

Financial Results for the Nine Months Ended December 31, 2025

**February 2026
ZENKOKU HOSHO Co., Ltd.**

**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.**

Executive Summary



Financial summary

Progress was made according to the annual plan for the nine months ended December 31, 2025.

- ✓ Operating revenue increased (YoY +3.9%), driven by the accumulation of outstanding guarantee exposure of the Company and the revenue contribution from three guarantee companies converted into subsidiaries during the previous fiscal year.
- ✓ Operating profit remained flat (YoY +0.2%) due to increases in expenses related to credit, personnel expenses, and system-related expenses.
- ✓ Ordinary profit increased year-on-year (YoY +2.6%) due to an increase in non-operating income.

Organic growth

New guarantees granted increased in both the number and amount.

- ✓ The number of new guarantees granted remained flat (YoY +0.6%) due to the sluggish housing market.
- ✓ The amount of new guarantees granted increased (YoY +6.8%) due to the contribution from increase in the guarantee fee per case owing partly to impact from soaring property prices.

Inorganic growth

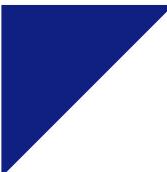
We acquired outstanding guarantee exposure from the existing housing loan market.

- ✓ We acquired outstanding guarantee exposure of 670.9 billion yen through means of ABLs for the nine months ended December 31, 2025.
- ✓ By continuing to make proposals tailored to the needs of financial institutions, we will aim to achieve our fiscal year target of 1.45 trillion yen in outstanding guarantee exposure from the existing housing loan market.

Capital policy

We are steadily carrying out our capital policy and making growth investments in related businesses.

- ✓ In November 2025, we entered into a capital and business alliance agreement with MFS, Inc.
- ✓ As for shareholder returns, the total return ratio is expected to exceed 70% (including the completed share buybacks of 6.9 billion yen).



1. Overview of Financial Results



2. Results of the Initiatives for the Fiscal Year Ending March 31, 2026



Summary of Business Results for the Nine Months Ended December 31, 2025 (P/L)



Ordinary profit exceeded the same period of the previous fiscal year due to increases in operating revenue and non-operating income

	FY2025/3 3Q	FY2026/3 3Q	(Unit: million yen) YoY	Supplemental explanation
Operating revenue	33,446	34,755	3.9%	
Operating expenses	10,504	11,762	12.0%	
Expenses related to credit	2,852	3,568	25.1%	
Provision for loss on guarantees	3,068	3,871	26.2%	
Provision of allowance for doubtful accounts	-216	-303	-	
Salaries, allowances and bonuses	2,047	2,163	5.7%	
Other	5,604	6,030	7.6%	
Operating profit*	22,942	22,992	0.2%	
Non-operating income	3,108	3,686	18.6%	
Non-operating expenses	731	702	-4.0%	
Ordinary profit	25,319	25,977	2.6%	
Extraordinary income and loss*	810	27	-96.6%	
Profit attributable to owners of parent	18,359	18,013	-1.9%	

■ Operating revenue

Operating revenue amounted to 34.7 billion yen, driven by the accumulation of outstanding guarantee exposure by the Company and the revenue contribution from three guarantee companies converted into subsidiaries during the previous fiscal year.

■ Operating profit

Operating expenses increased year-on-year but remained within the planned range, and operating profit amounted to 22.9 billion yen.

■ Ordinary profit

Ordinary profit amounted to 25.9 billion yen due to higher investment yields on securities and an increase in interest income from ABLs.

*At the end of the previous fiscal year, the accounting treatment related to business combination, which had been provisional, was finalized. Accordingly, figures for the nine months ended December 31, 2024 were revised reflecting the finalization of the provisional accounting treatment. (Operating profit+8 million yen, Extraordinary income and loss+188 million yen)

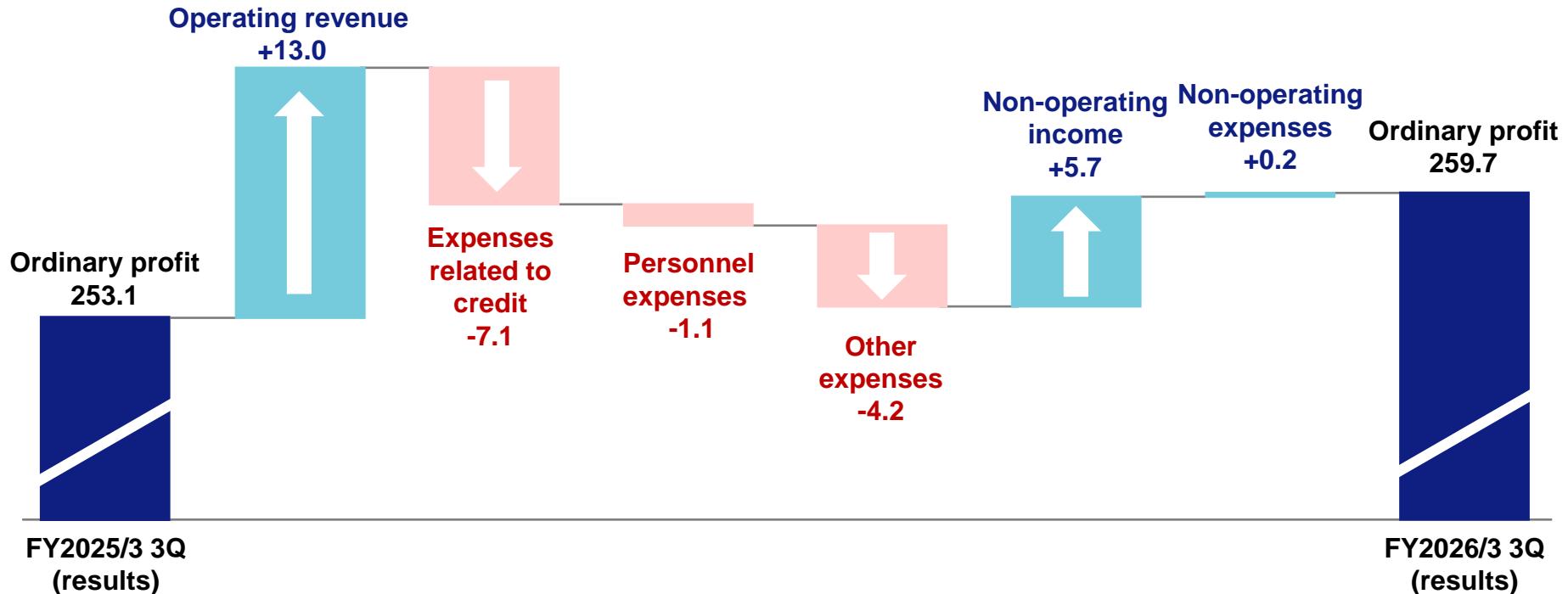
Factors for Year-on-Year Changes in Ordinary Profit



Operating revenue increased due to the accumulation of outstanding guarantee exposure, while increases in expenses remained within the expected range.

Factors for Year-on-Year Changes in Ordinary Profit

(Unit: 100 million yen)



Supplemental explanation

- ✓ The increase in operating revenue is due to the accumulation of outstanding guarantee exposure of the Company and the revenue contribution from three guarantee companies converted into subsidiaries during the previous fiscal year.
- ✓ While expenses related to credit increased year-on-year, subrogation remained below plan.
- ✓ The increase in other expenses was due to factors such as system-related expenses and acquisition and conversion into subsidiaries during the previous fiscal year.

[Reference] Forecast of Earnings for the Fiscal Year Ending March 31, 2026



The bottom line fell below the previous year due to an increase in operating revenue owing to accumulation of outstanding guarantee exposure and the absence of a gain on bargain purchase

(Unit: million yen)

	FY2025/3	FY2026/3	Change
Operating revenue	56,972	59,200	3.9%
Operating expenses	14,997	17,600	17.4%
Expenses related to credit	4,096	5,400	31.8%
Provision for loss on guarantees	4,430	5,600	26.4%
Provision of allowance for doubtful accounts	-334	-200	-
Salaries, allowances and bonuses	2,594	2,900	11.8%
Other	8,306	9,300	12.0%
Operating profit	41,974	41,600	-0.9%
Non-operating income	4,169	4,500	7.9%
Non-operating expenses	1,626	1,000	-38.5%
Ordinary profit	44,518	45,100	1.3%
Extraordinary income and loss	1,235	-	-
Profit attributable to owners of parent	32,089	31,200	-2.8%

Assumptions of earnings forecast

Outstanding guarantee exposure* (unit: ¥ trillion)	21
Number of new guarantees granted (unit: cases)	58,000
Amount repaid in subrogation (unit: ¥ million)	17,000
Collected right to reimbursement (unit: ¥ million)	10,500

*Total housing loan receivables (including some for investment purposes) backing RMBS, ABLs, and loss compensation contracts in addition to outstanding guarantee exposure of ZENKOKU HOSHO and Group companies

Key figures

EPS	¥233.77
Dividend per share	¥115
Share buyback	¥7.0 billion
Target ROE	14%

Summary of Business Results for the Nine Months Ended December 31, 2025 (B/S)



Investments and other assets increased, and we will continue to pursue efficient asset management going forward

(Unit: million yen)

Assets				Liabilities			
	FY2025/3	FY2026/3 3Q	Change		FY2025/3	FY2026/3 3Q	Change
Current assets	160,396	123,605	-22.9%	Current liabilities	39,498	32,294	-18.2%
Cash and deposits	137,577	99,656	-27.6%	Unearned revenue	18,892	18,841	-0.3%
Right to reimbursement	17,268	20,101	16.4%	Provision for loss on guarantees	8,528	8,673	1.7%
Securities	9,532	9,129	-4.2%	Non-current liabilities	214,221	214,387	0.1%
Allowance for doubtful accounts	-8,339	-10,589	-	Long-term borrowings	30,000	30,000	-
Non-current assets	332,001	354,094	6.7%	Long-term unearned revenue	183,552	183,707	0.1%
Investments and other assets	328,588	351,100	6.9%	Total liabilities	253,719	246,681	-2.8%
Investment securities	285,124	299,947	5.2%	Net assets			
Long-term loans receivable	14,515	17,827	22.8%	Shareholders' equity	237,613	228,307	-3.9%
Long-term time deposits	23,000	28,000	21.7%	Total accumulated other comprehensive income	1,065	2,710	154.5%
Total assets	492,398	477,699	-3.0%	Total net assets	238,678	231,017	-3.2%
				Total liabilities and net assets	492,398	477,699	-3.0%

Status of New Guarantees Granted



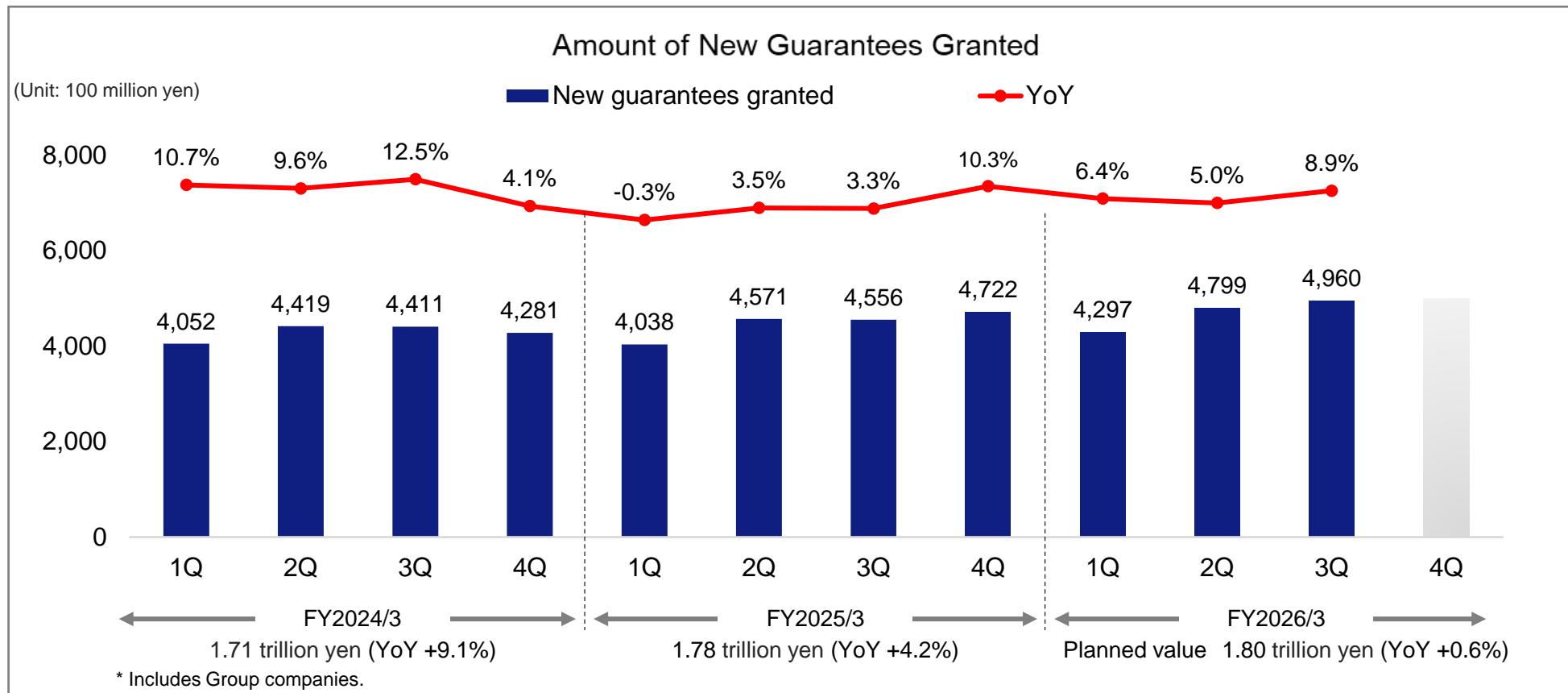
The number of new guarantees granted remained flat, while the amount of new guarantees granted increased due to the contribution from increase in the guarantee fee per case

	Number of guarantees granted	Amount of guarantees granted
Actual amount (3Q FY2025/3)	42,384 cases	1,316.6 billion yen
Actual amount (3Q FY2026/3)	42,648 cases	1,405.7 billion yen
Planned amount (FY2026/3)	58,000 cases	1.80 trillion yen

■ New guarantees granted

The number of new guarantees granted remained flat, while the housing market was sluggish.

The amount of new guarantees granted increased as the guarantee fee per case was higher than expected owing partly to impact from soaring property prices.



Status of Outstanding Guarantee Exposure

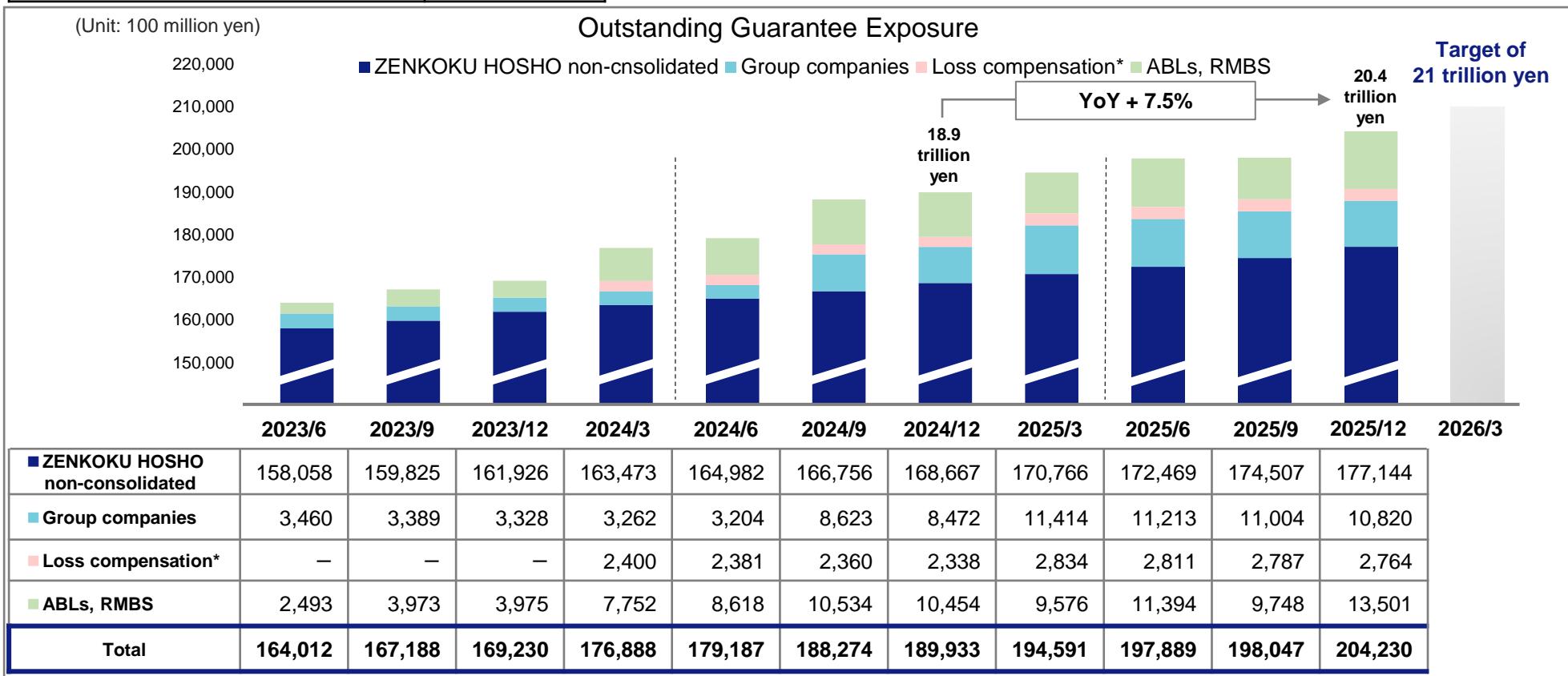


We aim to steadily acquire outstanding guarantee exposure from both new and existing housing loan markets to achieve our target of 21 trillion yen

Outstanding guarantee exposure	
Actual amount (March 31, 2025) (unit: ¥100 million)	194,591
Actual amount (December 31, 2025) (unit: ¥100 million)	204,230
Planned amount (March 31, 2026) (unit: ¥100 million)	210,000

Outstanding guarantee exposure

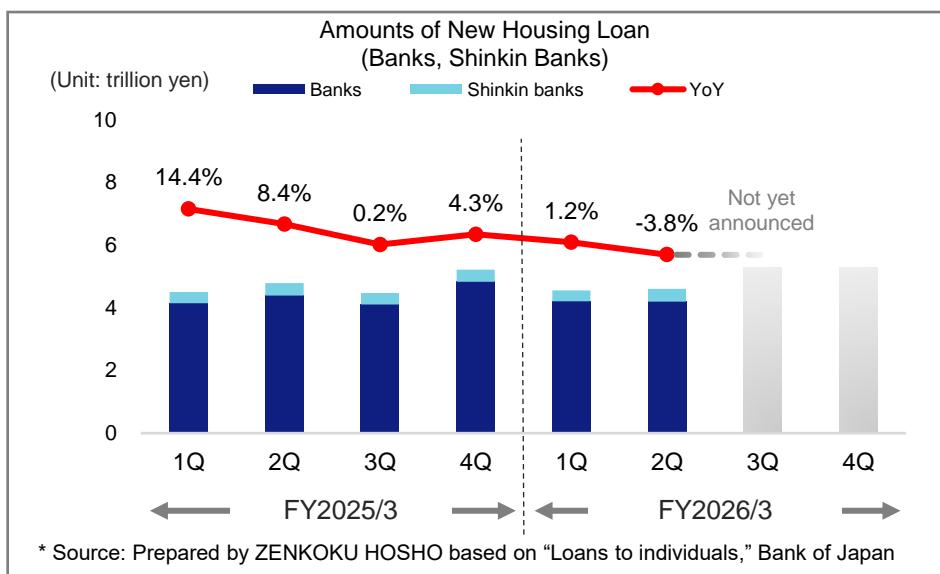
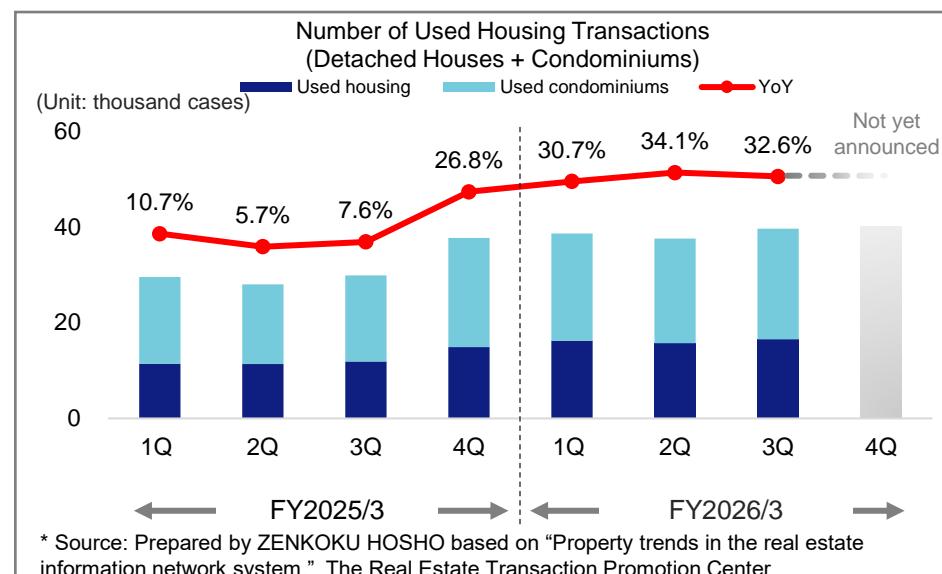
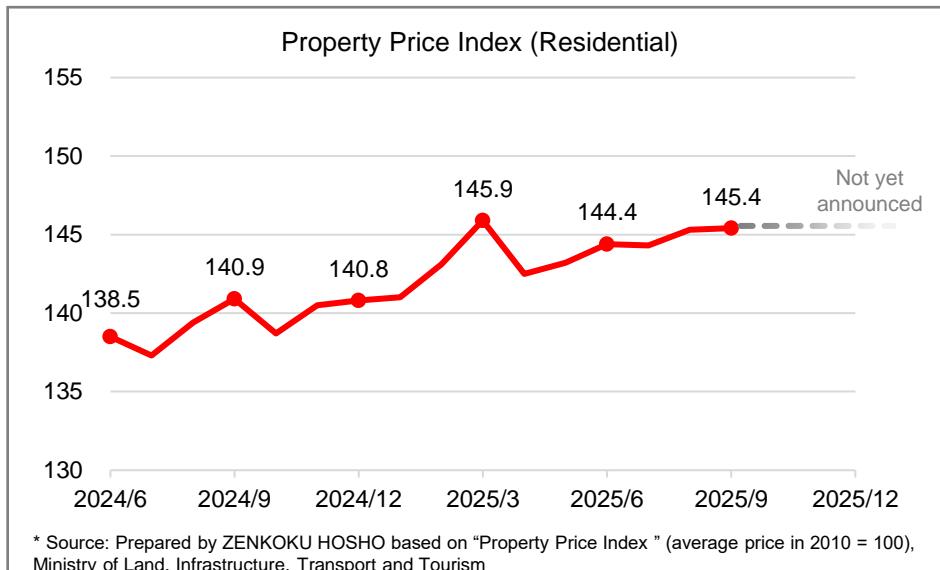
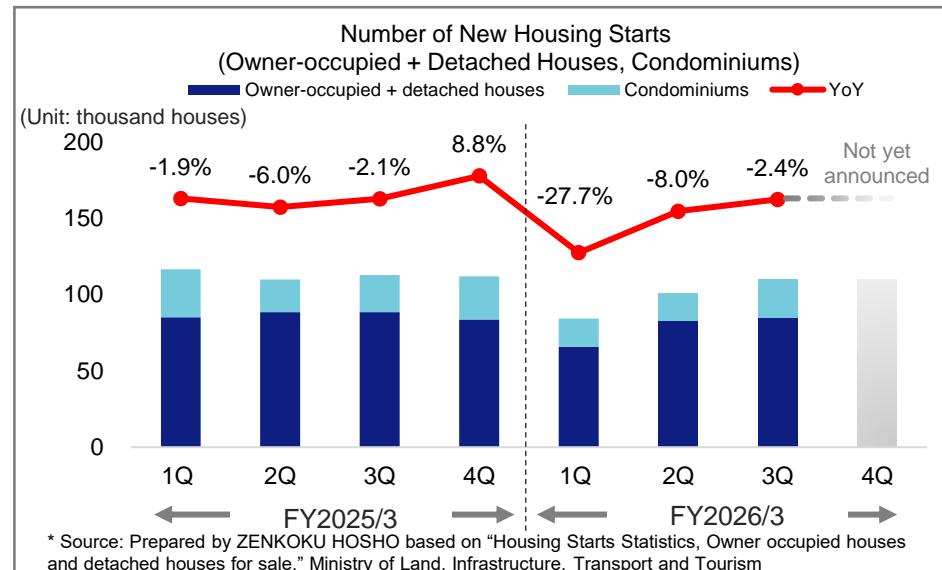
We aim to achieve our target of 21 trillion yen through organic growth from increasing the amount of new guarantees granted, as well as inorganic growth from M&As with other companies in the same industry, ABLs, etc.



[Reference] The Housing Market and the Housing Loan Market



While the number of new housing starts trends below levels of the previous year, the number of used housing transactions continues to show strong performance



Status of Amount Repaid in Subrogation and Amount of Collected Right to Reimbursement



Against a backdrop of favorable employment conditions, the amount repaid in subrogation remained below expectations

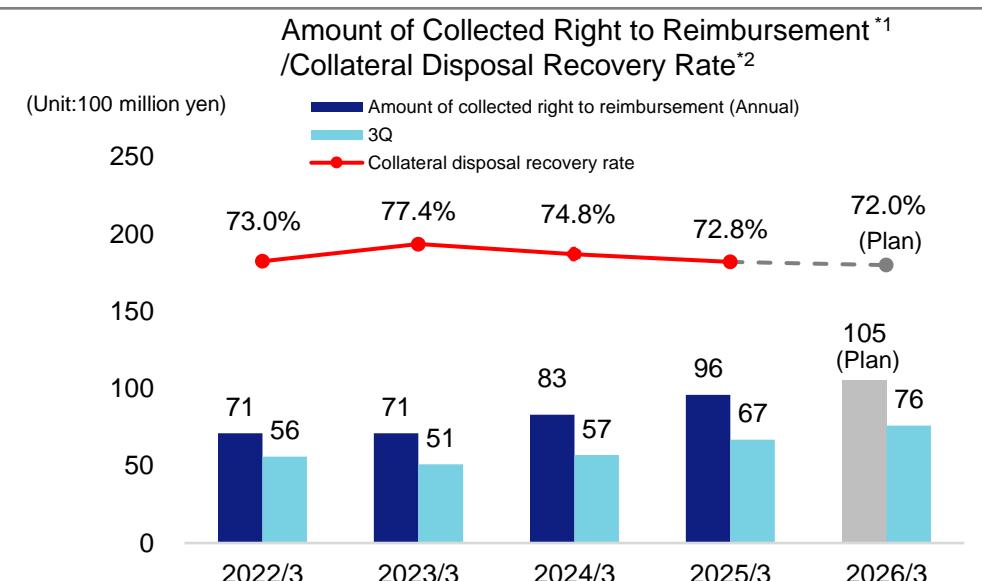
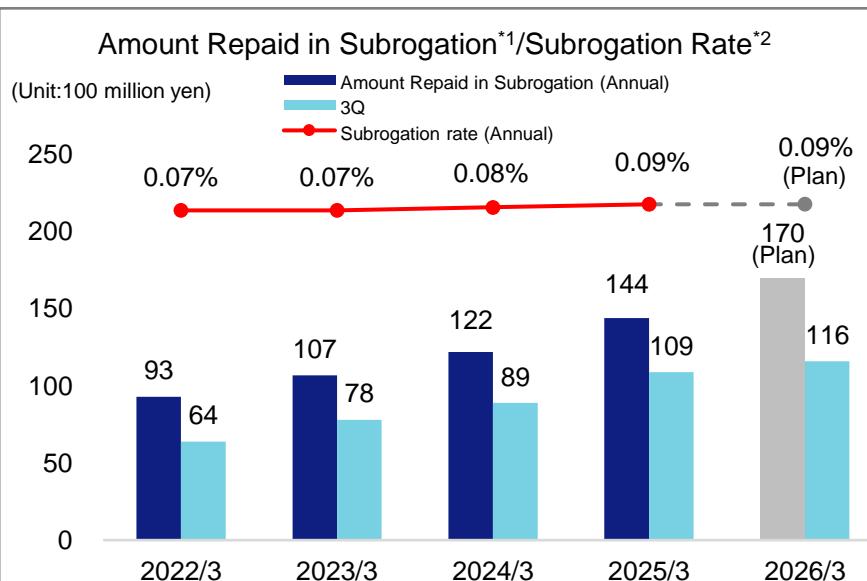
Amount repaid in subrogation	
Actual amount (3Q FY2025/3) (unit: ¥ million)	10,927
Actual amount (3Q FY2026/3) (unit: ¥ million)	11,647
Planned amount (FY2026/3) (unit: ¥ million)	17,000
Amount of collected right to reimbursement	
Actual amount (3Q FY2025/3) (unit: ¥ million)	6,732
Actual amount (3Q FY2026/3) (unit: ¥ million)	7,649
Planned amount (FY2026/3) (unit: ¥ million)	10,500

Amount repaid in subrogation

The amount repaid in subrogation remained below expectations. A sharp increase in subrogation rates is not expected, given the continued favorable employment conditions for salaried workers.

Amount of collected right to reimbursement

Although there are some regional differences, the collateral disposal recovery rate is projected to remain high, supported by firm real estate prices and steady used housing transactions.



*1 Includes Group companies from the fiscal year ended March 31, 2023.

*2 Amount repaid in subrogation / outstanding guarantee exposure at the beginning of the period (total of ZENKOKU HOSHO non-consolidated and Group companies)

*1 Includes Group companies from the fiscal year ended March 31, 2023.

*2 Percentage of guarantees of housing loans extended by private financial institutions to individual borrowers that are recovered through the sale of properties pledged as collateral (voluntary sale or auction)

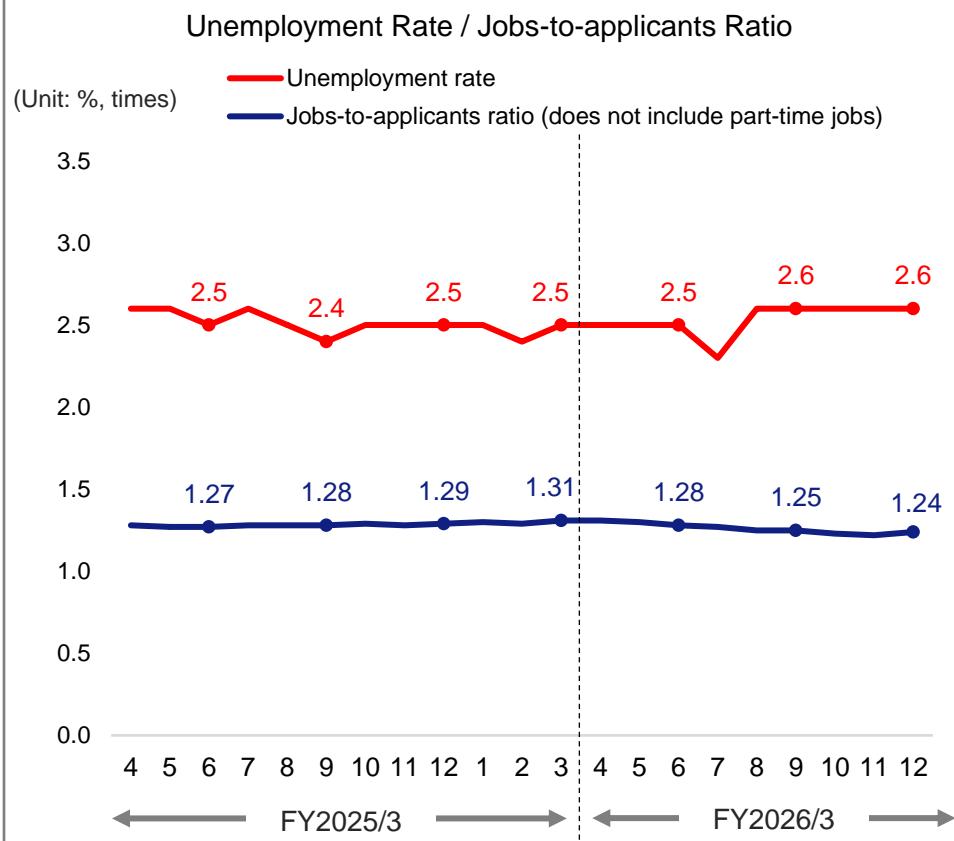
[Reference] Unemployment Rate, Jobs-to-applicants Ratio, Number of Corporate Bankruptcies



Labor shortages persist in the labor market, and the unemployment rate, which is correlated with subrogation, remains low

■ Unemployment Rate / Jobs-to-applicants Ratio

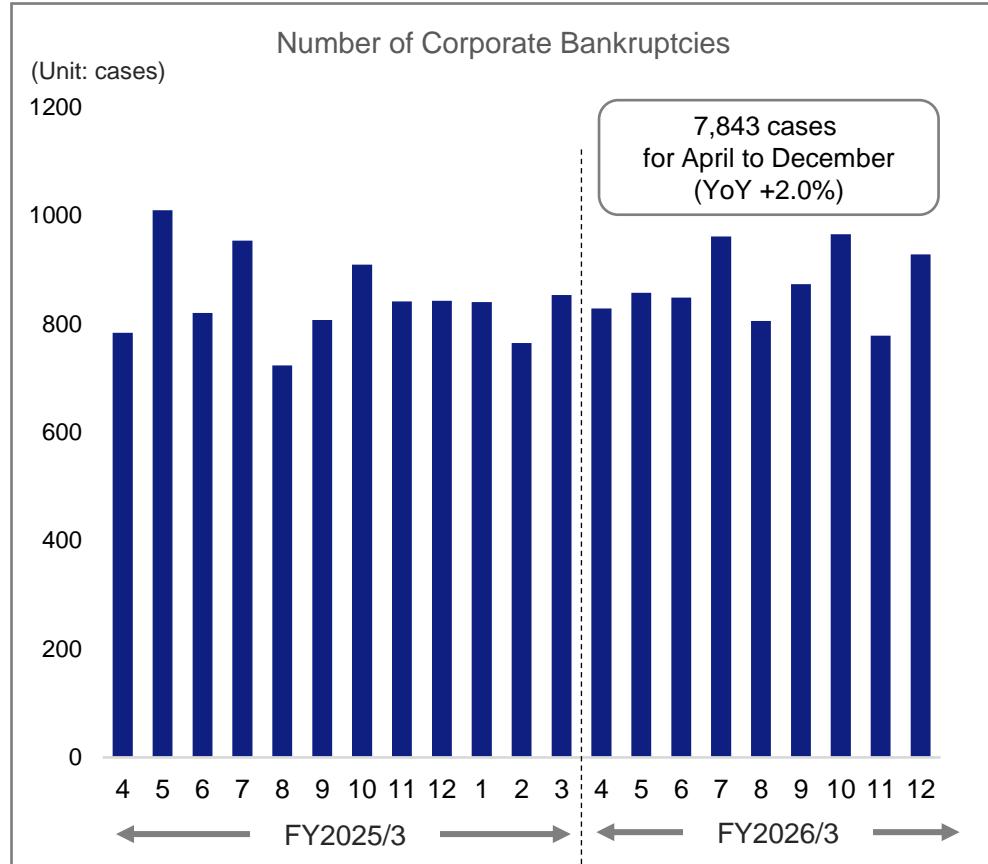
A favorable labor environment is projected to continue, given that the unemployment rate remains low and the jobs-to-applicants ratio remains stable.



* Source: Ministry of Health, Labour and Welfare

■ Number of Corporate Bankruptcies

Sustained high prices and labor shortages are leading to a year-on-year increase in the number of bankruptcies, mainly among self-employed persons.



* Source: TOKYO SHOKO RESEARCH, LTD.

Rising interest rates are expected to have a positive impact on the Company

Impact of rising interest rates		Supplemental explanation
Positive factors	Strengthening of housing loan promotion framework by financial institutions	✓ Strengthened housing loan promotion framework for revenue expansion leads to increased acquisition of new guarantees granted
	Growing needs for external risk transfer of financial institutions	✓ Utilization increases amid economic uncertainty, leading to increased acquisition of new guarantees granted
	Higher asset management yields	✓ Higher asset management yields lead to increased interest income, etc.
Negative factors	A decline in house-purchasing willingness among consumers	✓ However, any drop in demand is expected to be limited under the current pace and magnitude of interest rate hikes
	Increase in housing loan repayment amount for borrowers	✓ Impact on the Company is expected to be limited, even under rising interest rates *See below for details
	Decline in real estate prices	✓ Could impact sales prices of collateral real estate, however, no such signs have been observed at this point

Impact of rising interest rates on housing loan repayment amounts

- Increase in repayment amount due to higher interest rates [\[Table\]](#)
For a loan amount of 30 million yen, an increase in the monthly repayment amount is approximately 7,000 yen when the interest rate rises by 0.5%. Therefore, the impact on repayments is minimal.
- Increase in repayment amount controlled by 125% rule [\[Table\]](#)
As variable interest rate housing loans often have special clauses set to limit the repayment amount to 1.25 times at the time of review every five years, the likelihood of immediate default is low.

Image of change in monthly repayment amount when interest rate rises

Loan terms

Loan amount: 30 million yen

Repayment period: 35 years

Variable interest rate: 0.5%

Repayment method: Equal repayment of principal and interest [\[Table\]](#)

Applicable interest rate	Range of increase	Monthly repayment amount	Increase amount
0.5%	±0.0pt	77,000 yen	—
1.0%	+0.5pt	84,000 yen	+7,000 yen
2.5%	+2.0pt	97,000 yen *125% rule applies (107,000 yen before application)	+20,000 yen



1. Overview of Financial Results



2. Results of the Initiatives for the Fiscal Year Ending March 31, 2026



Aiming to achieve further growth and value creation by attaining the medium-term management plan targets

Medium-Term Management Plan
April 2023 to March 2026

Vision

Next Phase ~Growth and Value Creation~

Basic policies of the medium-term management plan

Expansion of core business
P15-18

- Expansion of guarantee business in the new housing loan market (Organic growth)
- Acquisition of outstanding guarantees from the existing housing loan market (Inorganic growth)

Entry into related businesses
P19

- Expansion of loan contract channels
- Collaboration with other companies, M&As
- Utilization of Group companies

Capital policy
P20

- Implementation of capital utilization policy

ESG
P19

- Resolving various ESG issues

FY2026/3 plan

Outstanding guarantee exposure of 21 trillion yen
(19 trillion yen in the initial plan)

Building a housing loan platform

ROE of 14%

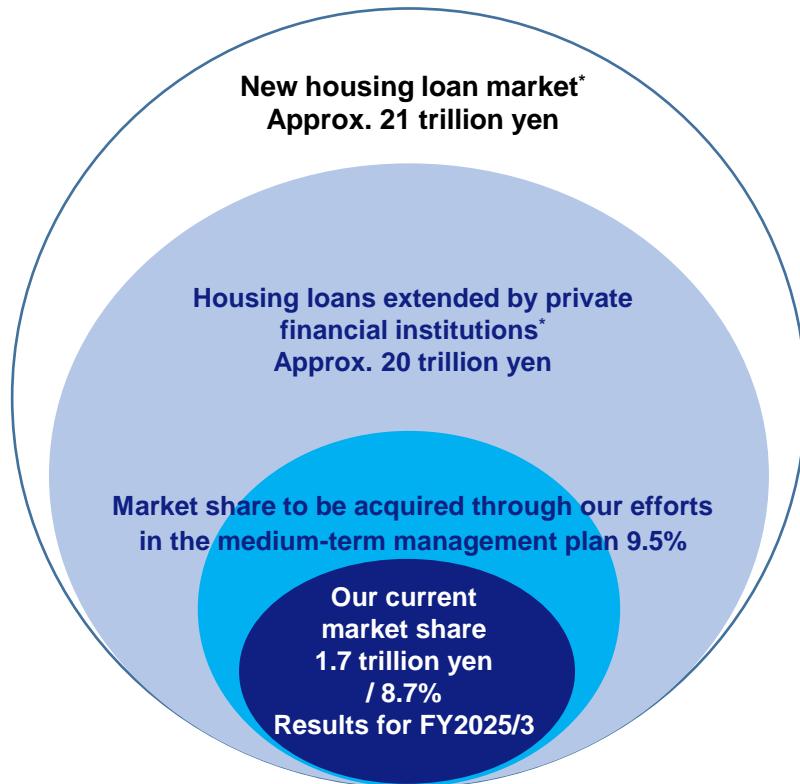
Enhancement of corporate value

Further growth and value creation



Aiming to expand sales activities by leveraging our strengths in sales and creativity

Target share of the new housing loan market (KPI)



Progress of the initiatives for the fiscal year ending March 31, 2026

- We have promoted utilization by implementing a support program targeting the child-rearing generation and supporting affiliated financial institutions in promoting housing loans.
- We have revised product standards in line with housing loan market trends and expanded our product lineup of group credit life insurance.
- For tasks related to housing loans such as preliminary screening applications, we have continued proposing and providing services that promote DX, aiming to acquire guarantees by improving convenience.



Results for FY2026/3 3Q

Number of new guarantees granted	42,648	YoY+0.6%
Amount of new guarantees granted	1,405.7 billion yen	YoY+6.8%

* Japan Housing Finance Agency "New Lending and Outstanding Amounts for Housing Loans by Lender"

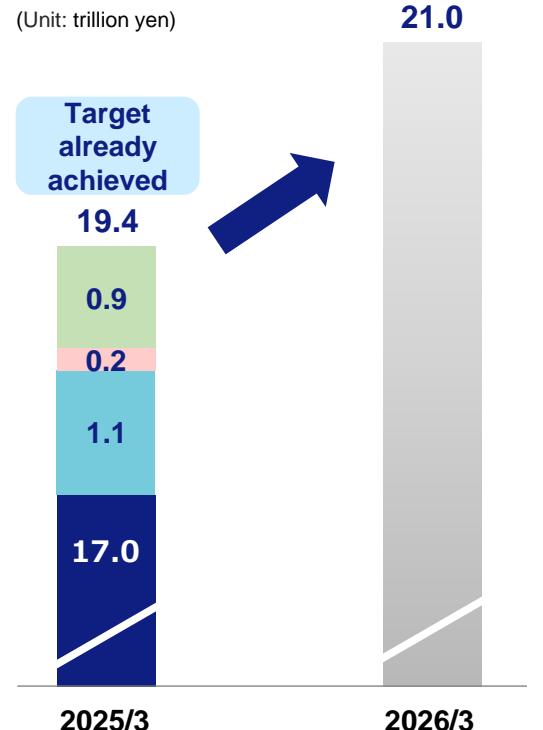
Aiming to increase outstanding guarantees through methods tailored to the needs of financial institutions

Aiming to expand market share in the existing housing loan market (KPI)



[Medium-term management plan] Outstanding guarantees target (KPI)

- ZENKOKU HOSHO non-consolidated
- Group companies
- Loss compensation*2
- ABLs, RMBS



Progress of the initiatives for the fiscal year ending March 31, 2026

- We will confirm demand for external transfer of risks related to housing loans, review of businesses of subsidiary guarantee companies, etc., and make proposals accordingly.
- We acquired outstanding guarantee exposure of 670.9 billion yen through means of ABLs.
- Through organic and inorganic growth, we aim to achieve our outstanding guarantee exposure target of 21 trillion yen this fiscal year.

Results for FY2026/3 3Q

ABLs 2 cases	670.9 billion yen
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*1 Japan Housing Finance Agency "New Lending and Outstanding Amounts for Housing Loans by Lender"

*2 Compensation for losses incurred from housing loan receivables

Approaching the existing housing loan market

We are continuing to make proposals to multiple financial institutions, aiming for further accumulation of outstanding guarantee exposure

Results of our approach to the existing housing loan market during the period of the medium-term management plan

Period	Method	No. of acquisitions	Guarantee exposure and underlying receivables* (at the time of publication)
FY2024/3 [the first year of medium-term management plan]	M&A Higashi-Nippon Guarantee Service	1	30.6 billion yen
	ABLs, RMBS, Loss compensation	7	824.2 billion yen
FY2025/3 [the second year of the medium-term management plan]	M&A ChibaKoginCard Service Mie Sogo-Shinyo Tohoku Guarantee Service	3	869.5 billion yen
	ABLs	2	304.0 billion yen
FY2026/3 3Q [the final year of the medium-term management plan]	ABLs	2	670.9 billion yen
Total		15	2,699.4 billion yen

* For loss compensation and ABLs, etc., figures represent underlying receivables

[Reference] Overview of Inorganic Growth Methods

The need for risk transfer among financial institutions is trending upward, and we are responding to the situation of each financial institution

	Organic growth	Inorganic growth			
	New guarantees granted	(1) M&As	(2) ABLs	(3) RMBS acquisition	(4) Loss compensation*
Contents of contract	Guarantee entrustment agreement	Share transfer agreement	Risk transfer agreement	Subordinated beneficiary right purchase agreement	Loss compensation agreement
Balance sheet	Outstanding guarantee exposure (off-balance-sheet)	Outstanding guarantee exposure (off-balance-sheet)	Long-term loans receivable	Investment securities	Outstanding loss compensation (off-balance-sheet)
Statement of income	Operating revenue Outstanding guarantee exposure x guarantee fee rate	Operating revenue Outstanding guarantee exposure x guarantee fee rate	<u>Non</u> -operating income Long-term loans receivable x interest rate	<u>Non</u> -operating income Securities x yield	Operating revenue Subordinated beneficiary rights x compensation fee rate
Contribution of cash and deposits for acquisition	No	No	Yes	Yes	No
Required capital	Loss arising from outstanding guarantee exposure is recorded according to the average payoff period.	Loss arising from outstanding guarantee exposure is recorded according to the average payoff period.	Loss arising from underlying receivables is recorded according to the average payoff period.	Loss arising from underlying receivables is recorded according to the average payoff period.	Loss arising from underlying receivables is recorded according to the average payoff period.
Average payoff period	15 years	15 years	6 years	15 years	6 years
Results as of 2025/12	Outstanding guarantee exposure: 17,714.4 billion yen	100% owned subsidiaries: 6 companies Outstanding guarantee exposure: 1,082.0 billion yen	Underlying receivables: 1,328.6 billion yen Long-term loans receivable recorded: 16.7 billion yen	Underlying receivables: 21.4 billion yen Securities recorded: 4.0 billion yen	Underlying receivables: 276.4 billion yen Subordinated beneficiary rights subject to loss compensation: 42.4 billion yen

We are implementing various measures to expand our business domains and resolve various ESG issues

Entry into related businesses

Collaboration, M&As, investment

- Invested in three startup companies through CVC (year-to-date)
- Entered into a capital and business alliance with MFS, Inc., which is expected to generate synergies

Expansion of loan contract channels

- Cooperated with INTELLEX, Co., Ltd. and MFS, Inc. for acquisition of loan contract channels
- Continued activities for expansion of loan contract channels, including collaboration with real estate portal sites

Utilizing Group companies

- Continued to promote the introduction of products for niche markets
- Continued proposal activities to increase acceptance of credit management and collection services

Resolving various ESG issues

Human capital investment

- Conducted employee satisfaction surveys and engagement surveys, and incorporated the survey results in various measures
- Implemented initiatives to improve employee health, such as the introduction of a health point system

Governance improvement

- Conducted reviews to improve the effectiveness of the integrated risk management system and operational risk

Climate change measures

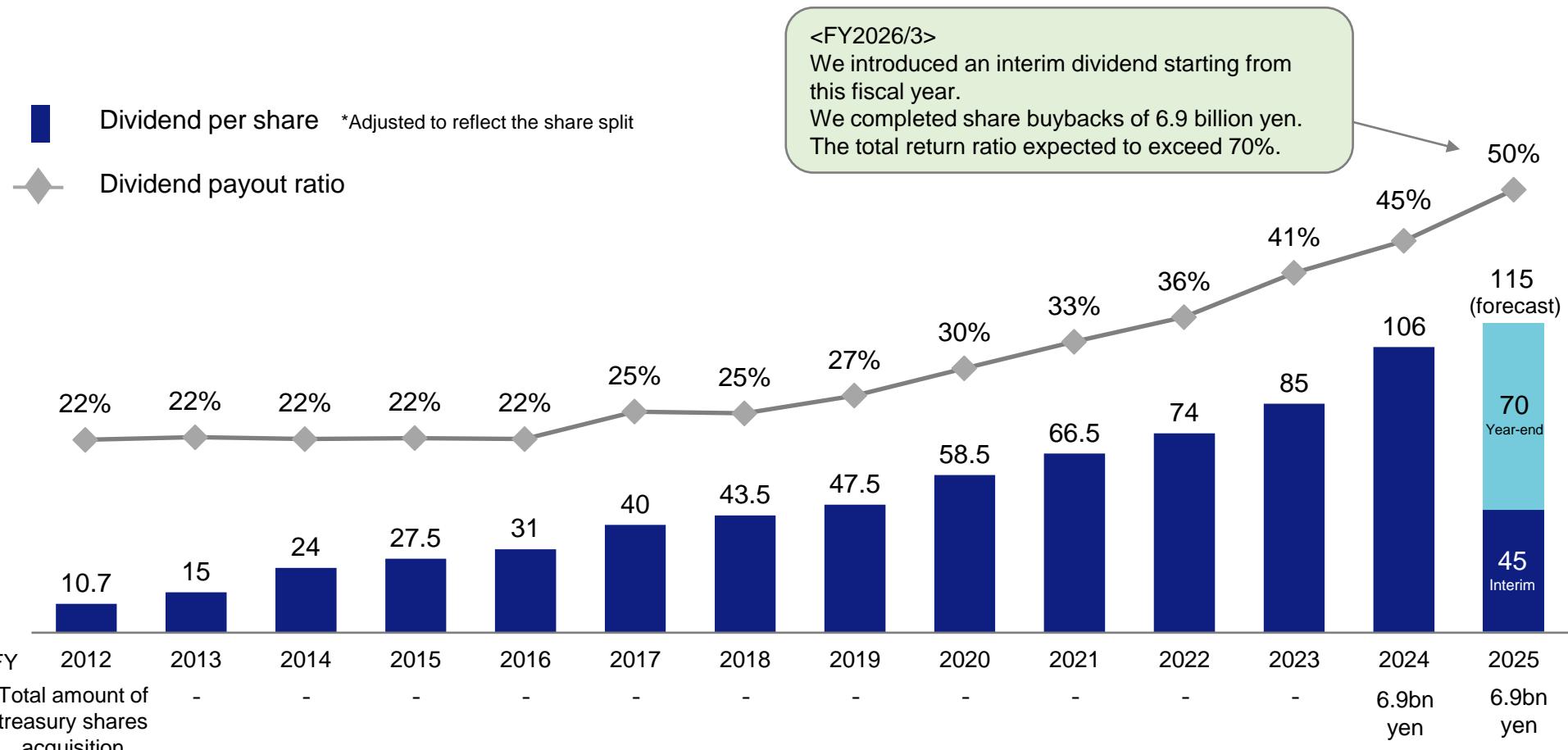
- Developed products specifically targeting vacant houses in cooperation with local governments and financial institutions to solve the vacant house problem
- Continued initiatives to reduce GHG emissions

* promotion of wide-spread use of renewable energy, promotion of used housing, switching of company vehicles to electric vehicles, etc.

Shareholder returns

In the fiscal year ending March 31, 2026, the final year of the medium-term management plan, we intend to raise the dividend payout ratio to 50% in line with our original plan

- In April 2025, we conducted a two-for-one share split.
- The payout ratio for the fiscal year ending March 31, 2026 will be raised to 50%, with the annual dividend per share expected to be 115 yen (interim dividend 45 yen, year-end dividend 70 yen).





Disclaimer and Notes Regarding Future Prospects

Disclaimer

This material is prepared by ZENKOKU HOSHO Co., Ltd. (hereinafter, "Zenkoku Hosho") with the aim of helping investors understand Zenkoku Hosho and is provided purely for reference.

The information contained in the material is prepared based on generally accepted economic and social conditions as of February 5, 2026, and on certain assumptions that Zenkoku Hosho believes to be reasonable as well as on Zenkoku Hosho's sole judgment. However, the information may change without notice subject to fluctuations in the business environment.

Notes Regarding Future Prospects

Data and information provided in this announcement include so-called "forward-looking statements." These are based on assumptions associated with current estimations, predictions, and risks, and include uncertainties that could cause results to be substantially different from the description.

The risks and uncertainties include general economic conditions both in Japan and overseas, such as general industrial and market situations, interest rates, and currency exchange fluctuations.

Even in the case where there is new information or are related events in the future, etc., Zenkoku Hosho shall not be obliged to update and correct any "forward-looking statements" contained in this announcement.

