The following is an unofficial English translation of the 50th Annual General Meeting of Shareholders documents of RICOH LEASING COMPANY, LTD. (hereinafter referred to as the "Company"). The Company provides this translation for your reference and convenience only, without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
Please note that some of the figures and graphs included in this document are presented in Japanese.

Materials for the 50th Annual General Meeting of Shareholders

(Matters relating to electronic provision measures that are not included in the document delivered upon request in accordance with law and the Articles of Association)

Business Report

- Main Business
- Main Offices
- Main Lenders
- Other Significant Matters Regarding the Group
- Matters Concerning Stock Acquisition Rights of the Company
- Status of Directors (Overview of Liability Limitation Agreements with Directors and Overview of Directors and Officers Liability Insurance Agreement Content)
- Status of Independent Auditor
- Systems Necessary to Ensure the Properness of Operations of the Company (Internal Control)
- (Reference) Overview of the Company's Corporate Governance Structure

Consolidated Financial Statements

- Consolidated Statement of Changes in Equity
- (Reference) Consolidated Statement of Cash Flows (Summary)
- Notes to Consolidated Financial Statements

Financial Statements

- Non-consolidated Balance Sheet
- Non-consolidated Statement of Income
- Non-consolidated Statement of Changes in Equity
- Notes to Non-consolidated Financial Statements

(From April 1, 2025, to March 31, 2026)

RICOH LEASING COMPANY, LTD.

The above matters are not included in the documents to be delivered to shareholders who have requested the delivery of documents in accordance with law and the Company's Articles of Association.

Business Report

Main Business (As of March 31, 2026)

The Group's businesses, products and services are as follows:

❶ Leases & Finance Business (Disclosed Segments)

Finance leases, operating leases, and installment sales of office and information-related equipment, medical equipment, industrial machine tools, measuring equipment, etc. (including the sale of the equipment, etc. upon expiration or early termination of lease transactions), corporate loans, industry-specific loans, condominium loans, etc.

❷ Service Business (Disclosed Segments)

Agency services including invoicing and accounts receivable collection, medical and nursing care fee factoring services, relocation management services, nursing home/retirement home operations, receivables guarantees, etc.

❸ Investment Business (Disclosed Segments)

Solar power generation, home leasing and real estate-related

Main Offices (As of March 31, 2026)

The Group's principal locations are as follows:

❶ Our Main Locations

Headquarters Office (Minato-ku, Tokyo), Toyosu Office (Koto-ku, Tokyo), Hokkaido Branch Office (Sapporo City, Hokkaido), Tohoku Branch Office (Sendai City, Miyagi), Kanto Branch Office (Saitama City, Saitama), Chubu Branch Office (Nagoya City, Aichi), Kansai Branch Office (Osaka City, Osaka), Chugoku Branch Office (Hiroshima City, Hiroshima), Kyushu Branch Office (Fukuoka City, Fukuoka)

❷ Subsidiary Companies

TECHNORENT CO., LTD (Minato-ku, Tokyo), Tokyo Business Rent Co., Ltd. (Koto-ku, Tokyo), Enplus Inc. (Chuo-ku, Tokyo)
Welfare Suzuran Co., Ltd. (Nagoya City, Aichi)

(Note) The Company conducted an absorption-type merger of its wholly owned subsidiary, TECHNORENT CO., LTD effective April 1, 2026.

Main Lenders (As of March 31, 2026)

Lenders	Outstanding amount of borrowings (unit: million yen)
MUFG Bank, Ltd.	94,500
Mizuho Bank, Ltd.	62,500
The Norinchukin Bank	62,500
Sumitomo Mitsui Trust Bank, Limited	55,000
Development Bank of Japan Inc.	55,000
Shinkin Central Bank	50,000

(Note) The above does not include borrowings through syndicated loans.

Other Significant Matters Regarding the Group

No important matter to be stated.

Matters Concerning Stock Acquisition Rights of the Company

Not applicable.

Status of Directors (As of March 31, 2026)

Overview of Liability Limitation Agreements with Directors

The Company has entered into agreements with Directors Ms. Mari Ebisui, Ms. Atsumi Harasawa, Mr. Takashi Ichinose, Mr. Takahiro Irisa, Mr. Hikomitsu Noji, Mr. Hiroya Uchimura, and Ms. Midori Omori, as well as with Directors who are Audit and Supervisory Committee members, Mr. Tokio Kawashima, Ms. Hiromi Nakazawa and Mr. Toru Miyama, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. Under these agreements, liability for compensation is the lowest amount of liability stipulated by law.

Overview of Directors and Officers Liability Insurance Contract Content

The Company has concluded a directors' and officers' liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which insures the directors and officers of the Company and its subsidiaries. The full amount of the insurance premiums is paid by the Company. The officers of the Company are insured under this insurance policy and are covered for damages that may arise from the insured officers being held liable for the performance of their duties or being subject to a claim for such liability. However, there are certain exemptions, such as the fact that damages arising from acts committed with knowledge of a violation of laws and regulations are not covered.

Status of Independent Auditor

1. Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

2. Remuneration of the Independent Auditor during the Current Term

	Deloitte Touche Tohmatsu LLC
Remuneration to be paid to the Independent Auditor for audit work	57 million yen
Total amount of remuneration to be paid by The Company and the Group	60 million yen

(Notes)

1. Under the audit engagement agreement between the Company and the Independent Auditor, the remuneration for audit work conducted pursuant to the Companies Act and remuneration for audit work conducted pursuant to the Financial Instruments and Exchange Act are not clearly distinguished and cannot be separated in substance. Accordingly, the total of these amounts is presented for the current fiscal year.
2. The Company has paid the Independent Auditor consideration for services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act, namely, the preparation of comfort letters in connection with the issuance of corporate bonds.
3. The Audit and Supervisory Committee, taking into account the Practical Guidelines for Cooperation with Independent Auditors published by the Japan Audit & Supervisory Board Members Association, obtained necessary materials and reports from relevant departments and the Independent Auditor, and reviewed the audit plan of the Independent Auditor, the comparison between past audit plans and actual results, as well as the audit items and hours worked by staff rank. As a result of examining the appropriateness of the estimated audit fees, the Committee has given its consent to the remuneration of the Independent Auditor in accordance with Article 399, Paragraphs 1 and 3 of the Companies Act.

3. Policy for the Determination of the Dismissal or Non-Reappointment of Independent Auditor

In the event the Audit and Supervisory Committee recognizes that an Independent Auditor falls under any of situations stipulated in each clause of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the Independent Auditor with the unanimous consent of all members of the Audit and Supervisory Committee. In this case, the Audit and Supervisory Committee shall report the said dismissal and the reason for the dismissal at the first General Meeting of Shareholders convened following the dismissal of said Independent Auditor.

In addition to the above, if it is deemed difficult for the Independent Auditor to perform its duties properly, or if it is deemed appropriate to change the Independent Auditor in order to increase the reliability and appropriateness of the audit, the Audit and Supervisory Committee shall decide on the content of the proposal for the dismissal or non-reappointment of the Independent Auditor to be submitted to the General Meeting of Shareholders.

Systems Necessary to Ensure the Properness of Operations of the Company (Internal Control)

The following is a summary of the contents and operational status of the system to ensure the appropriateness of the Company's operations, which was resolved by the Board of Directors as the "Basic Policy for Internal Control System."

Basic Policy for Internal Control System

With the management philosophy of "We are a bridge to a prosperous future with our unique finance and services." The Company aims to realize a prosperous future and contribute to the sound and stable development of a sustainable society and economy together with its stakeholders.
While taking on the challenge of reforming our business structure, the Company will develop and operate an internal control system and strive to continuously improve it to ensure that the execution of the Company's duties is conducted legally, appropriately, and efficiently.

(1) System for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

① The Board of Directors of the Company shall make decisions on matters stipulated by laws and regulations and the Articles of Incorporation, as well as other important management matters, and establish an appropriate business execution system.

② Directors and employees shall make compliance with laws, regulations, social norms and corporate ethics the most important policy in the execution of their duties under the management philosophy of the Group.
Respect international human rights norms in accordance with the Ricoh Leasing Group Human Rights Policy. In order to comply with the Ricoh Leasing Group Code of Conduct and to ensure that this code is thoroughly implemented throughout the company, a department shall be designated to promote compliance, and education and awareness shall be provided. As a compliance-related whistle-blowing system, multiple internal and external consultation offices shall be established and made known to employees.

③ The basic stance of the Group is to have no relationship whatsoever with antisocial activities or forces. In order to prevent damage caused by antisocial forces and take appropriate measures, the Group will develop and strengthen an organized response system through the development of internal rules and internal management systems, as well as reporting, information gathering, and cooperation with the police and other external organizations.

④ The Company shall strive to improve its internal control systems and business processes to "comply with laws, social norms, and internal rules," "improve the effectiveness and efficiency of operations," "maintain high reliability of financial reporting," and "safeguard assets," including compliance with the Financial Instruments and Exchange Act and other laws and regulations.

⑤ The disclosure of corporate information shall be ensured to be accurate, timely, and comprehensive through the establishment of categories of disclosed information, disclosure procedures, and persons in charge of disclosure in accordance with the Disclosure Rules, and through confirmation and evaluation by the Disclosure Committee.

⑥ Establish an internal audit department to audit the status of business execution from the perspective of compliance with laws and regulations as well as rationality and efficiency, and strive for improvement after review and evaluation.

〈Current Implementation Status〉

- To enhance management transparency and strengthen the supervisory function of the Board of Directors, outside directors were invited to discuss and decide important decision-making matters for the Group at meetings of the Board of Directors and the Nomination and Remuneration Committee.
  In FY2025, the Board of Directors met 14 times and the Nomination and Remuneration Committee met 15 times.
- Regarding the Ricoh Leasing Group Code of Conduct, a handbook was distributed to all employees, and e-learning programs were used to educate employees and have them sign an oath of compliance.
- The Hotline, an internal reporting system, is publicized on internal bulletin boards, etc., and responses to reports and consultations are appropriately investigated and countermeasures are taken, taking into consideration the privacy and other rights of the persons concerned.
  The Company has established internal as well as external contact points for whistleblowers, and has a system that allows whistleblowers to choose which to use, and prohibits any disadvantageous treatment of whistleblowers or consultants on the grounds that they have reported a matter.
- The Company is developing a system for the elimination of antisocial forces and the blocking of relationships with them, and is working to prevent transactions with such forces.
- As a countermeasure against money laundering and terrorist financing, the Company has established a risk assessment and a system of three lines of defense in accordance with FSA guidelines.
- In disclosing information, the Disclosure Committee confirms and evaluates compliance with laws and regulations in accordance with the Company's Disclosure Rules.
- The Company conducts internal control audits and operational audits on an ongoing basis in accordance with the annual audit plan, reports the results to the Directors and others, and implements remedial measures.

(2) Systems for retaining and managing information pertaining to the Directors' execution of their duties

The Company shall designate a department responsible for the management of records, approval documents, etc. related to decisions made by the Directors in the execution of their duties, and shall prepare, store, and manage such records in accordance with laws, regulations, and internal rules. The documents shall also be kept available for inspection as necessary.

〈Current Implementation Status〉

・In accordance with laws and regulations and the Board of Directors Regulations, minutes of the Board of Directors meetings are prepared and retained for a specified period of time. Approval forms are managed in a database, and access privileges are set as necessary. The Company maintains an environment in which the Directors have access to the information they need.

(3) Rules and other systems pertaining to the management of risk of loss

① The Company shall prevent the occurrence of the risk of loss by designating a district in charge of handling each risk in accordance with the Risk Management Regulations.

② The Company will establish the main response area for each risk based on the Incident Response Standard, and minimize damage (loss) in the unlikely event that a risk of loss should occur.

③ The Company shall establish a "Risk Management Committee" chaired by the President and Chief Executive Officer to oversee risk management for all Group companies. In addition, the Company shall establish the "Risk Management Promotion Conference" as an organization to promote and develop risk management.

④ The Company shall establish the following committees as advisory bodies to the President and Chief Executive Officer to manage risks in business operations.

・The Review Committee to manage credit risks in high value transactions
・The ALM Committee to manage market risks such as interest rate fluctuations
・The Investment Committee to manage the risks of portfolio companies
・The Sustainability Committee to manage climate change and human rights risks
・The Disclosure Committee to manage the disclosure of risk information

〈Current Implementation Status〉

・The Group held regular meetings of the "Risk Management Committee," which is composed of senior management of Group companies, and the "Risk Management Promotion Conference," which is attended by the Group's risk management divisions and risk management promotion departments of each Group company.
At the Risk Management Promotion Conference, plans and the status of responses to key risk areas of the Group were shared and discussed. The results were then reported to the Risk Management Committee, the higher-level body, and progress was appropriately managed, thereby strengthening risk management.
In addition, with respect to the Business Continuity Plan (BCP), the Ricoh Leasing Group conducted joint training exercises simulating large-scale earthquakes of seismic intensity 5 upper or higher occurring simultaneously across Japan, as well as region-specific disaster scenarios.

・As a countermeasure against increasingly sophisticated and diverse cyberattacks, the Company established an internal Computer Security Incident Response Team (CSIRT) with the aim of detecting incidents and mitigating and containing damage and impact. The Company conducted two training exercises to enhance our response capabilities.
As a precautionary measure against cyberattacks, the Company has conducted four targeted attack e-mail response drills for all employees.

・The President and Chief Executive Officer's Advisory Committee analyzes and examines each corresponding risk and assists management execution to promptly respond to changes in the internal and external environment, including the economic environment.

(4) Systems for ensuring the efficient execution of the Directors' duties

① In order to achieve the management objectives based on the management philosophy, the Board of Directors shall deliberate and determine the business plan, and the Representative Director, Executive Directors and the head of each organization shall disseminate and deploy the determined business plan throughout the company.
The Board of Directors shall receive monthly reports on business performance, and shall establish a system to confirm and give instructions based on changes in the external environment and the progress of plans, etc., to ensure the efficient and effective execution of its duties.

② In accordance with the Articles of Incorporation and the Board of Directors Regulations, the Company delegates important business execution decisions to Representative Directors and Executive Directors for prompt and flexible decision-making, and the Board of Directors supervises business execution.
In addition, a Management Committee shall be established to enable the Representative Directors and Executive Directors to make decisions in an optimal and timely manner.

③ The Company has introduced an executive officer system and has established regulations concerning the division of duties and authority, and delegates authority for business execution to executive officers and other responsible persons in order to improve management efficiency.

<Current Implementation Status>

・The Company provided regular reports to the Management Committee on the key focus areas of the current medium-term management plan and held discussions accordingly.
In addition, the Group formulated a new Medium-Term Management Plan to be launched in fiscal 2026.

・At the Board of Directors meeting held in May 2025, the Company approved the business plan for fiscal 2025.
The Board receives monthly performance reports, reviews them, and provides guidance. In October, it approved a revised business plan.

・The Company is a company with an Audit and Supervisory Committee, and by delegating some of the important business execution decisions from the Board of Directors to the Representative Directors and Executive Directors, the Company strives to improve the efficiency of the execution of the duties of the Directors.

・The Management Committee met 49 times to discuss and decide important matters related to business execution.

・The Company appropriately manages the "Rules on Division of Duties," "Rules on Administrative Authority," and "Rules on Authority Concerning Execution of Important Business Operations" by making changes and modifications as necessary.

(5) Systems for ensuring the properness of operations by the corporate group comprising the Company and its subsidiaries

The Board of Directors of the Company shall supervise the management of the entire Group and make decisions on important matters.

In order to ensure the effectiveness of such management, the Company shall establish the Affiliated Companies Management Regulations and establish the Lead Management Division as a function to oversee and manage the Group.

① Systems for reporting to the Company on matters pertaining to the execution of duties by directors of subsidiaries
The Company shall receive reports on matters pertaining to the execution of duties by directors of subsidiaries in accordance with the Affiliated Companies Management Regulations.

② Regulations and other systems for managing risk of loss of subsidiaries
In accordance with the Risk Management Regulations and Incident Response Standards, the Company strives to avoid the risk of losses for the entire Group, including subsidiaries, and to minimize any damage (loss) in the event that a loss occurs.

③ Systems to ensure the efficient execution of duties by directors of subsidiaries

・The Company shall formulate a business plan for the Group, including its subsidiaries, and conduct efficient and effective business operations throughout the Group.

・The Company shall facilitate the efficient execution of duties by directors of subsidiaries by developing systems related to the organization and decision-making at subsidiaries, such as rules on authority with respect to duties similar to those of the Company. Through a system whereby subsidiaries discuss and report important matters to the Company, the Company shall maintain consistency in Group strategies and ensure the efficient execution of Group-wide business operations.

④ Systems to ensure that the execution of duties by directors and employees of subsidiaries complies with laws and regulations and the Articles of Incorporation

・The Company shall disseminate the Ricoh Leasing Group Code of Conduct to the officers and employees of its subsidiaries, ensure they are familiar with it, and educate and enlighten them on compliance with laws and regulations. In addition, the Company shall establish a consultation service as a compliance-related whistle-blowing system and make it known to the executives and employees of the subsidiaries.

・The Company shall encourage its subsidiaries to develop systems in accordance with the Group's basic stance against antisocial activities and forces.

・The internal audit department of the Company shall periodically audit the execution of operations of subsidiaries from the viewpoint of compliance with laws and regulations.

<Current Implementation Status>

・The Company's subsidiaries have established rules on authority with respect to duties to ensure the efficient execution of duties, and discuss and report to the Company on matters stipulated in the Company's affiliated company-related rules and on other important matters.

・The Company and its subsidiaries have conducted training related to the Business Continuity Plan (BCP) and are also working on the development of a CSIRT (Computer Security Incident Response Team) framework. In addition, the Group has established and is operating an Information Security Management System (ISMS).

・The Company formulates business plans for the entire Group, including subsidiaries, and through confirming and reviewing the progress of business performance and business direction at management meetings, etc., the Company ensures the efficient and effective business execution by the Group as a whole.
In addition, with respect to TECHNORENT CO., LTD, which was absorbed through a merger on April 1, 2026, the Company has been proceeding with the integration of internal regulations and related systems.

・The department in charge of compliance continuously conducts compliance training for officers and employees of our subsidiaries.
With respect to antisocial forces, the Company has developed a system that enables its subsidiaries to prevent transactions with such forces and to work in cooperation with the Company.

・The Company informs subsidiary officers and employees of the Hotline, an internal reporting system, via internal bulletin boards, and responds to reports and consultations by appropriately investigating and taking measures jointly with subsidiaries, taking into consideration the privacy and other rights of the persons concerned. The Company has established internal as well as external contact points for whistleblowers, and has a system that allows whistleblowers to make a choice, and prohibits any disadvantageous treatment of whistleblowers or inquirers on the grounds of whistleblowing.
・The internal audit department, in cooperation with the auditors of our subsidiaries, conducts regular audits of subsidiaries and reports the results to directors and others.
・In operating subsidiaries, the Company proceeds after adjusting the appropriate scope according to the nature and scale of each company's business.

(6) Systems to ensure the effective execution of duties by the Audit and Supervisory Committee

① Matters concerning the independence from other directors (excluding members of the Audit and Supervisory Committee) of employees who are assigned to assist the Audit and Supervisory Committee in its duties, and matters concerning the assurance of the effectiveness of instructions given to such employees

A) The Company shall establish an Audit and Supervisory Committee Office to assist the Audit and Supervisory Committee in its duties and assign employees with a certain degree of independence from the executive side.
B) When assisting the Audit and Supervisory Committee in its duties, such employees are not subject to the direction or orders of the Directors (excluding Audit and Supervisory Committee members). In addition, the Directors (excluding members of the Audit and Supervisory Committee) shall hear the opinions of the Audit and Supervisory Committee and make decisions on the personnel evaluation and transfer of such employees in advance.
C) In order to ensure the effectiveness of the Audit and Supervisory Committee's instructions to such employees, the Directors shall, at the request of the Audit and Supervisory Committee, endeavor to develop a system for the Audit and Supervisory Committee Office and such employees.

② Matters related to reporting to the Audit and Supervisory Committee

Directors (excluding members of the Audit and Supervisory Committee) and employees of the Company shall report the following matters to the Audit and Supervisory Committee in addition to the matters required by law. The Company prohibits any officer or employee who reports to the Audit and Supervisory Committee from being treated disadvantageously by reason of such report.

A) Matters related to the discovery of material facts in violation of laws and regulations or the Articles of Incorporation, misconduct, or facts that may cause significant damage to the Company or its subsidiaries
B) Results of internal audits and subsidiary investigations
C) Status of Whistleblowing by Directors and Employees of the Company and Subsidiaries under the Whistleblower System
The Company has designated a full-time Audit and Supervisory Committee member as one of the contact points for reporting under the internal reporting system.
D) Other matters on which the Audit and Supervisory Committee requested reports

③ Other systems to ensure the effective execution of duties by the Audit and Supervisory Committee

To ensure that the Audit and Supervisory Committee performs its duties effectively, the Company's directors (excluding Audit and Supervisory Committee members) shall establish the following system, and the Company's employees shall cooperate with it.

A) Attendance of Audit and Supervisory Committee members at meetings of the Board of Directors, as well as management meetings and other important meetings
B) Audit and Supervisory Committee members hearing from officers and employees of the Company and its subsidiaries regarding the performance of their duties.
C) Access by Audit and Supervisory Committee members to important approval documents, etc.
D) Expenses incurred by Audit and Supervisory Committee members in the performance of their duties shall be borne by the Company.

〈Current Implementation Status〉

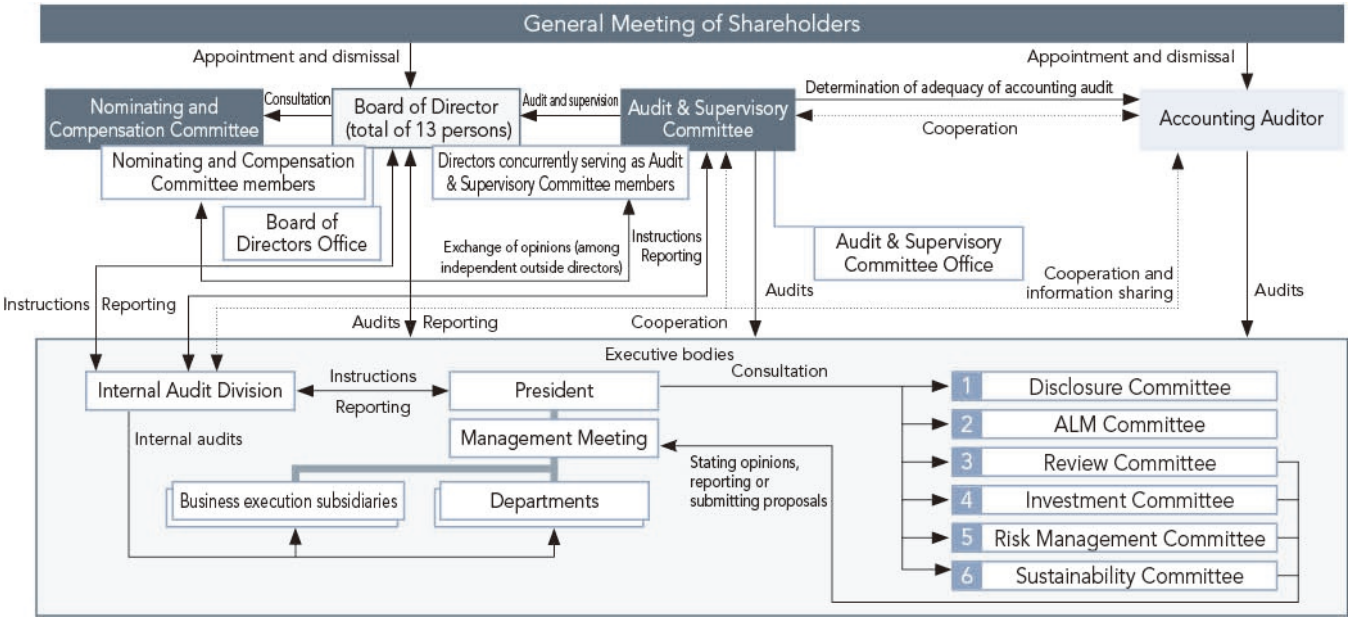
・Employees assigned to assist the Audit and Supervisory Committee in the execution of its duties do so under the direction and orders of the Audit and Supervisory Committee. With respect to such employees, the Company ensures their independence from directors and the effectiveness of their instructions.
・The Company's directors and employees report to the Audit and Supervisory Committee members on the Company and its subsidiaries without delay. There were no instances, including whistleblowing, where any officer or employee of the Group who made a report to the Audit and Supervisory Committee was treated unfavorably because of their report.
・The Audit and Supervisory Committee works together with the internal audit department and through joint visits, grasps and confirms the execution of duties by officers and employees and the status of internal audits. The use of online conferencing for Audit and Supervisory Committee meetings and nationwide visits also enhances effectiveness and efficiency.
・The results of internal audits are reported to the Audit and Supervisory Committee on a case-by-case basis.
・In addition to the Board of Directors meetings, the Audit and Supervisory Committee members attended important meetings such as those of the Management Committee and the Company-wide Executive Committee.
The Company responds from time to time to requests from Audit and Supervisory Committee members to interview officers and employees or to inspect important approval documents and other documents.
・The Company promptly implemented procedures for the disposal of expenses incurred as a result of the performance of the Audit and Supervisory Committee members' duties.

(Reference) Overview of Our Corporate governance structure

The Company has adopted a Company with Audit and Supervisory Committee system in order to strengthen its auditing and supervisory functions and to further enhance its corporate governance system by building a swift and flexible management structure, thereby further increasing corporate value.

The Company has introduced an executive officer system, which separates the management decision-making function from the business execution function and strengthens the business execution system in pursuit of greater management efficiency. It is the Company's policy to constantly review the system in response to changes in the social environment and legal system, and to further strengthen and improve its corporate governance.

Corporate Governance System (As of March 31, 2026)



Record of initiatives for enhancement and reform of governance

FY2021	●Disclosed policy for determining details of individual director remuneration ●Percentage of outside directors 69.2% & Percentage of female directors 23.1% ●Disclosed compliance status regarding all 83 principles of Japan's Corporate Governance Code
FY2022	●Percentage of outside directors 76.9% & Percentage of female directors 30.8% ●Entire Audit and Supervisory Committee composed of independent outside directors ●Self-evaluation of non-executive directors initiated ●Commencement of the Nomination and Remuneration Committee's assessment of the President's business performance ●Commencement of independent directors-only opinion exchange meetings
FY2023	●Revised share-based remuneration scheme ●Initiated interviews with all directors based on the results of the Board of Directors effectiveness evaluation
FY2024	●Launched evaluations of outside directors by executive officers ●Began discussions on revising the executive compensation system
FY2025	●Revision of the executive compensation system to strengthen a shareholder-oriented perspective with greater emphasis on stock-based compensation and to enhance talent competitiveness (including the introduction of stock-based compensation for Independent Outside Directors [excluding Audit and Supervisory Committee members]) ●Commencement of a review of the executive compensation formula in alignment with the next Medium-Term Management Plan ●Revision of the Board effectiveness evaluation questionnaire based on the "Five Principles for Board of Directors to Enhance Growth Power"





Board of Directors

The Board of Directors comprises 13 members, including 3 directors who are members of the Audit and Supervisory Committee. Of the 13 directors, 10 are outside directors, including the 3 who serve on the Audit and Supervisory Committee. The Board deliberates and makes decisions on matters stipulated by laws and regulations, the Articles of Incorporation, and other important management issues.

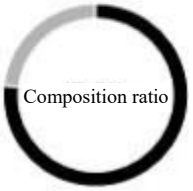
The Company has adopted the governance structure of a company with an audit and supervisory committee. In accordance with the Articles of Incorporation, a significant portion of important business execution decisions is delegated to the executive team, enabling prompt and agile decision-making. The Board of Directors deliberates and decides on matters such as management plans, while also supervising the execution of duties by individual directors and executive officers.

In addition, to conduct a more effective evaluation of the Board's effectiveness, the Company has implemented interviews to gain a deeper understanding of each Director's responses to the effectiveness evaluation conducted in FY2023. These interviews, which go beyond written responses, have proven valuable in capturing nuances and context, thereby improving the accuracy of issue identification. This initiative was continued in the current fiscal year.

Furthermore, in the Board effectiveness evaluation for fiscal 2025, the evaluation questionnaire was substantially revised based on the "Five Principles for Boards of Directors to Enhance Growth Power," and the evaluation was conducted with a focus on enhancing medium- to long-term corporate value.

Members of the Board of Directors





Audit and Supervisory Committee

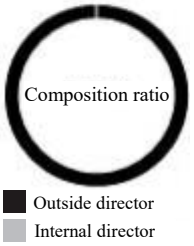
The Company's Audit and Supervisory Committee monitors and supervises the decision-making process of the Board of Directors and the execution of duties by Directors through, among other measures, the exercise of voting rights at Board meetings, the exercise of its right to state opinions at General Meetings of Shareholders regarding the appointment and remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members), attendance at important meetings such as meetings of the Board of Directors and the Management Committee, review of important documents, and inspections of the status of operations and assets.

The Audit and Supervisory Committee consists of three members, all of whom are highly independent Outside Directors. In addition, one full-time Audit and Supervisory Committee member is appointed to ensure the effective functioning of audits conducted by the Committee.

The Representative Director and the full-time Director who is an Audit and Supervisory Committee Member engage in close exchanges of views on corporate management based on their respective fiduciary responsibilities to shareholders. Directors and employees are required to report to Directors who are Audit and Supervisory Committee members, in addition to matters required by law, on (i) material facts involving violations of laws or the Articles of Incorporation, fraudulent acts, or facts that could cause significant damage to the Company or its subsidiaries, (ii) the results of internal audits and investigations of subsidiaries, (iii) the status of internal whistleblowing reports from officers and employees of the Company and its subsidiaries, and (iv) any other matters for which the Audit and Supervisory Committee members request reports.

Members of the Audit and Supervisory Committee





Nomination and Remuneration Committee

The Company has established a Nomination and Remuneration Committee as an advisory body to the Board of Directors, comprising five Independent Outside Directors (excluding Directors who are Audit and Supervisory Committee members). The purpose of the Committee is to ensure objectivity, transparency, and appropriateness in the nomination of Director candidates, the appointment and dismissal of senior management, the formulation and operation of succession plans for the Chief Executive Officer, and the determination of Directors' remuneration.

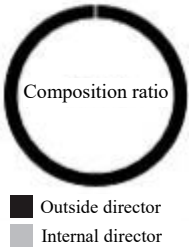
In fiscal 2025, the Committee focused primarily on discussions regarding the compensation formula aligned with the story and objectives of the next Medium-Term Management Plan. While maintaining a shareholder-oriented perspective, and in order to establish a compensation system capable of effectively promoting and strengthening the Company's strategic direction, extensive discussions were held with the executive side. As a result, a new compensation formula has been introduced from fiscal 2026.

In addition, prior to their appointment in fiscal 2026, interviews were conducted with one internal Director candidate and three candidates for Executive Officer/Corporate Officer positions to confirm their suitability for their respective roles.

Furthermore, separate from the Board of Directors, opinion exchange meetings have been held with the Audit and Supervisory Committee, thereby deepening a shared understanding of the Company's key issues as recognized by both committees and enabling more effective oversight of management and Directors.

Members of the Nomination and Remuneration Committee





Evaluation of the effectiveness of the Board of Directors

To continuously improve and enhance the effectiveness of the Board of Directors, the Company evaluates the effectiveness of the Board of Directors by conducting a questionnaire survey of all directors (including Audit and Supervisory Committee members) regarding deliberations on the responsibilities of the Board of Directors and the status of its operation.

	Results of the effectiveness assessment in the year	Main actions based on the results of the effectiveness assessment
FY2022	It was confirmed that the Company's Board of Directors is functioning effectively, as evidenced by an improved evaluation of discussions on the medium-term management plan, which had been an issue in the past. On the other hand, issues such as the need to further deepen discussions on internal control and risk management systems, and the need to further support newly appointed outside directors and strengthen follow-up were identified.	・ Discussion of the Company's risks during information exchange opportunities between independent non-executive directors ・ Started considering the establishment of a risk management system with Group management in mind ・ Set up post-appointment follow-up interviews with new directors ・ Sharing of internal documents such as glossaries and internal regulations
FY2023	Under the current medium-term management plan, the Company is working to build a diversified business portfolio by strengthening existing businesses and expanding into new ones. While the concept of capital cost-conscious management is gradually gaining traction, there have been suggestions that a more detailed examination of data classification and allocation is necessary to advance discussions on the business portfolio to a higher level. Although reports on the activities of the Nomination and Remuneration Committee are submitted to the Board of Directors, there is a recognized need to further enhance transparency and promote a deeper understanding of their content. Additionally, to enrich discussions at Board meetings, there have been calls for materials to be structured in a way that presents key points more clearly and accessibly.	・ In preparation for discussions under the next medium-term management plan, the Company will continue to examine the definition of business segments, as well as methods for data collection and analysis. ・ The annual schedule of the Nomination and Remuneration Committee will be shared, and summaries of discussions held by the committee will be included in materials submitted to the Board of Directors. ・ To improve the clarity of materials, the Company will consistently include summaries and tables of contents, and promote better visibility and structure throughout the documentation.
FY2024	In the evaluation of the effectiveness of the Board of Directors for the fiscal year under review, the Board received generally high ratings, with many items evaluated as being largely appropriate. In particular, discussions on the Medium-Term Management Plan and ESG matters, Board operations that encourage free and open exchanges of views, and the evaluation of the President conducted by the Nomination and Remuneration Committee were highly rated. For items that received less favorable evaluations, the reasons were confirmed through interviews, and no items were assessed as significantly inadequate. Progress and positive results were also confirmed in addressing issues identified in the previous evaluation, including the deepening of discussions on the business portfolio, enhanced visibility of the activities of the Nomination and Remuneration Committee, and improvements to meeting materials. On the other hand, with regard to the operation of the Board, suggestions for improvement were raised concerning the criteria for matters to be submitted for resolution or reporting, the format of periodic reporting, and more focused deliberations on key topics.	・The Company will review past agenda items and matters reported to the Board of Directors, and consider revising the Board of Directors Regulations in light of the scope of Directors' responsibilities and the accountability of the executive side. ・The Company will streamline regular reports by focusing on key points, thereby improving the quality of discussions at Board meetings. ・In addition to the Medium-Term Management Plan, cost of capital, and human capital, the Company will establish additional opportunities for deliberation, while taking into account existing opportunities for discussion, in order to ensure sufficient discussion of corporate governance and medium- to long-term issues.

Director appointment policy

Policy and procedure for making decisions on the nomination of candidates for the Board of Directors and the selection and dismissal of senior management

(1) The Company shall appoint individuals who are capable of appropriately and rigorously fulfilling the roles and responsibilities of directors.

(2) When appointing directors, the Company shall nominate individuals who have (1) excellent character, (2) diverse and extensive experience, and (3) areas of expertise. In particular, for outside directors, in addition to the above, the Company shall add the requirement of "personnel who have an axis of judgment from the viewpoints of shareholders, society, etc.," establish criteria for judging independence, and appoint personnel who satisfy the criteria.

(3) With respect to the appointment of candidates for Directors who are not members of the Audit and Supervisory Committee, the Nomination and Remuneration Committee shall deliberate on the candidates and the Board of Directors shall decide on the candidates.

(4) With respect to the election of candidates for Directors who are members of the Audit Committee, the Board of Directors shall decide on the proposed candidates after obtaining the consent of the Audit and Supervisory Committee.

(5) The senior management team shall nominate individuals who have the ability to execute operations based on strong leadership and excellent personalities to realize the management and business strategies of the Company and its Group companies.

(6) The appointment of senior management shall be decided by a resolution of the Board of Directors after deliberation by the Nomination and Remuneration Committee.

(7) Dismissal of senior management executives shall be decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee, based on the following dismissal criteria:
①When it is judged that the executive is not qualified to fulfill the roles and responsibilities to be fulfilled;
②When an illegal or dishonest act is committed in the performance of his/her duties;
③When an employee has said or done something defamatory to the reputation of the Company;
④When it is deemed difficult for the employee to perform his/her duties normally due to health reasons, etc.;
⑤When it is judged difficult to execute duties as an officer due to other reasons attributable to the individual.

Standards for Independent Directors

The Company considers an Outside Director or a candidate for Outside Director to be independent if none of the following items applies:

- Currently, or within the past 10 years, a business executor of the Company or an affiliated company;
- Is or has been a principal business partner of the Company (accounting for 2% or more of each other's consolidated net sales) or an executive of such a business partner for the past three years. Consultants, accounting experts, or legal experts who have received a large amount of money or other assets (10 million yen or more per year) from the Company in addition to their remuneration as directors or corporate auditors (if the person receiving such assets is a corporation, partnership, or other organization, a person belonging to such organization) at present or during the past three years;
- A person who is currently a major shareholder of the Company (a person who directly or indirectly holds 10% or more of the voting rights of the Company), or a person who executes the business of such a shareholder;
- A person who receives a large donation (10 million yen or more per year) from the Company, or a person who executes the business of such a person;
- A certified public accountant who belongs to an auditing firm that is the accounting auditor of the Group.

Succession plan

The Company runs a development program for potential future candidates for positions such as that of chief executive officer. The program conveys the thoughts and ideas of the President and Chief Executive Officer and cultivates a management perspective and viewpoint, and invites senior management, including outside directors, and external experts as lecturers to broaden the knowledge required of next-generation leaders. The Nomination and Remuneration Committee also evaluates personnel through reports on the executive officers' operations at Board of Directors meetings.

Based on the evaluation, in determining the next chief executive officer, directors and executive officers, the Nomination and Remuneration Committee deliberates on the candidates recommended by the Personnel Committee, which consists of internal directors, and reports the final candidates to the Board of Directors.

Cross-Shareholdings

(1) The Company's Policy on cross-shareholdings

The Company's basic policy is to hold shares of target companies as necessary in order to improve corporate value over the medium to long term through business alliances and by maintaining and strengthening stable business relationships with business partners.

With regard to the shares held, the Company regularly verifies the status of transactions and the significance of the holdings, and reports the results to the Board of Directors. In addition, the Company reduces the number of shares it holds when the significance of such holdings has diminished.

(2) The Company's Criteria for Exercise of Voting Rights

When exercising voting rights with respect to shares held, the Company will determine whether to approve or disapprove of a proposal by comprehensively considering whether the proposal is consistent with its policy on cross-shareholdings, and whether it is expected to contribute to the medium- to long-term corporate value of the investee company.

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Number of stocks held	Listed companies	4	3	4	4	4	3	3
	Unlisted companies	3	5	5	5	7	7	7
	Total	7	8	9	9	11	10	10
Total amount on balance sheet (million yen)	Listed companies	2,055	1,356	8,750	7,361	4,173	6,406	4,990
	Unlisted companies	8,104	10,814	2,768	2,939	3,370	3,334	2,992
	Total	10,160	12,170	11,519	10,301	7,543	9,740	7,982
Total percentage of consolidated net assets		5.6%	6.4%	5.7%	4.9%	3.4%	4.2%	3.3%
Consolidated net worth (million yen)		181,675	191,333	201,480	211,701	221,936	234,070	241,680

(Note) The monetary figures in the above table are rounded down to the nearest million yen.

Policy on dialogue with shareholders and investors

The Company recognizes that it is important to engage in constructive dialogue with shareholders, investors and other stakeholders to ensure that their opinions are taken seriously and reflected in management in order to contribute to sustainable growth and medium- to long-term corporate value. To provide an understanding of the Company's management strategy and plans, the representative director himself provides explanations at biannual results briefings, while the IR Public Relations Office of the Corporate Planning Department actively responds to inquiries and interviews from shareholders, investors and others. For information on the status of those dialogues, see the most recent Corporate Governance Report.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity (million yen)

Fiscal year ended March 31, 2026

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders'
Balance at beginning of period	7,896	10,372	212,421	(1,777)	228,913
Changes during period					
Dividends of surplus			(5,874)		(5,874)
Profit attributable to owners of parent			12,821		12,821
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				26	26
Restricted stock remuneration		46		69	115
Net changes in items other than shareholders' equity					
Total changes during period	—	46	6,946	96	7,089
Balance at the end of the period	7,896	10,418	219,368	(1,681)	236,002

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,516	644	(3)	5,157	234,070
Changes during period					
Dividends of surplus					(5,874)
Profit attributable to owners of parent					12,821
Purchase of treasury shares					(0)
Disposal of treasury shares					26
Restricted stock remuneration					115
Net changes in items other than shareholders' equity	739	(342)	123	520	520
Total changes during period	739	(342)	123	520	7,609
Balance at the end of the period	5,256	301	119	5,677	241,680

(Reference) Consolidated Statement of Cash Flows (Summary)

(Unit: million yen)

Category	FY2025	FY2024 (For Reference)
Cash flows from operating activities	(51,725)	(94,396)
Cash flows from investing activities	(13,229)	(12,265)
Cash flows from financing activities	70,817	103,051
Net increase (decrease) in cash and cash equivalents	5,862	(3,610)
Cash and cash equivalents at beginning of period	1,345	4,956
Cash and cash equivalents at end of period	7,208	1,345

Notes to Consolidated Financial Statements

1. Basis of preparing Consolidated Financial Statements

(1) Scope of consolidation

① Number of consolidated subsidiaries and names of subsidiaries

・Subsidiaries	4 companies
・Names of subsidiaries	TECHNORENT CO., LTD
	Tokyo Business Rent Co., Ltd.
	Enplus Inc.
	Welfare Suzuran Co., Ltd.

The Company absorbed its wholly owned subsidiary TECHNORENT CO., LTD through a merger, effective April 1, 2026.

② Non-consolidated subsidiaries

None

(2) Equity method

Not applicable

(3) Fiscal year-end of subsidiaries

The fiscal year-end for Welfare Suzuran Co., Ltd. is April 30.

In preparing the consolidated financial statements, provisional financial statements prepared as of January 31 were used and adjustments were made for significant transactions that occurred between the end of the consolidated financial year and the end of the consolidated financial year.

(4) Accounting policies and methods

① Measurement and valuation of significant assets

A) Securities

Other securities

Securities (other than shares) with no market price	Stated at cost using fair value method (valuation differences are accounted for using the direct net asset method and the cost of sales is calculated using the moving average method).
Shares with no market price, etc.	Stated at cost using the moving average method. Investments in limited liability investment partnerships and similar partnerships (deemed securities under Article 2(2) of the Financial Instruments and Exchange Act) are based on the most recent financial statements available in accordance with the financial reporting date stipulated in the partnership agreement, and the net amount of equity interest is taken into account.
B) Derivative transactions	Stated at cost using fair value method.

② Depreciation and amortization of significant depreciable assets

A) Property, plant and equipment

・Rental asset

Leased assets	Mainly depreciated on a straight-line basis over the lease term, with the estimated disposal value at the end of the lease term being the residual value.
Rental asset	Depreciated using the straight-line method based on a reasonable number of years of depreciation, taking into account economic and functional realities, with the main depreciation periods ranging from 2 to 5 years.
Other rental assets	Depreciated using the straight-line method based on a reasonable number of years of depreciation, taking into account the useful life, etc. The main depreciation periods are 6 to 46 years.

・Company-owned assets: The declining-balance method is mainly used. However, buildings and equipment acquired on or after April 1, 2016 and certain other company assets are depreciated using the straight-line method.

The main useful lives are as follows.

Buildings	10 to 15 years
Structures	15 years
Machinery and equipment	8 to 25 years
Vehicles	6 years
Tools and Furniture	4 to 20 years

B) Intangible assets

・Assets for lease: The straight-line method is used, with the lease term as the depreciable life and the estimated disposal value at the end of the lease term as the residual value.

・Software: Software for internal use is amortized on a straight-line basis over the period of internal use (5 to 10 years).

③ Accounting for deferred assets

Bond issuance costs: The entire amount is expensed at the time of expenditure.

④ Accounting for significant allowances and provisions

A) Allowance for doubtful accounts: The allowance for doubtful accounts is provided at an estimated uncollectible amount based on the historical default rate for general receivables and on the financial condition assessment method or cash flow estimation method for specific doubtful receivables.

B) Provision for bonuses: To provide for the payment of bonuses to employees, an amount corresponding to the estimated amount to be paid is provided for in the current financial year.

C) Provision for bonuses for directors (and other officers): To provide for the payment of bonuses to directors, the estimated amount of bonuses to be paid at the end of the financial year is provided for.

⑤ Accounting for retirement benefits

A) Method of attributing estimated retirement benefits to the period: The estimated amount of retirement benefits is attributed to the period up to the end of the financial year in accordance with the benefit calculation method.

B) Actuarial gains and losses and past service costs: Prior service costs are amortized on a straight-line basis over a fixed number of years (11 years) within the average remaining service period of employees at the time the costs are incurred.
Actuarial gains and losses are amortized on a straight-line basis over a fixed number of years (11 years) within the average remaining service period of employees at the time the gains or losses are recognized in the financial year following the year in which they arise.

⑥ Accounting for significant income and expenses

Accounting for sales and cost of sales for finance leases: Lease payments are recognized as sales and cost of sales when they should be received.

⑦ Significant hedge accounting

A) Accounting method for hedging: Deferred hedge accounting is applied. In addition, interest rate swaps that meet the requirements for exceptional treatment are accounted for using the special method.

B) Hedging instrument and hedged item:
Hedging instruments…… Interest rate swap transactions
Hedged items…… Loans payable

C) Hedging policy: Interest rate swaps are used to hedge the risk of interest rate fluctuations associated with assets such as leases and installment transactions as well as with loans and other liabilities such as loans from financial institutions to a certain extent.

D) Methods of assessing hedge effectiveness: Hedge effectiveness is assessed by comparing the cumulative change in cash flows of the hedged items with the cumulative change in cash flows of the hedging instruments. However, for interest rate swaps accounted for under the special method, the assessment of hedge effectiveness is omitted.

E) Others	The Company's derivative transactions are executed and managed strictly in accordance with internal regulations. Derivative transactions are conducted by the Corporate Management Division and the executive officer in charge has approval authority within the scope of the internal regulations. The status of derivative transactions, valuation gains/losses, risk amount, etc. are reported monthly at the ALM Committee, which consists of senior management. With regard to the internal control system, the separation of personnel in charge of execution and those in charge of office administration is clearly defined within the Corporate Management Division. For each transaction, the office management staff checks the transaction details against the transaction report from the Executive Officer and the statement sent directly from the contracting party.

⑧ Goodwill

Goodwill is amortized evenly over a period of 20 years or less, based on estimates of the period over which the investment effect will be realized and the recovery period of the investment.

⑨ Other significant basic items for preparation of consolidated financial statements

A) Rental receivable	The balance of receivables at the time of the agreed termination of the old lease following the conclusion of a new lease agreement is shown as rental receivable. The amount of such receivables is collected over the term of the new lease agreement.
B) Other operating loan receivables and payables	Other operating loan receivables and payables underwritten are receivables and payables related to factoring.

2. Notes on Accounting Estimates

Estimated allowance for doubtful accounts

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

Allowance for doubtful accounts 7,185 million yen

(2) Other information that contributes to an understanding of the nature of the accounting estimates

① Method of calculating the amounts recorded in the consolidated financial statements for the fiscal year under review

For general receivables, the amount is determined based on historical default rates, while for specific receivables, such as doubtful receivables, the amount of uncollectible receivables is determined on an individual basis using the financial statement assessment method or cash flow estimation method. Through these methods, the Group is prepared for losses that may arise from bad debts.

② Key assumptions used in the estimation

Estimates are made based on available information, including the status of receivables collection, the financial condition and operating results of counterparties, as well as their business plans. Based on these considerations, it is judged that a sufficient amount has been recorded to cover potential losses from bad debts.

③ Effect on the consolidated financial statements for the following fiscal year

Unforeseeable changes in assumptions and other factors may cause the expected collection of receivables to vary beyond projections, in which case the Group may increase or reduce its allowance for doubtful debts.

3. Notes to Consolidated Statement of Financial Position

(1) Assets pledged as collateral and secured liabilities

The following assets are pledged as collateral for borrowings and other obligations of an investee company from financial institutions. Even in the event of default by the investee, the Company's liability is limited to the amount of its investment.

Investment securities 600 million yen

(2) Accumulated depreciation of assets 74,706 million yen

(3) Guarantee Obligations

Balance of debt guarantees related to guarantee operations 3,131 million yen

(4) Other operating assets under current assets comprise subordinated trust beneficiary interests in securitized lease receivables.

4. Notes to Consolidated Statement of Changes in Equity

(1) Total number of shares issued and outstanding

Class of Shares	Number of Shares at the Beginning of FY2025	Increase in the Number of Shares during FY2025	Decrease in the Number of Shares during FY2025	Number of Shares at the End of FY2025
Common shares	31,243 thousand shares	－thousand shares	－thousand shares	31,243 thousand shares

(2) Dividends

① Dividends Paid

A) The following was resolved at the 49th Annual General Meeting of Shareholders held on June 23, 2025.

- Total amount of dividends paid 3,091 million yen
- Cash dividends per share 100.00 yen
- Record date March 31, 2025
- Effective date June 24, 2025

B) The following was resolved by the Board of Directors on November 7, 2025

- Total amount of dividends paid 2,782 million yen
- Cash dividends per share 90.00 yen
- Record date September 30, 2025
- Effective date December 1, 2025

(Note) The total amount of dividends above includes dividends on shares of the Company held in the trust account related to the stock compensation plan (¥17 million resolved at the 49th Annual General Meeting of Shareholders held on June 23, 2025, and ¥13 million resolved at the Board of Directors meeting held on November 7, 2025).

② Dividends whose record date falls within the current consolidated fiscal year but whose effective date is in the following fiscal year

The following will be resolved at the 50th Annual General Meeting of Shareholders held on 29 June 2026.

- Total amount of dividends paid 2,937 million yen
- Cash dividends per share 95.00 yen
- Record date March 31, 2026
- Effective date June 30, 2026

(Note) The total amount of dividends to be resolved at the 50th Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2026, includes ¥14 million in dividends on shares of the Company held in the trust account related to the stock compensation plan.

5. Notes to Financial Instruments

(1) Financial instruments - Overview

The Group procures the necessary funds in a timely and appropriate manner from the financial markets and financial institutions and uses them for its various businesses, including the Lease & Finance business. In relation to these businesses, the Group's policy is to engage in appropriate risk management and to maintain and expand quality assets through the acquisition of contracts or investments with profit margins commensurate with the risk.

With regard to funding from financial markets and financial institutions, the Group analyzes and examines trends in financial markets and the status of assets and liabilities, and strives to appropriately manage market risk (interest rate and other fluctuation risks) and liquidity risk related to funding. In addition, derivative transactions are undertaken for the purpose of hedging interest rate risks associated with assets and liabilities to a certain extent or within a certain range. It is the policy of the Group not to enter into speculative transactions.

(2) Fair value of financial instruments

The amounts recorded in the consolidated balance sheet, the fair value and the difference between the two in the current financial year are as follows.

Notes have been omitted for cash and deposits, other operating loans receivable, payables assumed and commercial paper, as these items are either in cash or have a short maturity and their fair value approximates their carrying amount.

Investments in non-marketable shares and other securities and investments in partnerships are not included in the table below (See note 4)

(Unit: million yen)	Consolidated balance sheet amount	Fair value	Difference
Installment receivables (Note 1)	152,955		
Allowance for doubtful accounts (Note 2)	(2,452)		
	150,503	149,189	(1,313)
Rental receivables receivable	18,263		
Lease receivables and investments in leases (Note 3)	596,413		
Other operating assets	8,692		
Allowance for doubtful accounts (Note 2)	(3,073)		
	620,296	611,514	(8,782)
Accounts receivable - operating loans	294,596		
Allowance for doubtful account (Note 2)	(1,011)		
	293,585	293,530	(54)
Investment securities (Note 4)			
Available-for-sale securities	20,400	20,400	—
Total Assets	1,084,785	1,074,634	(10,150)
Current portion of bonds payable	25,000	24,990	(9)
Current portion of long-term borrowings	160,500	160,072	(427)
Current portion of long-term payables under securitization of lease receivables	1,151	1,149	(1)
Bonds payable	158,000	154,249	(3,750)
Long-term borrowings	679,300	666,812	(12,487)
Total Liabilities	1,023,951	1,007,274	(16,676)
Derivative transactions (Note 5)			
① Transactions for which hedge accounting is not applied	—	—	—
② Transactions for which hedge accounting is applied	440	440	—
Total derivative transactions	440	440	—

(Notes)

1. Unrealized profit on instalments is deducted from instalment receivables.

2. The general and specific allowance for doubtful debts corresponding to each item of credit is deducted.

3. Balance of lease receivables and lease investment assets = "Lease receivables" + "Lease investment assets" - "Estimated residual value portion"

4. The consolidated balance sheet amounts of non-marketable shares and investments in partnerships are as follows, which are not included in “Investment securities.”

Category	Consolidated balance sheet amount (million yen)
Unlisted stocks	2,992
Investment in partnerships, etc.	25,006

Unlisted shares are classified as non-marketable shares, etc. and are not subject to fair value disclosure in accordance with paragraph 5 of the “Guidance on Disclosure of Fair Value of Financial Instruments” (ASBJ Guidance No. 19, 31 March 2020). Investments in partnerships are not subject to fair value disclosure in accordance with paragraph 24-16 of the “Guidance on Accounting Standards for Calculating Fair Value” (ASBJ Guidance No. 31, 17 June 2021).

5. Net receivables and payables arising from derivative transactions are shown at net value.

(3) Breakdown of financial instruments

The level of fair value measurement in the Group is divided into the following three levels according to the observability in the market.

Level 1 fair value: Fair value measured using quoted prices in active markets for identical assets or liabilities that are the subject of the measurement, among inputs that are observable for fair value measurement.

Level 2 fair value: Fair value measured using inputs other than Level 1 inputs, among inputs that are observable for fair value measurement.

Level 3 fair value: Fair value measured using unobservable inputs for fair value measurement.

Where multiple inputs are used that have a significant impact on the calculation of fair value, the fair value is classified to the level with the lowest priority in the calculation of fair value, from among the levels to which each of these inputs belongs.

① Financial assets and liabilities with fair value in the consolidated balance sheet

Category	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	15,400	—	—	15,400
Bonds	—	—	5,000	5,000
Total Assets	15,400	—	5,000	20,400
Derivative transactions				
Interest rate-related	—	440	—	440
Total Derivative transactions	—	440	—	440

② Financial assets and liabilities not recognized in the consolidated balance sheet at fair value

Category	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
Installment receivables	—	—	149,189	149,189
Rental receivables receivable				
Lease receivables and investments in leases				
Other operating assets				
	—	—	611,514	611,514
Operating loans	—	—	293,530	293,530
Total Assets	—	—	1,054,234	1,054,234
Current portion of bonds payable	—	24,990	—	24,990
Current portion of long-term borrowings	—	160,072	—	160,072
Current portion of long-term payables under securitization of lease receivables	—	1,149	—	1,149
Bonds	—	154,249	—	154,249
Long-term borrowings	—	666,812	—	666,812
Total Liabilities	—	1,007,274	—	1,007,274

(Notes)

1. Description of valuation techniques and inputs used in the calculation of fair value.

Investment securities

Investment securities include listed shares, which are valued using quoted market prices on the stock exchange. As listed shares are traded in active markets, their fair value is classified as Level 1 fair value.

The fair value of share options (relating to unlisted shares) and bonds is classified as Level 3 fair value, because the fair value is calculated using unobservable inputs.

Derivative transactions, current portion of bonds payable, current portion of long-term borrowings, current portion of long-term payables related to securitization of receivables, bonds, and long-term borrowings

These are primarily measured at present value by discounting the total amount of principal and interest using a rate that reflects the remaining term and funding costs.

All such fair values are classified as Level 2.

Installment receivables, Rental receivables receivable, Lease receivables and investments in leases and Other operating assets

The fair value of these assets is calculated by discounting the present value by the interest rate that would be applicable if the assets were newly executed in each of the industries classified for credit management purposes. The fair value of such receivables approximates the balance sheet amount less estimated bad debts, and is therefore used as the fair value of such receivables.

All such fair values are classified as Level 3.

Accounts receivable - operating loans

The fair value of operating loans with variable interest rates is deemed to approximate their carrying amount, as they reflect short-term market interest rates, unless the credit status of the borrower has changed significantly since the loan was made.

For loans with a fixed interest rate, the present value is calculated by discounting the total principal and interest by the interest rate assumed for a similar new loan, for each category based on the type and term of the loan. For doubtful receivables, the fair value approximates the balance sheet amount less estimated bad debts, and is therefore used as the fair value.

All such market values are classified as Level 3.

2. Information on the fair value of level 3 financial assets and liabilities with fair value in the consolidated balance sheet

(1) Reconciliation of opening balances to closing balances, valuation gains and losses recognized in profit or loss for the period

(Unit: Million yen)

	Balance at the beginning of the period	Profit or loss for the year or other comprehensive income		Net purchases, sales, issues and settlements	Level 3 transfers to market value	Transfer from level 3 market value	Balance at end of year	Unrealized gains/losses on financial assets and liabilities held at the balance sheet date of amounts recognized in profit or loss for the year
		Recognized in profit or loss	Recognized in other comprehensive income					
Investment securities								
Available-for-sale securities								
Bonds	4,000	—	—	1,000	—	—	5,000	—

(2) Description of the fair value assessment process

The Group calculates fair value in accordance with its policy on the calculation of fair value in the responsible department. The calculated fair value is verified for the appropriateness of the valuation techniques and inputs used in the calculation and the appropriateness of the classification of the level of fair value.

In calculating the fair value, valuation models are used that most appropriately reflect the nature, characteristics and risks of individual assets.

6. Notes to Rental Properties and Other Real Estate

(1) Matters Related to Rental Properties and Other Real Estate

The Company owns rental properties such as residential housing and logistics facilities (including land) in Tokyo and other regions.

(2) Matters Related to the Fair Value of Rental Properties and Other Real Estate

(Unit: Million yen)

Amount Recorded on the Consolidated Balance Sheet	Fair Value at the End of the Current Consolidated Fiscal Year
105,083	109,210

(Notes) 1. The amount recorded on the consolidated balance sheet is the acquisition cost less accumulated depreciation.

2. The fair value at the end of the current consolidated fiscal year is based on the income approach for major properties, and for other properties, it is based on indicators that are considered to appropriately reflect market prices.

7. Notes on Per Share Information

(1) Equity per share 7,840.55 yen

(2) Earnings per share 415.96 yen

8. Others

Amounts are stated in millions of yen, with fractions less than 1 million yen rounded down.

Non-Consolidated Financial Statements

Non-consolidated Balance Sheet (Unit: million yen)

Account item	FY2025	FY2024 (For Reference)
Assets		
Current assets	1,209,337	1,132,072
Cash and deposits	4,227	828
Installment receivables	177,232	183,519
Lease payments receivable	18,263	21,035
Lease receivables	56,664	55,229
Investments in leases	537,903	490,672
Accounts receivable - operating loans	320,457	297,151
Accounts receivable - other loans to customers	9,174	8,354
Other operating assets	8,692	9,962
Accounts receivable - lease	8,839	8,640
Prepaid expenses	1,346	1,240
Other current assets	73,180	61,766
Allowance for doubtful accounts	(6,644)	(6,330)
Non-current assets	246,674	235,037
Property, plant and equipment	157,377	153,837
Assets for lease	118,375	117,869
Own-used assets		
Buildings	701	635
Structures	1	2
Machinery and equipment	36,037	33,860
Vehicles	20	29
Furniture and fixtures	511	496
Land	3	3
Construction in progress	1,724	939
Intangible assets	14,891	9,055
Assets for lease	4,136	21
Other intangible assets		
Software	10,754	9,034
Other	0	0
Investments and other assets	74,405	72,144
Investment securities	37,989	35,630
Stocks of subsidiaries and affiliates	11,210	10,992
Distressed receivables	528	478
Long-term prepaid expenses	10,695	11,193
Deferred tax assets	4,764	4,708
Other	9,738	9,610
Allowance for doubtful accounts	(520)	(469)
Total assets	1,456,011	1,367,110

Account item	FY2025	FY2024 (For Reference)
Liabilities		
Current liabilities	367,703	321,276
Notes	385	122
Accounts payable	21,234	19,814
Short-Term Borrowings	15,500	7,000
Current portion of bonds payable	25,000	—
Current portion of long-term borrowings	160,500	127,000
Current portion of long-term payables under securitization of lease receivables	1,151	8,432
Commercial papers	57,000	75,000
Underwriting debt payment	564	583
Lease obligations	39	35
Accounts payable-other	3,370	4,562
Income taxes payable	1,762	5,060
Accrued expenses	2,779	1,715
Advances received - lease	4,475	4,517
Deposits received	47,969	40,106
Unearned revenue	71	26
Deferred profit on installment sales	24,277	25,806
Provision for bonuses	1,567	1,422
Provision for bonuses for directors (and other officers)	55	71
Non-current liabilities	853,094	817,306
Bonds payable	158,000	140,000
Long-term borrowings	679,300	661,000
Long-term payables under securitization of lease receivables	—	1,151
Lease liabilities	72	89
Retirement benefit liability	146	187
Guarantee received	13,534	13,006
Asset retirement obligations	1,797	1,667
Other noncurrent liabilities	243	205
Total liabilities	1,220,798	1,138,582
Net assets		
Shareholders' equity	229,654	223,366
Share capital	7,896	7,896
Capital surplus	10,418	10,372
Legal capital surplus	10,159	10,159
Other capital surplus	258	212
Retained earnings	213,020	206,874
Legal retained earnings	284	284
Other retained earnings	212,736	206,590
General reserve	192,045	184,045
Reserve for Abundant Future	56	52
Retained earnings brought forward	20,634	22,492
Treasury shares	(1,681)	(1,777)
Valuation and translation adjustments	5,558	5,160
Valuation difference on available-for-sale securities	5,256	4,516
Deferred gains or losses on hedges	301	644
Total net assets	235,213	228,527
Total liabilities and net assets	1,456,011	1,367,110

Non-consolidated Statement of Income (Unit: million yen)

Account item	FY2025	FY2024 (For reference)
Net sales	316,418	292,467
Cost of sales	271,894	249,072
Gross profit	44,523	43,394
Selling, general and administrative expenses	24,984	22,580
Operating profit	19,539	20,814
Non-operating income	1,002	741
Interest income	221	186
Dividend income	436	359
Gain on investments in investment partnership	320	182
Other	23	12
Non-operating expenses	601	450
Interest expenses	359	174
Bond issuance costs	175	236
Social Contribution	43	34
Other	23	5
Ordinary profit	19,939	21,105
Extraordinary income	—	425
Gain on sales of investment securities	—	425
Extraordinary losses	2,709	74
Loss on valuation of investment securities	339	74
Loss on valuation of shares of subsidiaries and affiliates	2,369	—
Profit before income taxes	17,230	21,455
Income taxes - current	5,545	7,546
Income taxes - deferred	(335)	(1,170)
Net income	12,020	15,079

Non-consolidated Statement of Changes in Equity (Unit: million yen)

Fiscal year ended March 31, 2026

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common Stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Reserve for Abundant Future	Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	7,896	10,159	212	10,372	284	184,045	52	22,492	206,874
Changes in the year									
Provision of general reserve						8,000		-8,000	—
Provision of reserve for Abundant Future							47	-47	—
Reversal of reserve for Abundant Future							(43)	43	—
Dividends of surplus								(5,874)	(5,874)
Net income								12,020	12,020
Purchase of treasury shares									
Disposal of treasury shares									
Restricted stock remuneration			46	46					
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	46	46	—	8,000	3	(1,858)	6,145
Balance, end of year	7,896	10,159	258	10,418	284	192,045	56	20,634	213,020

	Shareholders' equity		Valuation and Translation adjustment			Total net assets
	Treasury Stock	Total shareholders' equity	Unrealized gains or losses on securities and others	Deferred gain or loss on hedges	Total valuation and Translation adjustment	
Balance at beginning of current period	(1,777)	223,366	4,516	644	5,160	228,527
Changes in the year						
Provision of general reserve		—				—
Provision of reserve for Abundant Future		—				—
Reversal of reserve for Abundant Future		—				—
Dividends of surplus		(5,874)				(5,874)
Net income		12,020				12,020
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	26	26				26
Restricted stock remuneration	69	115				115
Net changes of items other than shareholders' equity			739	(342)	397	397
Total changes of items during period	96	6,288	739	(342)	397	6,685
Balance, end of year	(1,681)	229,654	5,256	301	5,558	235,213

Notes to Nonconsolidated Financial Statements

1. Matters Related to Significant Accounting Policies

(1) Valuation basis and method for assets

① Securities

A) Investment securities in subsidiaries — Stated at cost using the moving average method.

B) Other securities

Securities with market prices	Stated at fair value. Unrealized holding gains and losses are excluded from earnings and reported in a separate component of net assets. The cost of securities sold is determined based on the average cost of all shares of such security held at the time of sale.
Securities without market prices	Stated at average cost. Investments in limited liability investment partnerships and similar partnerships (deemed securities under Article 2(2) of the Financial Instruments and Exchange Act) are based on the most recent financial statements available in accordance with the financial reporting date stipulated in the partnership agreement, and the net amount of equity interest is taken into account.

② Derivative transactions — Stated at fair value.

(2) Depreciation method of non-current assets

① Tangible non-current assets

A) Assets for lease

Leased assets	Mainly depreciated on a straight-line basis over the lease term, with the estimated disposal value at the end of the lease term being the residual value
Rental asset	Depreciated using the straight-line method based on a reasonable number of years of depreciation, taking into account economic and functional realities, with the main depreciation periods ranging from 2 to 5 years.
Other rental assets	Depreciated using the straight-line method based on a reasonable number of years of depreciation, taking into account the useful life, etc. The main depreciation periods are from 6 to 46 years.

B) Own-used assets — The declining-balance method is mainly used. However, buildings and equipment acquired after April 1, 2016 and certain other company assets are depreciated using the straight-line method.

The main useful lives are as follows.

Buildings	15 years
Structures	15 years
Machinery and equipment	8 to 25 years
Vehicles	6 years
Tools and Furniture	4 to 20 years

② Intangible non-current assets

A) Assets for lease — The straight-line method is used, with the lease term as the depreciable life and the estimated disposal value at the end of the lease term as the residual value.

B) Software — Depreciation of internal-use software is based on the estimated useful life in the Company (5 to 10 years).

(3) Deferred charges

Bond issuance costs — Charged to expenses when incurred

(4) Allowance and provisions

① Allowance for doubtful receivables	The allowance for doubtful debts is provided at an estimated uncollectible amount based on the historical default rate for general receivables and on the financial condition assessment method or cash flow estimation method for specific doubtful receivables.
② Provision for bonuses	To provide for the payment of bonuses to employees, an amount corresponding to the estimated amount to be paid is provided for in the financial year under review.
③ Provision for bonuses for Directors (and other officers)	To provide for the payment of bonuses to directors, the estimated amount of bonuses to be paid at the end of the current financial year is provided for.

④ Provision for retirement benefits	The estimated amount of retirement benefits is attributed to the period up to the end of the current financial year on the basis of the benefit calculation method. Past service costs are amortized on a straight-line basis over a fixed number of years (11 years) within the average remaining service period of the employees at the time the costs are incurred. Actuarial gains and losses are amortized on a straight-line basis over a fixed number of years (11 years) within the average remaining service period of employees in each financial year in which they arise. The treatment of unrecognized actuarial gains and losses and unrecognized past service costs in the balance sheet differs from that in the consolidated balance sheet.

(5) Revenue and expenses

① Accounting for leasing transactions	Sales and cost of sales of finance leases are recognized at the time the lease payments should be received.
② Revenue recognition method for individual mediation transactions	For individual mediation transactions, the full contract amount is recognized as an instalment receivable at the time of delivery of the goods, and the total amount of commission, divided proportionally by the number of installments, is recognized as income each time a payment is due. Unrealized profit on installment receivables corresponding to installment receivables whose due dates have not yet arrived is deferred.
③ Methods of recording finance expenses	Finance expenses are classified into finance expenses corresponding to operating revenues and other finance expenses. The classification method is based on the classification of total assets into assets based on operating transactions and other assets, and the balance of the assets is used as the basis for recording finance expenses corresponding to operating assets as cost of funds in cost of sales and finance expenses corresponding to other assets in non-operating expenses. The cost of funds is recorded as finance charges on operating assets less interest income and other income on the corresponding deposits.

(6) Significant hedge accounting

① Hedge accounting methods	Deferred hedge accounting is applied. In addition, interest rate swaps that meet the requirements for special treatment are accounted for using the special method.
② Hedging instruments and hedged items	Hedging instruments…… Interest rate swap transactions Hedged items…… Loans payable
③ Hedging policy	Interest rate swaps are used to hedge the risk of interest rate fluctuations associated with assets such as leases and installment transactions and loans and liabilities such as loans from financial institutions to a certain or certain extent.
④ Methods of assessing hedge effectiveness	Hedge effectiveness is assessed by comparing the cumulative changes in cash flows of the hedged items and those of the hedging instruments. However, for interest rate swaps accounted for under the special method, such assessment is omitted.
⑤ Others	The Company's derivative transactions are executed and managed strictly in accordance with internal regulations. Derivative transactions are conducted by the Corporate Management Division and the executive officer in charge has approval authority within the scope of the internal regulations. The status of derivative transactions, valuation gains/losses, risk amount, etc. are reported monthly at the ALM Committee, which consists of senior management. With regard to the internal control system, there is a clear separation between those in charge of execution and those in charge of office management within the Corporate Management Division. For each transaction, the business administration staff checks the transaction details by reconciling the transaction report from the execution staff with the details sent directly from the contracting party.

(7) Other significant accounting policies for nonconsolidated financial statements

① Rental receivables receivable	The balance of receivables at the time of the agreed termination of the old lease following the conclusion of a new lease agreement is shown as rental receivables receivable. The amount of such receivables is collected over the term of the new lease agreement.
② Accounts receivable – other loans to customers and payables underwritten	Other loans to customers and payables underwritten are receivables and payables related to factoring.

2. Notes on Accounting Estimates

Estimation of allowance for doubtful accounts

(1) Amounts recorded in the financial statements for the current financial year

Allowance for doubtful accounts 7,164 million yen

(2) Other information that contributes to an understanding of the nature of the accounting estimates

Identical to the information stated in the notes to the consolidated financial statements.

3. Notes to Nonconsolidated Balance Sheet

(1) Assets pledged as collateral and secured liabilities

The following assets are pledged as collateral for borrowings and other obligations of an investee company from financial institutions. Even in the event of default by the investee, the Company's liability is limited to the amount of its investment.

Investment securities	600 million yen

(2) Accumulated depreciation of property, plant and equipment 36,714 million yen

(3) Notes held in custody relating to trade receivables

Lease receivables and investments in leases	126 million yen
Installment receivables	1,287 million yen

(4) Trade receivables due after more than one year (excluding sublease transactions)

Lease receivables	37,873 million yen
Investments in leases	382,761 million yen
Installment receivables	139,135 million yen
Loans to customers	265,895 million yen
Operating lease receivables	13,413 million yen
Total	839,079 million yen

(5) Guarantee Obligations

Balance of debt guarantees related to guarantee operations	3,131 million yen

(6) Monetary receivables from and payables to subsidiaries and affiliates other than those separately stated are as follows:

① Short-term monetary claims	25,883 million yen
② Short-term monetary liabilities	3 million yen

(7) Other operating assets under current assets comprise subordinated trust beneficiary interests in securitized lease receivables.

4. Notes to Nonconsolidated Statement of Income

(1) Related-party transactions with subsidiaries and associated companies

①	Sales	1,252 million yen
②	Purchase of goods	2,772 million yen
③	Other operating transactions	444 million yen
④	Transactions from non-operating transactions	1 million yen

(2) Breakdown of cost of funds

①	Interest expenses	7,176 million yen
②	Interest income	71 million yen

5. Notes to Nonconsolidated Statement of Changes in Equity

Number of treasury shares

Type of shares	Number of shares at the beginning of the current financial year	Increased in the current financial year	Decreased in the current financial year	Number of shares at the end of the current financial year
Common stock	418,762 shares	20 shares	－shares	418,782 shares

(Notes) 1. Under the stock compensation plan in effect until its partial revision by resolution at the 47th Annual General Meeting of Shareholders held on June 26, 2023, 54,699 shares of the Company acquired by the trust account related to the plan were treated as treasury shares in the financial statements. However, these shares are not included in the total number of shares at the end of the current fiscal year as stated above.

2. Excluding Note 1 above, 94,700 shares of the Company held in the trust account related to the stock compensation plan are included in the total number of shares at the end of the current fiscal year as stated above.

6. Tax Effect Accounting

Major components of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Allowance for doubtful accounts	1,164 million yen
Bad debt write-offs denied	885 million yen
Provision for bonuses	568 million yen
Unpaid business tax	123 million yen
Provision for retirement benefits	46 million yen
Depreciation in excess of depreciation	260 million yen
Tax adjustment related to lease and installment transactions	2,806 million yen
Loss on valuation of securities	937 million yen
Others	958 million yen
Total	7,751 million yen
Others	
Total	(2,418) million yen
Deferred tax liabilities	(138) million yen
Others	(430) million yen
Total	(2,987) million yen
Net deferred tax assets	4,764 million yen

7. Related-Party Transactions

(1) Parent company and major corporate shareholders

Omitted due to immateriality.

(2) Other subsidiaries of affiliated companies, etc.

Category	Name of company	Address	Capital or investments	Business or occupation	Proportion of voting power	Relationship with related party	Transactions	Transaction amount	Account name	Balance at Year-End
Other subsidiaries of affiliated companies	Ricoh Japan Co., Ltd.	Minato-ku, Tokyo	2,517 million yen	Sale of office equipment and supplies	—	Leasing transactions Purchases of leased property Interlocking directorships	Purchases of leased property	75,326 million yen	Accounts payable	5,777 million yen

(Note) Terms and conditions of transactions, etc.

The above transactions are usually carried out on a market-based transaction basis.

8. Notes to per share information

(1) Net assets per share 7,630.73 yen

(2) Earnings per share 389.96 yen

9. Subsequent Events

Absorption-type Merger of a Wholly Owned Subsidiary

The Company, based on a resolution of the Board of Directors adopted on November 7, 2025, executed an absorption-typer merger of its wholly owned subsidiary TECHNORENT CO., LTD effective April 1, 2026.

(1) Overview of the Business Combination

① Name and business description of the absorbed company

Name: TECHNORENT CO., LTD

Business description: Rental, contracted technical services such as measurement, calibration, equipment inspection, etc.

② Date of business combination

April 1, 2026

③ Legal form of the business combination

The transaction was an absorption-type merger with the Company as the surviving entity, and TECHNORENT CO., LTD was dissolved.

④ Consideration for the merger

As the merger was with a wholly owned subsidiary of the Company, no shares or other consideration were issued or allocated in connection with the merger.

⑤ Other matters related to the transaction

TECHNORENT CO., LTD operates a rental business centered on IT equipment and measuring instruments. In recent years, corporate needs for capital investment have diversified, and there has been increasing demand for a structure that enables the integrated provision of value-added services, such as rentals, in addition to the Company's core finance lease business.

In response to these changes in the business environment, and in order to accelerate efficient and diversified growth through the consolidation of management resources, the Company decided to absorb and merge the subsidiary.

(2) Summary of Accounting Treatment

The transaction has been accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

10. Notes to Lease Transactions

(1) Finance leases

(Lessor)

①Breakdown of Lease receivables and Investments in leases

	Lease receivables	Investments in leases
Amount of claims	60,019 million yen	592,940 million yen
Estimated residual value portion	－million yen	729 million yen
Receive considerable interest	(3,354) million yen	(55,879) million yen
Total	56,664 million yen	537,790 million yen

②Breakdown by collection date of the amount of the lease receivable and the portion of the lease receivable relating to lease investment assets

	Lease receivables (million yen)	Lease receivable portion of investment in leased assets (million yen)
Within 1 year	19,986	174,054
Over 1 year and within 2 years	15,288	148,340
Over 2 year and within 3 years	11,165	119,122
Over 3 year and within 4 years	7,826	80,184
Over 4 year and within 5 years	3,652	38,542
Over 5 years	2,099	32,695
Total	60,019	592,940

(Note) Figures ① and ② above exclude amounts relating to sub-lease transactions.

(2) Operating lease transactions

(Lessee)

Future minimum lease payments

Short term	1,130 million yen
Long term	5,528 million yen
Total	6,659 million yen

(Lessor)

Future minimum lease payments

Short term	6,857 million yen
Long term	13,413 million yen
Total	20,271 million yen

11. Others

Amounts are stated in millions of yen, with fractions less than 1 million yen rounded down.