Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2027

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

November 10, 2026

信用で人をつなぐ
ジェイリース

JPX PRIME

証券コード：7187

Message from the President

Net sales and profit both exceeded plan despite strategic investments

I am Tsuchi Nakashima, Representative Director and President. I would like to express our sincere appreciation for your continued support. I hereby would like to report our financial results for the second quarter of the fiscal year ending March 31, 2027.

In the second quarter of the fiscal year ending March 31, 2027, our ongoing store-opening strategy and stronger sales activities in the Tokyo metropolitan area paid off. Net sales rose to 11,689 million yen (up 20.1% year on year), sustaining double-digit growth and coming in 1.9% above the plan. On the profit side, higher sales and cost control enabled us to absorb our strategic investments. Operating profit was 1,748 million yen; although this was slightly lower year on year (down 1.3%), it was well above the plan (up 14.1%). Our key indicators, the subrogation incidence and recovery rates, also tracked in line with the plan.

To strengthen our business foundation, we plan to open three more locations in the second half, completing a network that will enable us to provide the same services simultaneously in all 47 prefectures. Building on this nationwide base, we will pursue regional and partnership strategies to expand our business. We will also develop new markets by implementing initiatives such as a new service for security deposits on offices and other properties, which we launched today. At the same time, by reforming our business processes through the use of AI, we expect to reduce the workload of our core operations by approximately one-third within two years. This will allow us to raise productivity across the company, including by shifting our people to higher value-added work.

Going forward, on the premise of generating returns that exceed our cost of capital, the J-lease Group will continue to balance growth investment with shareholder returns and remain committed to enhancing corporate value. We ask for your continued and unwavering support.



President and CEO,
CEO of J-lease Group

中島 土

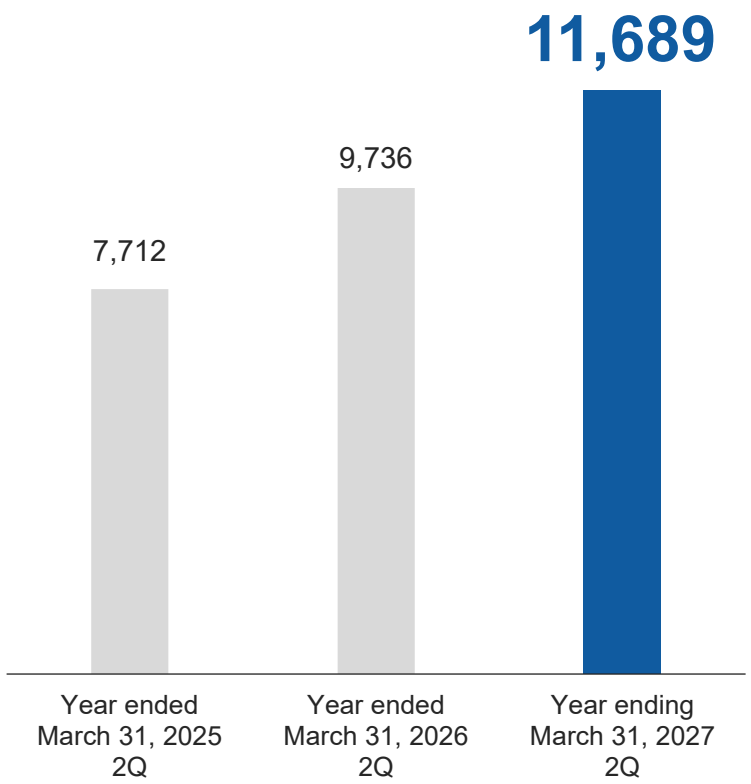
Financial Results for 2Q of the Fiscal Year Ending March 31, 2027

Sales and profit both exceeded the plan

Net sales (Millions of yen)

+20.1% YoY

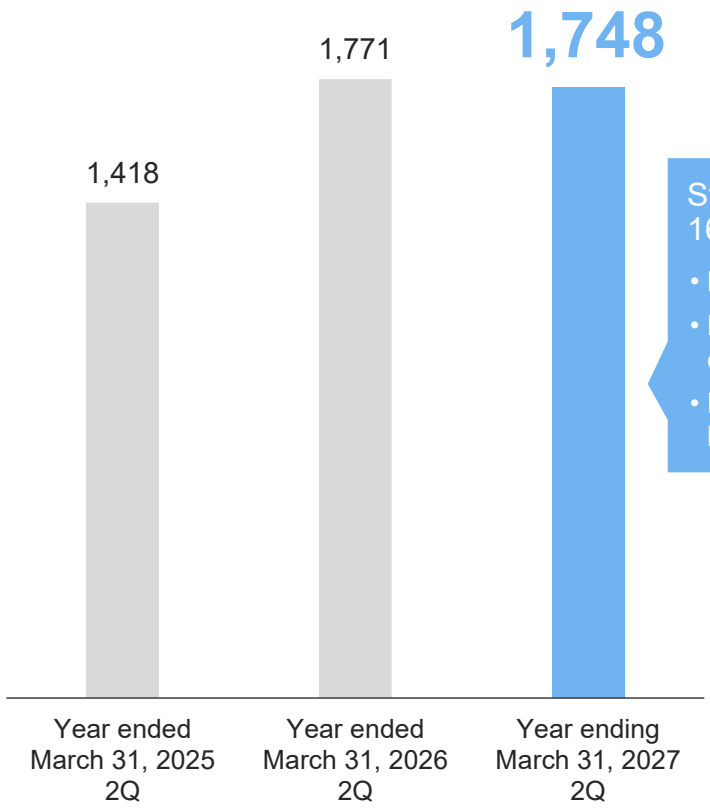
+1.9% versus plan



Operating profit (Millions of yen)

-1.3% YoY

+14.1% versus plan



Strategic investments: 160 million yen

- New HR system
- Development of a new core system
- Expansion of the Tokyo head office floor space

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Summary of Financial Results for 2Q of the Fiscal Year Ending March 31, 2027

Sales and profit both exceeded the plan

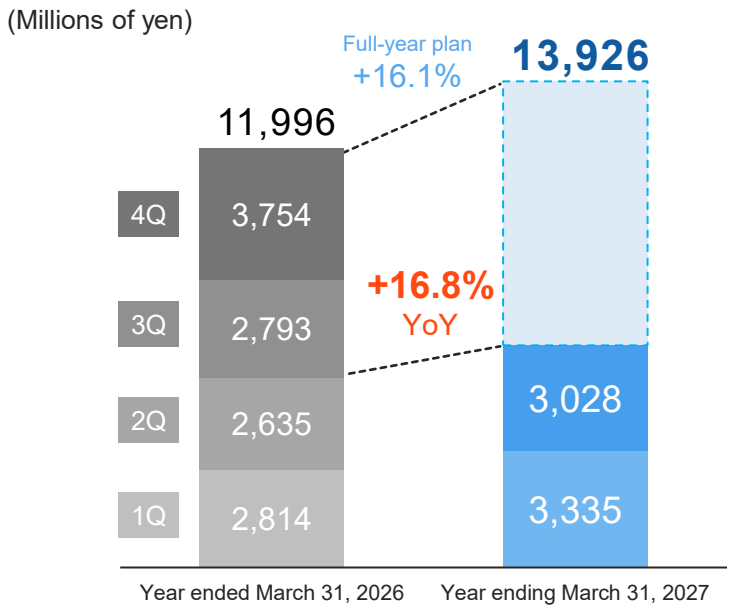
(Millions of yen)	Year ended March 31, 2026 2Q results	Year ending March 31, 2027 2Q plan	Year ending March 31, 2027 2Q results	YoY change	Versus plan
Net sales	9,736	11,469	**11,689**	**+20.1%**	**+1.9%**
Operating profit	1,771	1,532	**1,748**	**-1.3%**	**+14.1%**
Operating profit margin	18.2%	13.4%	**15.0%**	**-3.2pt**	**+1.6pt**
Ordinary profit	1,741	1,518	**1,734**	**-0.4%**	**+14.3%**
Profit attributable to owners of parent	1,174	983	**1,091**	**-7.1%**	**+11.0%**

- Mainstay residential and business rent guarantees performed strongly, centered on the Tokyo metropolitan area.
  The effect of expanding our store network and sales from K-net, which became a subsidiary in the previous fiscal year (three months of its sales were recorded in 2Q of the previous fiscal year), also contributed, and net sales continued to grow at a double-digit pace, exceeding the sales plan by 1.9%.
- Strategic investments and other factors lowered the operating profit margin, but thanks to cost control, profits at all levels significantly exceeded the plan.
  We will work to improve profit margins by implementing AX and business process reform.
- In the second half, both sales and profit are expected to progress as planned.

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Main Businesses: Growth Strategy of Residential Rent Guarantee

Net sales of residential rent guarantees



Note: Results for the fiscal year ended March 31, 2026 were irregular owing to the consolidation of K-net; in this graph, figures are aggregated by the month in which they actually occurred

Market environment

- Soaring construction costs and higher real estate prices and interest rates
- An increase in single-person households and foreign residents
- Sustained high use of guarantees for residential rental properties

→ **Expansion of rental demand**

- Rising rent levels, particularly in major metropolitan areas

→ **Increase in guarantee fee revenue**

The Company's strengths in residential rent guarantee

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

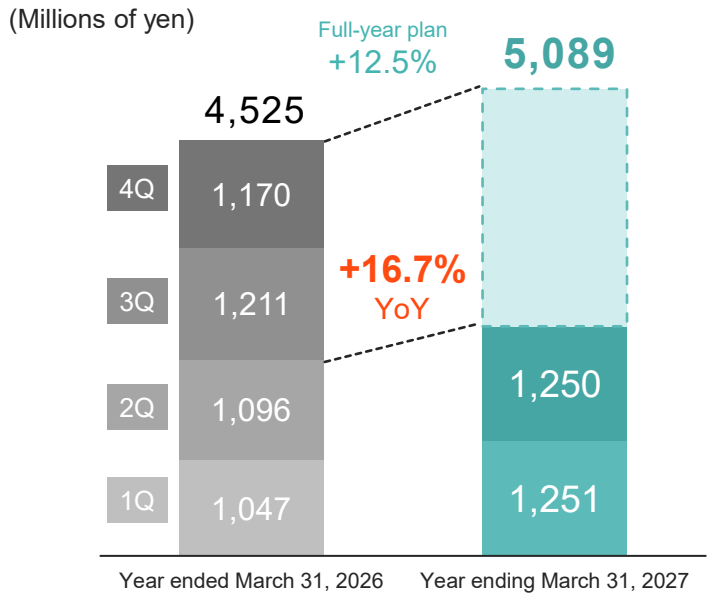
Residential rent guarantee strategies

- Further expansion of the nationwide network through new stores—covering all 47 prefectures with the opening of six stores in the fiscal year under review (three branches opened in September)
- Sales synergies with subsidiary K-net (expanded promotion of the whole-building guarantee service and consolidation of overlapping operations)
- Engagement in marketing collaborations with partner companies and approaches to large real estate companies through teams of experts selected from across the country
- Creating a next-generation guarantee platform through the expanded promotion of HOMETACT (Mitsubishi Estate Group)
- Strengthening sales in the Tokyo metropolitan area
  (because the Company originated in Kyushu, its entry into the Tokyo metropolitan area came later, and its share is low with substantial room for expansion)
- Began AI-powered performance analysis and profitability forecasting for each business partner (full deployment scheduled for December)
  Results will also be used to inform credit screening

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Main Businesses: Growth Strategy of Business Rent Guarantee

Net sales of business rent guarantees



Note: Results for the fiscal year ended March 31, 2026 were irregular owing to the consolidation of K-net; in this graph, figures are aggregated by the month in which they actually occurred

Market environment

- The guarantee utilization rate for business rentals is in the 20% range
- Deployment to various scales and business formats, including large-scale facilities
- Increasing corporate needs for improved office environments

Market continues to grow as awareness of the service expands

Potential for expansion in the business rent guarantee market

- Small- and medium-sized offices, stores, restaurants, etc.
  ➡ Guarantee needs remain strong and use continues to expand
- Large offices and commercial facilities
  ➡ Began to be used by some customers and there is great potential for expansion

The current market size for business rent guarantees is estimated at 42 billion yen; the market is estimated to expand to approximately 120 billion yen in the future

The current market size is based on the Company's estimates considering the sales and growth rates of various market players.

Our estimate of the future market size takes into account factors such as the potential for an increase in the guarantee utilization rate.

The market size could expand further if adoption in large-scale facilities and offices, among other settings, continues to grow.

Business rent guarantee strategies

- Expansion of whole-building guarantee service (K-net) to business properties
- Strategic allocation of human resources to the Tokyo metropolitan area, where needs are expanding
- Approaches to investment properties and large commercial/office complex facilities, including through engagement in marketing collaborations with partner companies
- Approaches to building owners, investment corporations, and general contractors
- Introduction of a security deposit alternative guarantee (meeting demand for lower security deposits)

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Key Performance Indicators (KPI)

Guarantee-related business (J-lease alone) *1

	Year ended March 31, 2026 2Q results	Year ending March 31, 2027 2Q results	YoY
Number of real estate company agreements (cases)*2	30,000	**32,000**	+9.2%
Number of applications (cases)*2	141,000	**148,000**	+5.0%
Average contract rent for residential use (yen)	71,887	**74,721**	+3.9%
Average contract rent for business use (yen)	178,989	**191,396**	+6.9%
Subrogation incidence rate	6.5%	**6.7%**	+0.2pt
Subrogation recovery rate	97.4%	**96.8%**	-0.6pt
Balance of advance subrogation payments (millions of yen)	7,860	**9,671**	+23.0%
Number of stores (stores)	42	**47**	+5 stores
Number of prefectures with stores	39	**44**	+5 prefectures
Number of employees (persons)	451	**482**	+31 persons

Plan: 6.7%

Plan: 96.8%

No. 1 store network in the industry

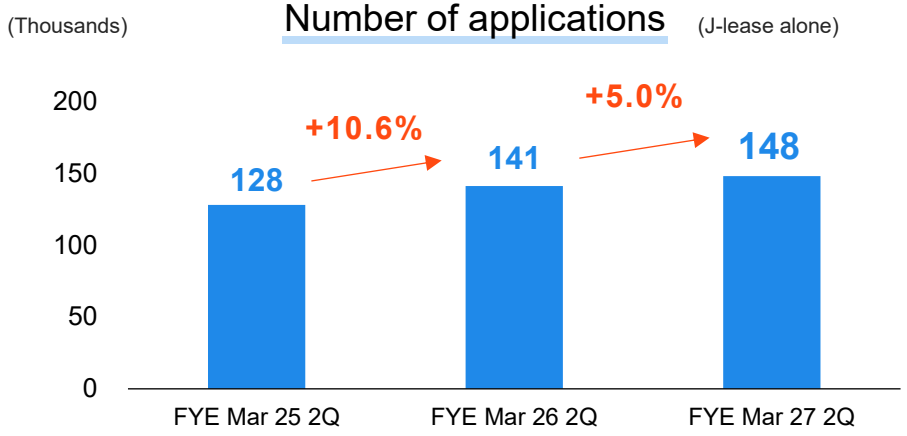
*1 Figures for each indicator are those for J-lease alone, excluding K-net
*2 Rounded down to the nearest 1,000 cases

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Key Performance Indicators (KPI)

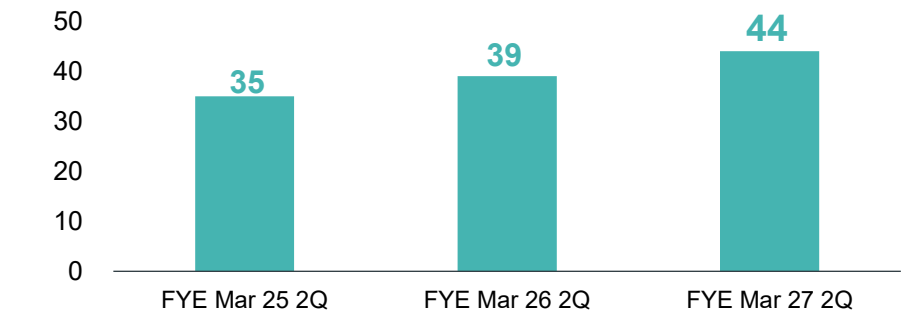
Subrogation incidence and recovery rates both in line with the full-year plan

Number of applications (J-lease alone)



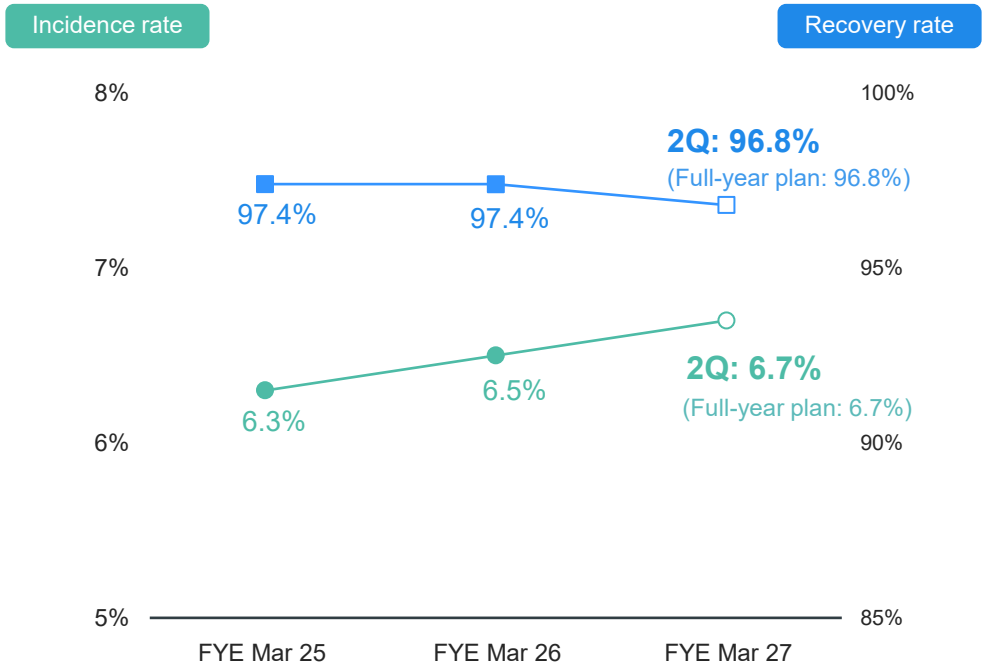
- Although rising rents and other factors are leading to fewer moves across the market, the number of applications increased as we gained market share

Number of prefectures with stores (J-lease alone)



- Opened the Fukui, Wakayama, and Kochi branches in September 2026
- Establishing a presence in all 47 prefectures in the fiscal year ending March 31, 2027 through the opening of six stores

Subrogation incidence and recovery rates (J-lease alone)



- Subrogation incidence and recovery rates are progressing in line with the plan
- The subrogation incidence rate rose, reflecting the impact of soaring prices on household finances
- With risk control in place, we expect a subrogation incidence rate of around 7% and a subrogation recovery rate in the 96% range over the medium term

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Performance Status of Businesses in Development

Medical expense guarantee business

Continued steady growth

Net sales

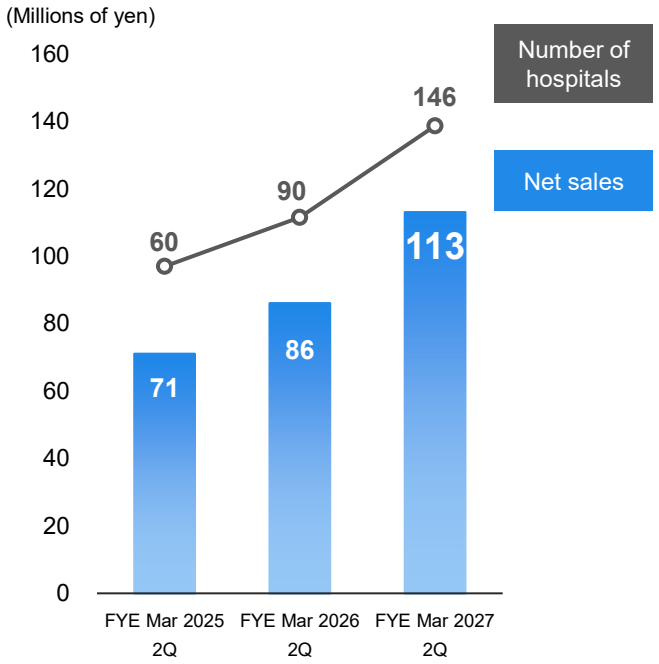
113 million yen

(+31.9% YoY)
Full-year plan: 246 million yen

Number of newly contracted medical institutions (April to September 2026)

26 hospitals

Net sales, Number of hospitals



- Medical expense guarantees: Number of new contracted medical institutions was expanded owing to expanded recognition through direct sales, in addition to referrals from existing customers and alliance partners
- Awareness of medical expense guarantee services within the healthcare industry is still low, leaving substantial room for expansion

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

In line with the company plan

Net sales

235 million yen

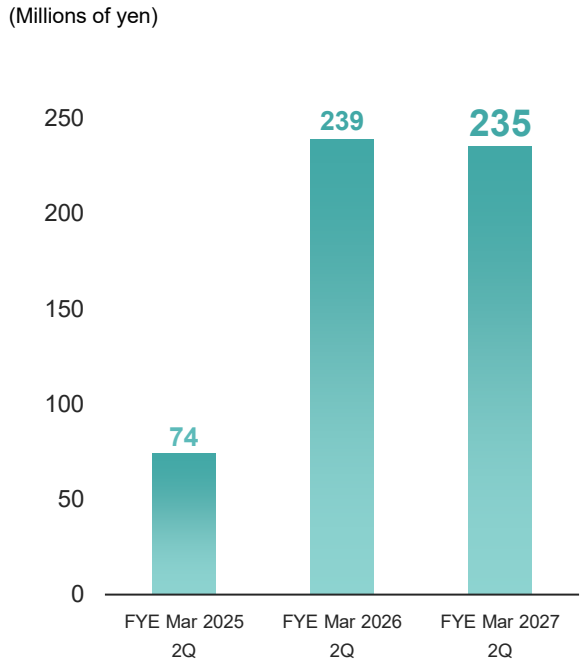
(-1.5% YoY)
Full-year plan: 740 million yen

Operating loss

4 million yen

(Loss of 12 million yen for the same period of the previous fiscal year)

Net sales



- Sales of owned properties also progressed, and results were in line with the plan
- Stepped up property purchasing in the previous fiscal year; aims to move into the black by advancing sales of these properties during the current fiscal year

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Performance Status of Businesses in Development

K-net Co., Ltd.
(Guarantee-related business)

Synergy strategy is underway

Net sales

802 million yen

Operating profit

41 million yen

K-net alone

Synergy strategy

Key focus 1

Expansion of whole-building guarantee service leveraging J-lease's nationwide branch network

Strategy for K-net to specialize in whole-building guarantees

New regular guarantees are to be gradually switched to J-lease agreements

→ Curb bad debt-related costs through improved screening accuracy

Key focus 2

Sharing of overlapping service areas and appropriate allocation of human resources

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

- New adoptions of the whole-building guarantee service in 2Q:
  76 companies (**+55.1%** year on year)
  ➡ Whole-building guarantee = For existing tenants who currently have no guarantee, we will add a guarantee and commit to using our company's guarantee when tenants are replaced in the future.

AIVS
(IT-related business)

In line with the company plan

Net sales

672 million yen

(+0.1% YoY)

Full-year plan: 1,730 million yen

Operating profit

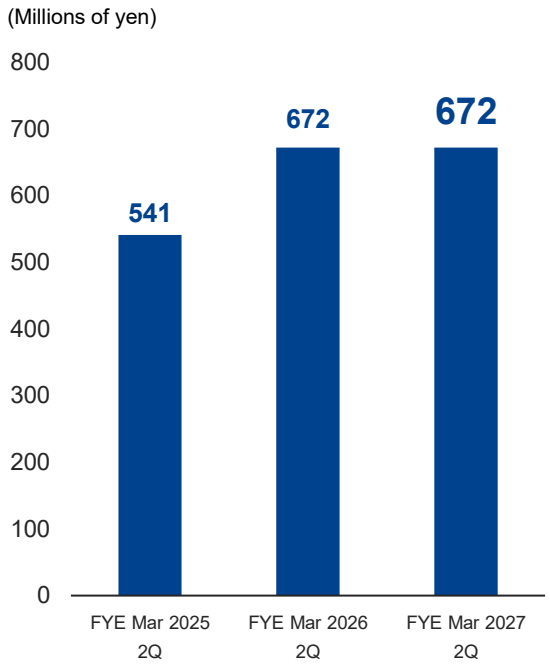
2 million yen

(-94.5% YoY)

Full-year plan: 165 million yen

AIVS alone

Net sales



- Sales matched the strong level of the same period of the previous fiscal year and were in line with the plan; winning high-margin projects lifted profit above the plan
- Earnings are seasonal, with sales and profit weighted toward 4Q
- Shift to business operations that emphasize profitability, and strengthen Group collaboration by deploying AI, security, and other capabilities across the Group, with the aim of improving earnings and building a foundation for sustainable growth

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AX Promotion with SecondXight Analytica

Driving reform together with SecondXight Analytica following our business partnership
Aiming to reduce the workload of core operations by approximately one-third within two years

Fundamental business reform leveraging advanced technologies such as generative AI and AI agents

J-LEASE × SecondXight analytica

Addressing issues through two approaches: company-wide and frontline-driven

Company-wide approach

Reform from the perspective of company-wide optimization, rather than optimizing individual parts

- ✓ Narrowing down core operations
- ✓ Visualizing core operations

- ✓ Fundamentally reforming business processes, mechanisms, and systems

Company-wide AX

Frontline-driven approach

AX Ambassadors independently drive improvements to the issues each department faces



- ✓ Allocating a set portion of working hours to AI utilization
- ✓ Using AI to lead business improvements in their own departments

Workload reduction through AX

Inventory of company-wide operations
Approx. **1,600** operations

Narrowed down by priority
19 operations
(Total workload: approx. 300,000 hours)

Within two years
Approx. **1/3** workload reduction
= Approx. 100,000 hours

Shifting human resources to higher value-added work

Operations affected by the core system renewal and similar initiatives are excluded from this initiative, leaving room for further reductions.

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Opportunities and Risks

Aiming for further growth by turning risks into opportunities

	Occurrence	Details	Impact on our Group and Strategy	
Opportunities	Evolution of AI	With demand accelerating for labor-saving technologies, driven by an aging and shrinking population, operational efficiency will be improved through optimizing operations using generative AI and utilizing big data.	Promoting AX initiatives, such as AI-driven business automation, through the establishment of the Process Planning Department—which oversees internal AX—and a business partnership with SecondXight Analytica, Inc. Rising demand for relocation and guarantees due to the spread of smart homes ➡Commence sales under the distributorship agreement for the Mitsubishi Estate Group's smart home HOMETACT	Key growth areas
	Aging population	Due to the advancing aging society, there is a growing issue of a lack of co-guarantors for single elderly people.	Expansion in guarantee and monitoring services for the elderly Sales of plans dedicated to housing for the elderly with home-care services	
	Increase in foreign nationals	Increase in the number of foreign students, workers, etc.	The number of guarantees for foreign nationals will increase.*1 Business opportunities for Asumirai Co., Ltd., a subsidiary engaged in the real estate business for such nationals, will expand.	
	Rent increases	Rents will be pushed upward by pressures such as the sharply rising costs of construction materials and renovation.	Higher average guarantee fee ➡ Sales growth	Expansion of business opportunities due to market changes
	Preference for rentals	The shift of preference from owner-occupied to rental housing will expand due to rising interest rates and property prices.*2	Expanded base of rental tenants ➡ Greater need for guarantees and increased sales	
	Awareness of risk aversion	Increase in businesses failing due to labor shortages and the rising costs of food ingredients and materials.	Real estate owners will become more risk averse. ➡ Greater need for residential and business rent guarantees, and therefore expand our opportunities.	
Risks	Increase in interest rates	Companies to postpone store openings due to higher borrowing costs and curb moves in the wake of an economic downturn.	The direct impact is minimal given the Group's level of borrowings. Although guarantee applications may decline as moves are curbed, a stronger preference for renting as people hold off on buying homes is a tailwind.	
	Price increases	Rising raw material prices due to inflation and worsening economic stagnation may have a certain impact on the operations of tenant companies such as restaurants.	Advances paid of subrogation are expected to increase, but heightened risk awareness among landlords will expand business opportunities.	

*1 The Company has expanded its services for foreign visitors to Japan (see "Notice of Expansion of Rent Guarantee Services for Foreign Visitors to Japan" dated January 24, 2024).
*2 According to the "Ownership and Renting Orientation" survey in the 2023 "Survey on Public Awareness of Land Issues" (Ministry of Land, Infrastructure, Transport and Tourism), the percentage of respondents who "do not mind renting or prefer renting" is on an increasing trend to 17.5% from 15.1%.

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Business Expansion

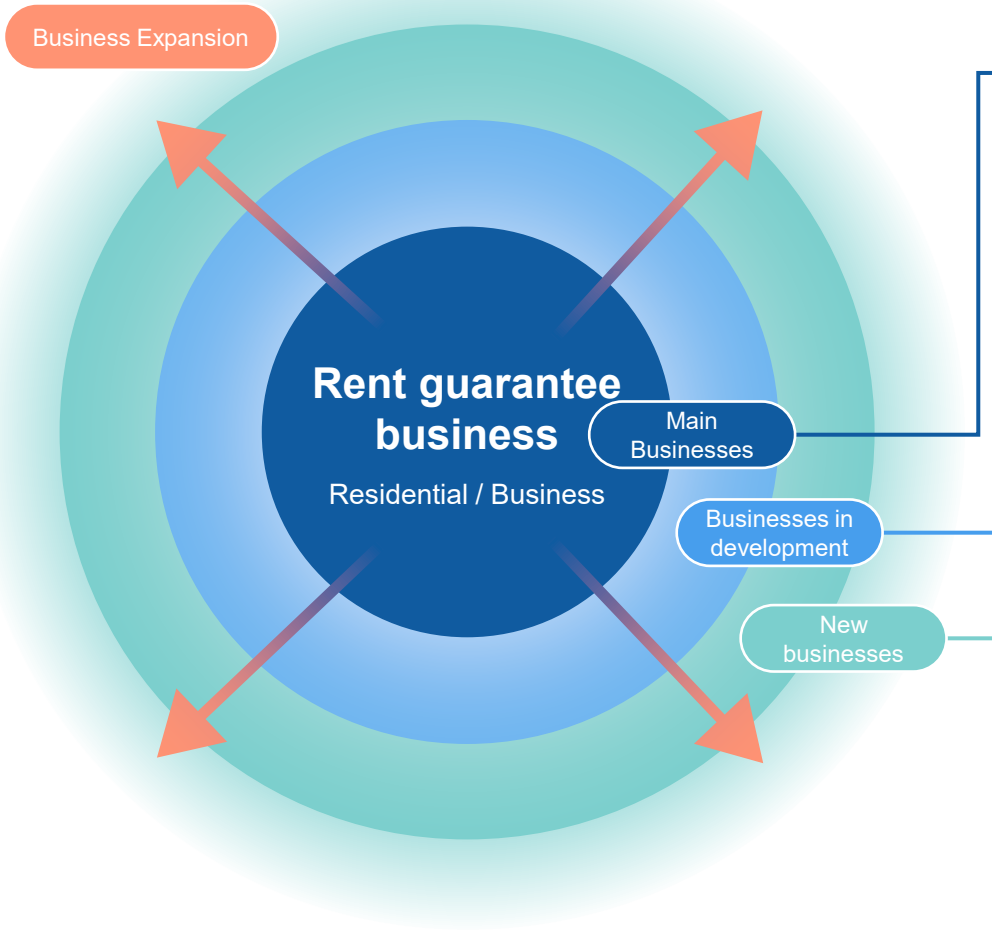
Expanding businesses that solve social issues, aiming to realize our philosophy and vision

Corporate Philosophy

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

Vision

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



Rent guarantee business

Oct. 2017	“J-AKINAI” Strategic business rent guarantee plan
April 2025	Made K-net Co., Ltd. a subsidiary ➡ Acquired customers by utilizing whole-building guarantee services
May 2025	Made Wellon Solutions Co., Ltd. an equity method company ➡ Expanded customer base by utilizing bank network
Dec. 2026	Scheduled to launch the security deposit alternative guarantee service

Businesses in development

June 2012	Established Asumirai Co., Ltd. (Real-estate-related business) ➡ Expanded services for foreign nationals
July 2018	Launched the medical expense guarantee service ➡ Invested resources as a third earnings pillar
May 2023	Launched the child support guarantee service

New businesses

April 2024	Made AIVS (IT-related business) a subsidiary ➡ Strengthened system infrastructure and implemented cross-selling
April 2025	Established J-Lease Football Club Co., Ltd. (company split) ➡ Strengthened selling ability through enhanced brand recognition
July 2025	Made JL Lab Co., Ltd.* (Advertising-related business) a subsidiary ➡ Strengthened marketing and promotion functions
2027 onward (planned)	Deployment of the rent guarantee business overseas

* Company name changed from AFB Co., Ltd. effective August 1, 2026

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Shareholder Returns (Dividend Forecasts)

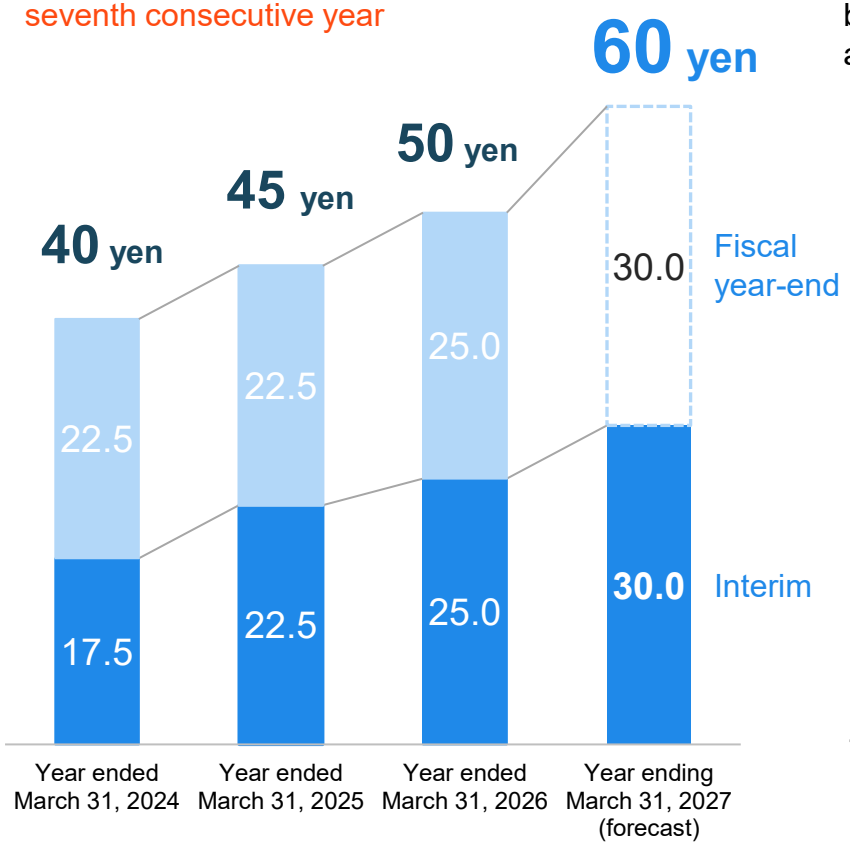
We will raise dividends for the seventh consecutive year

	Year ended March 31, 2026	Year ending March 31, 2027
Interim	25.0 yen	30.0 yen
Fiscal year-end	25.0 yen	30.0 yen (Forecast)
Total	50.0 yen	60.0 yen (Forecast)

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

Trend of dividends

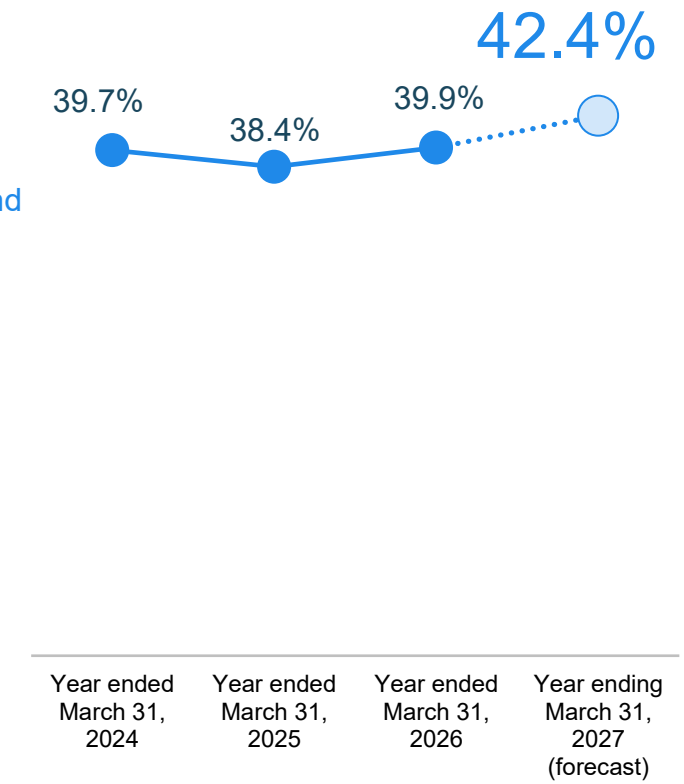
We will raise dividends for the seventh consecutive year



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

Dividend payout ratio

We will provide shareholder returns based on a dividend payout ratio of around 40%



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Management Mindful of the Cost of Capital

Generating returns well above the cost of capital through high capital efficiency, with ROE of 25–35%

ROE (return on equity)
37.1%
(Results for the fiscal year ended March 31, 2026)

\-

Cost of equity
Approx. 10%

=

Equity spread
Approx. 27.1pt
Well above the cost of capital

* Equity spread = ROE – cost of equity

01 High capital efficiency

Maintain **ROE at 25–35%** over the medium term and consistently generate returns above the cost of capital

02 Growth ahead of plan

First-half net sales and profits at all levels exceeded the plan

Profit planned at **2,522** million yen for the fiscal year ending March 31, 2027 (**up 2.1%** year on year)

03 Expanded shareholder returns

Returns based on a dividend payout ratio of around 40%

Annual dividend forecast of **60 yen** for the fiscal year ending March 31, 2027

Dividend increase planned for the **seventh consecutive year**

We will prioritize growth investments that generate returns above the cost of capital and, by providing shareholder returns in line with profit growth, aim to improve capital efficiency and sustainably increase corporate value.

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Sustainability: Ties with Local Communities and Society

J-Lease FC

Community & Sports

- The corporate-sponsored soccer team J-Lease FC was **promoted to the Japan Football League (JFL) for the 2026 season**
- Actively engaged in local volunteer work and cleanup activities at match venues

Major Club Achievements

FY2018	Oita Prefecture Adult Soccer League Div. 3: Champions (promoted to Div. 2)
FY2019	Oita Prefecture Adult Soccer League Div. 2: Champions (promoted to Div. 1)
FY2020	Oita Prefecture Adult Soccer League Div. 1: Champions (promoted to the Kyushu Soccer League)
FY2025	53rd KYFA Kyushu Soccer League: **Champions** Japan Regional Football Champions League 2025: **Champions (promoted to the JFL)**
FY2026	2026 JFL Cup West Group: 2nd place

➡ **Community building through sports and greater awareness of J-lease**





J LEASE FOOTBALL CLUB

Special Sponsorship of the Oita "Yume" Fireworks

Community & Culture

Special sponsor of the Oita "Yume" (Dream) Fireworks, a fireworks festival held in Oita City





➡ **Deepening ties with the community and contributing as a locally rooted company**

Tsunagari AI: AI-Powered Elderly Care Platform Business

Elderly Support × AI

In September 2026, launched an **AI platform business** in collaboration with Tsunagari AI Co., Ltd. and Fine Inc. to **support the daily lives of "older people with no family to rely on"**



A consultation AI acts as a "digital companion" for older people, identifying their concerns and connecting them with local specialist organizations in areas such as healthcare, long-term care, welfare, housing support, and legal services

➡ **Demonstrating a community housing support model that extends beyond guarantee services**

Investment in a Housing Support Fund for Single-Parent Families

Single-Parent Support

- In August 2026, **invested in the Single-Parent Household Housing Support Fund No. 2, a real estate fund** formed by Mizuho Real Estate Management Co., Ltd.
- Providing rent guarantee and child support guarantee services for the fund's housing units for single-parent families

➡ **Stabilizing the livelihoods of single-parent households and expanding opportunities for the guarantee business**

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Cautionary Statement Concerning Forward-Looking Statements

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

For IR inquiries, please contact

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