synergy strategy is underway

### K-net's strengths

- Business expansion focused on K-net's competitive edge in whole-building guarantee services
- Partnership agreements with major and mid-size companies that deal in fund properties
- Network in the Kinki area (partnership agreements with 8,000 companies)

### Synergy strategy

#### Cross-selling with J-lease

Example: August 1, 2025 Business alliance with JPMC Finance Co., Ltd. Introduced whole-building guarantee services to properties throughout the country which are operated by JPMC and partner companies

#### Sharing of overlapping service areas and appropriate allocation of human resources

#### Exchange of expertise in sales and credit management and strengthening of human resource development

Example: Secondment from J-lease  
→ Improved figures for credit management indicators

- ▶ K-net: Various measures for generating synergy are underway
- ▶ The Group is actively expanding the "whole-building guarantee service," positioning it as a strategic product for new business expansion

## About Whole-building Guarantee Services



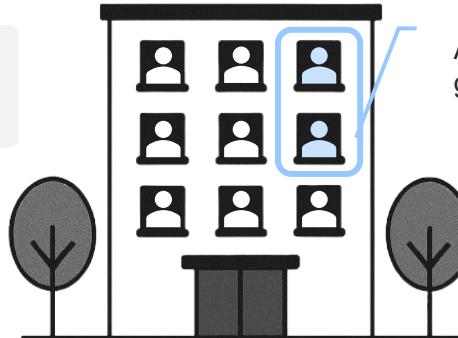
Comprehensive guarantee service contracts



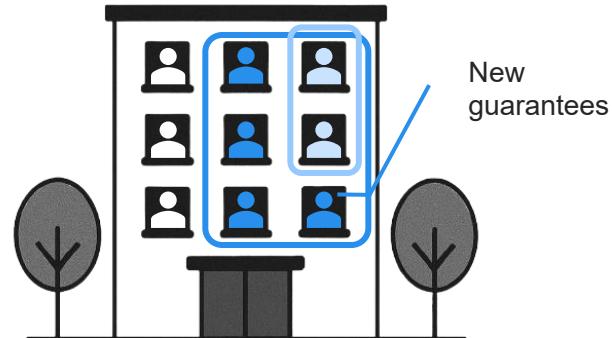
Landlord / Managing company

**Guarantees are provided through a two-party contract with the landlord or the management company  
(Highly convenient compared to a typical three-party contract involving tenants)**

- Guarantee by other company
- Not guaranteed



Addition of guarantees



New guarantees

**Guarantees are additionally provided to current tenants without any guarantee**

\* There are many cases where rent guarantees are cancelled due to a change of owners accompanying the sale or purchase of real estate properties. Therefore, demand for addition of guarantees to current tenants is very high among new landlords (many inquiries from funds and major landlords)

**After conclusion a whole-building guarantee contract, guarantees by J-lease are provided for the relevant property and replacements in units owned by the landlord or management company**

### Points strengthened by joining the Group

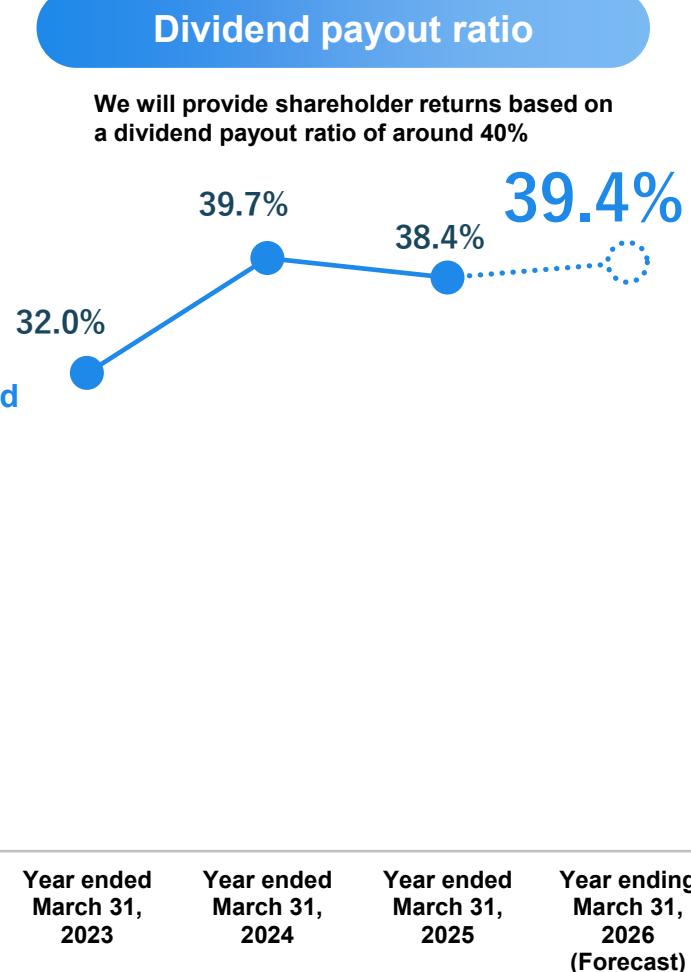
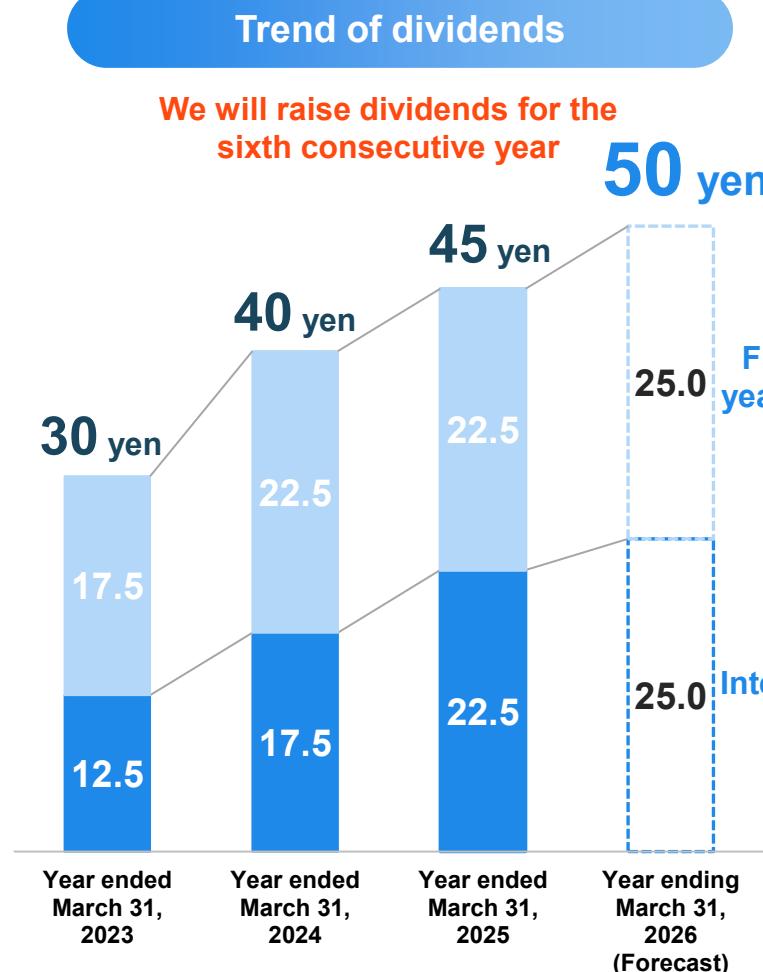
- Residential properties only → Expansion to other types of properties such as those for businesses and housing for the elderly with home-care services
- Mainly in the Kinki area → Nationwide development utilizing the Group's store network
- Provided free of charge → Launched paid services given excellent salability with nationwide development as an opportunity

## Shareholder Returns (Dividend Forecasts)

We plan to increase interim and year-end dividends

Year ended March 31, 2025 Results	Year ending March 31, 2026 Forecast
Interim	22.5 yen
Fiscal year-end	22.5 yen
Total	45.0 yen
	50.0 yen

- ▶ Based on a dividend payout ratio of around 40% (Basic Dividend Policy)
- ▶ Continue Premium Benefit Club for shareholder benefits



\* The Company conducted a 2-for-1 stock split of shares of common stock on March 1, 2024, and this stock split is also taken into consideration for past figures.

# J-lease Group's specific initiatives for sustainability

## Environment

We recognize the impact of our business activities on the environment and climate change and will maintain our efforts to achieve a sustainable society that balances social and economic development with global environmental conservation.

### Specific initiatives

- Changing company vehicles to EVs and hybrid cars
- Indoor temperature control in summer and winter
- Reduction of paper use through various digitization efforts
- Calculation of CO2 emissions
- Eco-driving while using company vehicles
  - Telematics device is installed in company vehicles to manage driving conditions and control sudden starts, sudden acceleration, sudden deceleration, and idling time and to prevent speeding
- Cleanup activities by J Lease FC at game venues
- Climate change-related disclosures (CDP score: B)

### Environmental analysis support systems

Subsidiary AIVS has developed various systems to support environmental analysis operations such as water quality inspections, air quality inspections, and legal inspections of septic tanks. It has supplied these systems to more than 200 companies and municipalities, including waterworks bureaus and factories.



## Social

### J-lease Health management declaration

The material and spiritual happiness of each and every employee comes from being healthy



### Specific DE&I initiatives

- Hiring of people with disabilities
- Scholarships to support the visually impaired (J-LEASE Scholarship Foundation)
- DE&I training for our executives through collaboration with people with intractable diseases and disabilities
- Promotion of women's advancement (women in management positions)
- Promotion of maternity and childcare leave
- Social gatherings for employees raising children (Iku Cafe)
- Employment of foreign nationals, mainly at subsidiary Asumirai
- Web accessibility support, etc.



Introduced an in-house health keeper system  
(Tokyo Head Office and Oita Headquarters)

### Social contribution through sports

The dedication and high level of skill exhibited by J Lease FC athletes greatly contribute to a vibrant and healthy society, raising people's interest in sports and giving them dreams and inspiration. (See the following page for more information.)

## Governance

### Evaluation of the effectiveness of the Board of Directors



To further strengthen the supervisory function of directors, the Company conducts independent and objective questionnaires using a third-party organization for directors to evaluate the effectiveness of the Board of Directors as a whole. Many items received positive evaluations, indicating that the Board of Directors is operating appropriately in accordance with the requirements of the Corporate Governance Code.

### Reinforcement of risk-management system



To strengthen our risk-management system, each department is working to analyze, evaluate, and control risk scenarios based on our business characteristics and comprehensive risk assessment.

### Ensuring compliance

We regard thorough compliance as our most important management responsibility. We will pursue highly transparent management and further strengthen our compliance system.

## Consolidation of Financial Results of K-net

As the fiscal year ends are different (March for the Company, October for K-net), financial results for the current fiscal year are scheduled to be consolidated in an irregular manner as follows

\*K-net plans to change its fiscal year ending from October to March at the general meeting of shareholders to be held in December 2025.

## **Cautionary Statement Concerning Forward-Looking Statements**

This document contains forward-looking statements, plans and management objectives related to the Company. These forward-looking statements are based on current assumptions about future events and trends, and there can be no assurance that such assumptions will prove accurate. A number of factors could cause actual results to differ materially from those described in this document.

For IR inquiries, please contact

Corporate Planning Department, J-lease Co., Ltd.  
E-mail: [ir@j-lease.jp](mailto:ir@j-lease.jp)

Website: <https://www.j-lease.jp>

