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May 15, 2025

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



Company name: J-LEASE CO., LTD.  
 Stock exchange listing: Tokyo  
 Code number: 7187  
 URL: <https://www.j-lease.jp>  
 Representative: Tsuchi Nakashima, Representative Director President & COO  
 Contact: Shigeharu Nakashima, Senior Managing Director  
 Phone: +81-3-5909-1245  
 Scheduled date of annual general meeting of shareholders: June 20, 2025  
 Scheduled date of commencing dividend payments: June 23, 2025  
 Scheduled date to file annual securities report: June 23, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	17,267	30.6	3,102	19.0	3,097	18.6	2,089	16.7
March 31, 2024	13,220	20.6	2,606	5.8	2,611	5.9	1,789	7.3

(Note) Comprehensive income For the fiscal year ended March 31, 2025: ¥2,089 million [16.6%]  
 For the fiscal year ended March 31, 2024: ¥1,789 million [7.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	117.14	116.40	39.6	22.8	18.0
March 31, 2024	100.69	99.79	44.3	24.5	19.7

(Reference) Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥ – million

For the fiscal year ended March 31, 2024: ¥ – million

(Note) The Company conducted a 2-for-1 stock split of shares of common stock on March 1, 2024. Basic earnings per share and diluted profit per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	15,641	5,916	37.8	329.94
March 31, 2024	11,586	4,627	39.9	260.27

(Reference) Equity

As of March 31, 2025: ¥5,916 million

As of March 31, 2024: ¥4,627 million

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,061	(1,283)	135	2,351
March 31, 2024	1,361	(346)	(777)	1,438

**2. Dividends**

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	35.00	—	22.50	—	715	39.7	17.6
Fiscal year ended March 31, 2025	—	22.50	—	22.50	45.00	808	38.4	15.2
Fiscal year ending March 31, 2026 (Forecast)	—	25.00	—	25.00	50.00		39.4	

(Note) The Company conducted a 2-for-1 stock split of shares of common stock on March 1, 2024. The year-end dividend per share for the fiscal year ended March 31, 2024, is stated after taking into account the effect of such stock split, and the total annual dividend is shown as a dash.

**3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	9,620	24.8	1,540	7.9	1,520	7.4	1,000	8.6	55.46
Full year	21,000	21.6	3,500	12.8	3,450	11.4	2,290	9.6	127.00

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

New: One (Company name: AIVS)

Exclusion: – (Company name: )

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

(i) Changes in accounting policies due to revision of accounting standards: No

(ii) Changes in accounting policies other than 1: No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(3) Total number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

March 31, 2025:	18,032,000 shares
March 31, 2024:	17,878,400 shares

(ii) Number of treasury shares at the end of the period

March 31, 2025:	100,224 shares
March 31, 2024:	100,192 shares

(iii) Average number of shares outstanding during the period

March 31, 2025:	17,833,525 shares
March 31, 2024:	17,774,641 shares

- (Notes) 1. The number of treasury stock at the end of the period and the number of treasury stock deducted from the calculation of the average number of shares during the period include the Company's shares held by the Board Benefit Trust (BBT).
2. The Company conducted a 2-for-1 stock split of shares of common stock on March 1, 2024. Number of shares is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)**

**(1) Non-consolidated Operating Results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	15,245	19.3	3,255	26.3	3,254	26.1	2,255	27.8
March 31, 2024	12,782	18.7	2,576	4.6	2,581	4.8	1,765	6.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	126.49	125.69
March 31, 2024	99.33	98.45

(Note) The Company conducted a 2-for-1 stock split of shares of common stock on March 1, 2024. Basic earnings per share and diluted profit per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	14,865	6,090	41.0	339.65
March 31, 2024	11,527	4,634	40.2	260.68

(Reference) Equity

As of March 31, 2025: ¥6,090 million  
As of March 31, 2024: ¥4,634 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(Precautions concerning forward-looking statements, etc.)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a promise by the Company that they will be achieved. Moreover, actual results may differ significantly due to various factors. Please refer to “(4) Future outlook” in “1. Overview of Operating Results, etc.” on page 5 of the attachment for the assumptions used for financial results forecasts and precautions regarding the use of the forecasts.

(How to obtain supplementary materials on financial results)

Supplementary materials for financial results are disclosed on TDnet on the same day.

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year under review

During the consolidated fiscal year under review, Japan's economic environment was expected to continue its gradual recovery under the improving employment and income environment and the effects of various policies. But there remained risks of downward pressure on the domestic economy due to a downturn in overseas economies, such as the effects associated with continued high interest rate levels in Europe and the United States and continued stagnation of the Chinese real estate market, as well as effects of rising prices, the situation in the Middle East, fluctuations in financial and capital markets, and other factors.

In the industry of real estate for rent, occupancy demand is firm, and in addition, the use of rent guarantees for commercial properties, such as offices and tenants, remains on an increasing trend.

In this environment, the Group continued its risk control efforts through the strengthening of its credit screening and credit management, as well as its human capital management, by thoroughly and carefully responding to customers (real estate companies, lessors, and lessees) based on close ties to local communities.

In April 2024, moreover, the Company made AIVS, a software development and other services company, a wholly-owned subsidiary, and included it in the scope of consolidation from May 2024.

As a result, net sales for the fiscal year under review were 17,267,928 thousand yen (up 30.6% year-on-year), operating profit came to 3,102,498 thousand yen (up 19.0% year-on-year), ordinary profit was 3,097,233 thousand yen (up 18.6% year-on-year), and profit attributable to owners of parent posted 2,089,102 thousand yen (up 16.7% year-on-year).

Operating results by segment are as follows. From the consolidated fiscal year under review, the business segments indicated as reporting segments have been changed. Comparisons and analyses to the previous fiscal year are based on the new business segments.

#### (Guarantee-related business)

For sales, the residential rent guarantee business far exceeded the Company's plan due to the success of various strategies, including allocation of human resources to the Tokyo metropolitan area, human resource development, and alliances with outside companies and industry groups. The commercial rent guarantees business remained steady due to increased awareness of the services provided by the Company and market expansion, while the high frequency of move-ins and move-outs during the post-pandemic period tailed off. The Company opened Toyama and Shiga branches in July 2024 and Yamanashi and Nara branches in October 2024 in order to expand its community-based services, which is one of its strengths.

In terms of expenses, in addition to increases in bad debt-related expenses and in administrative fees (cost of sales) for real estate companies due to intensifying competition, and costs pertaining to the acquisition of K-net as a subsidiary in the fourth quarter. However, the Company achieved record profits, due to an increase in net sales and the control of bad-debt-related costs through meticulous risk control, among other factors.

In the medical expense guarantee business, the Company continued to expand sales channels and strengthen marketing efforts, resulting in an increase in new transactions such as in public hospitals and Red Cross hospitals through various newly developed routes. Thus, the performance has exceeded the plan.

As a result, net sales of the guarantee-related business for the fiscal year under review were 15,245,189 thousand yen (up 19.3% year-on-year) and operating profit was 3,133,582 thousand yen (up 21.7% year-on-year).

(Real-estate-related business)

In the real estate brokerage and property management business and the real estate leasing business, the Company focused on providing services to foreign nationals, and the weak yen and other factors increased their demand for Japanese real estate, resulting in an increase in brokerage projects for sales and purchases, etc. However, sales declined in reaction against a significant increase in sales of real estate for sale in the previous fiscal year.

As a result, net sales of the real-estate-related business for the fiscal year under review were 299,597 thousand yen (down 33.1% year-on-year) and operating loss recorded 38,257 thousand yen (operating profit of 31,962 thousand yen for the previous fiscal year).

(IT-related business)

At AIVS, which engages in software development and other activities, the development and sale of environmental inspection systems and other IT services exceeded the plan in terms of both net sales and operating profit thanks to strong sales of software, etc. and single large-scale orders.

As a result, the IT-related business posted net sales of 1,848,417 thousand yen and operating profit of 30,953 thousand yen for the fiscal year under review.

(2) Overview of financial position for the fiscal year under review

Total assets at the end of the fiscal year under review were up 4,055,552 thousand yen from the end of the previous fiscal year to 15,641,973 thousand yen. This was mainly due to an increase of 912,738 thousand yen in cash and deposits, an increase of 636,171 thousand yen in goodwill resulting from the acquisition of a subsidiary, an increase of 587,850 thousand yen in advances paid of subrogation, an increase of 364,996 thousand yen in deferred tax assets, an increase of 273,115 thousand yen in accrued guarantee, an increase of 256,978 thousand yen in advances payable of collect, an increase of 236,916 thousand yen in accounts receivable - trade, and contract assets, an increase of 142,191 thousand yen in land, an increase of 126,321 thousand yen in real estate for sale, and an increase of 428,977 thousand yen in allowance for doubtful accounts.

Liabilities grew 2,766,136 thousand yen from the end of the previous fiscal year to 9,725,499 thousand yen. This was mainly due to an increase of 1,110,439 thousand yen in long-term borrowings, an increase of 397,433 thousand yen in advances received, an increase of 377,564 thousand yen in income taxes payable, an increase of 318,408 thousand yen in accounts payable— other, an increase of 126,920 thousand yen in the current portion of long-term borrowings, and a decrease of 137,000 thousand yen in short-term borrowings.

Net assets increased by 1,289,416 thousand yen from the end of the previous fiscal year to 5,916,474 thousand yen. This was mainly due to an increase of 1,284,556 thousand yen in retained earnings.

As a result, the equity-to-asset ratio decreased 2.1 percentage points from the end of the previous fiscal year to 37.8%.

(3) Overview of cash flows for the fiscal year under review

During the fiscal year under review, cash and cash equivalents increased 912,738 thousand yen from the end of the previous fiscal year to 2,351,163 thousand yen. The status of the respective cash flows for the fiscal year under review are as follows.

(Cash flows from operating activities)

Cash provided by operating activities amounted to 2,061,149 thousand yen (cash provided of 1,361,619 thousand yen in the previous fiscal year). The main factors for the increase include 3,063,773 thousand yen in profit before income taxes, an increase of 428,977 thousand yen in allowance for doubtful accounts, an increase

of 303,587 thousand yen in advances received, 198,147 thousand yen in depreciation, 1,003,397 thousand yen in income taxes paid, an increase of 586,803 thousand yen in advances paid of subrogation, an increase of 402,102 thousand yen in trade receivables, and an increase of 256,978 thousand yen in accounts payable of collect.

(Cash flows from investing activities)

Cash used in investing activities amounted to 1,283,602 thousand yen (cash used of 346,574 thousand yen in the previous fiscal year). The main factors include 828,159 thousand yen in purchase of shares of subsidiaries resulting in change in scope of consolidation, 298,925 thousand yen in purchase of property, plant and equipment, and 205,840 thousand yen in purchase of intangible assets, including software, etc.

(Cash flows from financing activities)

Cash provided by financing activities amounted to 135,192 thousand yen (cash used of 777,682 thousand yen in the previous fiscal year). The main factors include 1,270,000 thousand yen in proceeds from long-term borrowings in connection with the purchase of shares of subsidiaries, 804,546 thousand yen in dividends paid, a decrease of 157,000 thousand yen in short-term borrowings, and 117,799 thousand yen in repayments of long-term borrowings.

(Reference) Changes in key indicators pertaining to cash flows

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	14.8	26.9	35.5	39.9	37.8
Equity ratio based on market value (%)	89.0	175.5	196.3	199.1	164.7
Interest-bearing debt to cash flow ratio (years)	3.6	1.5	0.9	0.9	1.2
Interest coverage ratio (times)	26.3	49.4	78.9	86.8	80.2

Equity ratio:  $\text{equity} \div \text{total assets}$

Equity ratio based on market value:  $\text{market capitalization} \div \text{total assets}$

Interest-bearing debt to cash flow ratio:  $\text{interest-bearing debt} \div \text{operating cash flow}$

Interest coverage ratio:  $\text{operating cash flow} \div \text{interest payments}$

(Notes) 1. All indicators were calculated based on consolidated financial figures.

2. Market capitalization was calculated as: closing share price at fiscal year end  $\times$  total outstanding shares at fiscal year end.

3. The figures used for operating cash flow derived from cash flows from operating activities in the Consolidated Statements of Cash Flows..

4. Interest-bearing debt is all liabilities posted in the Consolidated Balance Sheet for which interest is paid. Interest payments is interest paid posted in the Consolidated Statement of Cash Flows.



#### (4) Future outlook

Looking at the guarantee-related business, which accounts for the bulk of Group sales, the core segment of residential rent guarantees is continuing to steadily expand market share, while the growth segment of business rent guarantees is seeing a rise in demand for those services among offices, stores, and other commercial establishments due to a shift in customers' perceptions of risk. At present, there is an upward trend in advances paid of subrogation, as the rent payment situation of Company customers is being affected to an extent by rising prices and the fading of the effect of COVID-19-related subsidies. However, the Company expects that guarantee fee sales will increase as rent levels are pushed up by rising construction material costs and other pressures, and that business opportunities will expand from the growing guarantee needs of lessors.

Having acquired the wholly owned subsidiaries AIVS and K-net on April 30, 2024 and April 21, 2025, respectively, the Company will leverage their resources to expand its scope of business and strengthen service development, with the expectation that these actions will improve the Company's business performance.

Given this business environment, the Company's forecast for the fiscal year ending March 31, 2026 calls for higher sales and profit, with net sales of 21,000 million yen (up 21.6% year-on-year), operating profit of 3,500 million yen (up 12.8% year-on-year) ordinary profit of 3,450 million yen (up 11.4% year-on-year), and profit attributable to owners of parent of 2,290 million yen (up 9.6% year-on-year).

## 2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare Consolidated Financial Statements based on Japanese GAAP, considering the comparability of Consolidated Financial Statements among different periods and companies.

Regarding the application of IFRS, the Group's policy is to respond to it adequately considering both domestic and overseas trends.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated balance sheet

(Thousand yen)

	Previous fiscal year (March 31, 2024)	Fiscal year ended March 31, 2025 (March 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	1,438,424	2,351,163
Accrued guarantee	1,719,935	1,993,051
Accounts receivable commission	79,093	92,031
Accounts receivable - trade, and contract assets	63,913	300,829
Accounts receivable - other	259,946	349,216
Advances paid of subrogation	6,283,984	6,871,835
Advances paid of collection	1,270,587	1,527,565
Real estate for sale	-	126,321
Work in process	-	23,635
Supplies	15,073	24,830
Other	249,912	323,374
Allowance for doubtful accounts	(2,007,200)	(2,428,200)
Total current assets	9,373,670	11,555,655
Non-current assets		
Property, plant and equipment		
Buildings and structures	249,693	369,751
Accumulated depreciation	(63,915)	(86,569)
Buildings and structures, net	185,777	283,181
Land	6,567	148,759
Leased assets	192,294	202,727
Accumulated depreciation	(168,379)	(189,863)
Leased assets, net	23,915	12,864
Other	131,402	156,136
Accumulated depreciation	(77,926)	(107,224)
Other, net	53,476	48,912
Total property, plant and equipment	269,737	493,718
Intangible assets		
Software	173,255	225,573
Software in progress	71,237	157,950
Goodwill	-	636,171
Other	10	131,375
Total intangible assets	244,502	1,151,070
Investments and other assets		
Investment securities	128,446	128,680
Deferred tax assets	1,339,413	1,704,410
Other	576,932	962,698
Allowance for doubtful accounts	(346,281)	(354,258)
Total investments and other assets	1,698,511	2,441,529
Total non-current assets	2,212,750	4,086,318
Total assets	11,586,421	15,641,973

(Thousand yen)

	Previous fiscal year (March 31, 2024)	Fiscal year ended March 31, 2025 (March 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	1,240,000	1,103,000
Current portion of long-term borrowings	-	126,920
Lease liabilities	20,865	4,860
Accounts payable of collection	889,270	904,370
Accounts payable - other	826,853	1,145,261
Income taxes payable	557,388	934,953
Advances received	2,756,230	3,153,663
Provision for bonuses	191,944	256,962
Provision for shareholder benefit program	13,964	15,941
Other	321,435	547,712
Total current liabilities	6,817,953	8,193,646
Non-current liabilities		
Long-term borrowings	-	1,110,439
Lease liabilities	6,184	9,352
Provision for retirement benefits for directors (and other officers)	6,432	8,702
Provision for share awards for directors (and other officers)	50,118	97,259
Retirement benefit liability	-	42,412
Asset retirement obligations	78,194	86,555
Other	480	177,130
Total non-current liabilities	141,409	1,531,852
Total liabilities	6,959,362	9,725,499
<b>Net assets</b>		
Shareholders' equity		
Share capital	717,708	720,166
Capital surplus	292,708	295,166
Retained earnings	3,749,189	5,033,745
Treasury shares	(132,362)	(132,410)
Total shareholders' equity	4,627,242	5,916,666
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(184)	(192)
Total accumulated other comprehensive income	(184)	(192)
Total net assets	4,627,058	5,916,474
Total liabilities and net assets	11,586,421	15,641,973

(2) Consolidated statement of income and quarterly consolidated statement of comprehensive income  
Consolidated statement of income

(Thousand yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)
Net sales	13,220,921	17,267,928
Cost of sales	3,496,689	5,450,832
Gross profit	9,724,231	11,817,095
Selling, general and administrative expenses	7,117,320	8,714,597
Operating profit	2,606,910	3,102,498
Non-operating income		
Interest income	24	2,236
Dividend income	10	297
Commission income	7,891	3,414
Insurance claim income	5,104	6,962
Subsidy income	2,048	4,867
Reversal of deposits received	6,765	5,891
Contribution income	1,870	5,105
Other	1,859	9,986
Total non-operating income	25,573	38,761
Non-operating expenses		
Interest expenses	15,650	25,135
Share issuance costs	1,307	1,104
Loss on investments in silent partnerships	-	10,676
Other	3,907	7,109
Total non-operating expenses	20,866	44,026
Ordinary profit	2,611,618	3,097,233
Extraordinary income		
Gain on sale of non-current assets	-	3,860
Total extraordinary income	-	3,860
Extraordinary losses		
Impairment losses	-	23,807
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	44,630	13,513
Total extraordinary losses	44,630	37,320
Profit before income taxes	2,566,987	3,063,773
Income taxes - current	887,581	1,303,326
Income taxes - deferred	(110,273)	(328,656)
Total income taxes	777,307	974,670
Profit	1,789,680	2,089,102
Profit attributable to owners of parent	1,789,680	2,089,102

# Consolidated statement of comprehensive income

(Thousand yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)
Profit	1,789,680	2,089,102
Other comprehensive income		
Valuation difference on available-for-sale securities	(67)	(8)
Total other comprehensive income	(67)	(8)
Comprehensive income	1,789,613	2,089,094
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,789,613	2,089,094

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	717,557	292,557	2,585,042	(135,009)	3,460,147
Changes during period					
Issuance of new shares	151	151	—	—	302
Dividends of surplus	—	—	(625,534)	—	(625,534)
Profit attributable to owners of parent	—	—	1,789,680	—	1,789,680
Purchase of treasury shares	—	—	—	—	—
Disposal of treasury shares	—	—	—	2,646	2,646
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	151	151	1,164,146	2,646	1,167,095
Balance at end of period	717,708	292,708	3,749,189	(132,362)	4,627,242

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	(117)	(117)	3,460,030
Changes during period			
Issuance of new shares	—	—	302
Dividends of surplus	—	—	(625,534)
Profit attributable to owners of parent	—	—	1,789,680
Purchase of treasury shares	—	—	—
Disposal of treasury shares	—	—	2,646
Net changes in items other than shareholders' equity	(67)	(67)	(67)
Total changes during period	(67)	(67)	1,167,028
Balance at end of period	(184)	(184)	4,627,058

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	717,708	292,708	3,749,189	(132,362)	4,627,242
Changes during period					
Issuance of new shares	2,457	2,457	—	—	4,915
Dividends of surplus	—	—	(804,546)	—	(804,546)
Profit attributable to owners of parent	—	—	2,089,102	—	2,089,102
Purchase of treasury shares	—	—	—	(47)	(47)
Disposal of treasury shares	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	2,457	2,457	1,284,556	(47)	1,289,424
Balance at end of period	720,166	295,166	5,033,745	(132,410)	5,916,666

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	(184)	(184)	4,627,058
Changes during period			
Issuance of new shares	—	—	4,915
Dividends of surplus	—	—	(804,546)
Profit attributable to owners of parent	—	—	2,089,102
Purchase of treasury shares	—	—	(47)
Disposal of treasury shares	—	—	—
Net changes in items other than shareholders' equity	(8)	(8)	(8)
Total changes during period	(8)	(8)	1,289,416
Balance at end of period	(192)	(192)	5,916,474

## (4) Consolidated Statement of Cash Flows

(Thousand yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	2,566,987	3,063,773
Depreciation	189,418	198,147
Impairment losses	-	23,807
Amortization of goodwill	-	64,200
Increase (decrease) in allowance for doubtful accounts	181,070	428,977
Interest and dividend income	(34)	(2,534)
Interest expenses	15,650	25,135
Loss on retirement of non-current assets	0	0
Decrease (increase) in trade receivables	(380,509)	(402,102)
Loss on valuation of investment securities	44,630	13,513
Loss (gain) on investments in silent partnerships	-	10,676
Share issuance costs	1,307	1,104
Decrease (increase) in accounts receivable - other	319,025	(88,287)
Increase (decrease) in advances paid of subrogation	(1,150,859)	(586,803)
Increase (decrease) in advances paid of collection	(302,920)	(256,978)
Decrease (increase) in inventories	27,341	(58,664)
Increase (decrease) in advances received	401,845	303,587
Increase (decrease) in provision for bonuses	22,176	48,706
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2,360	8,070
Increase (decrease) in provision for share awards for directors (and other officers)	50,118	47,141
Increase (decrease) in accounts payable of collect	14,880	15,099
Increase (decrease) in accounts payable - other	197,784	305,430
Other, net	270	(74,281)
Subtotal	2,200,544	3,087,719
Interest and dividends received	34	2,534
Interest paid	(15,679)	(25,706)
Income taxes paid	(823,279)	(1,003,397)
Net cash provided by (used in) operating activities	1,361,619	2,061,149
Cash flows from investing activities		
Purchase of investment securities	(100,000)	(5,000)
Purchase of property, plant and equipment	(77,506)	(298,925)
Proceeds from sale of property, plant and equipment	-	14,524
Purchase of intangible assets	(130,374)	(205,840)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(828,159)
Other, net	(38,694)	39,798
Net cash provided by (used in) investing activities	(346,574)	(1,283,602)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(20,000)	(157,000)
Proceeds from long-term borrowings	-	1,270,000
Repayments of long-term borrowings	(88,324)	(117,799)
Redemption of bonds	-	(40,000)
Proceeds from issuance of shares	-	3,810
Payments for issuance of shares	(1,005)	-
Purchase of treasury shares	-	(47)
Dividends paid	(625,534)	(804,546)
Repayments of finance lease liabilities	(42,818)	(19,225)
Net cash provided by (used in) financing activities	(777,682)	135,192
Net increase (decrease) in cash and cash equivalents	237,363	912,738
Cash and cash equivalents at beginning of period	1,201,061	1,438,424
Cash and cash equivalents at end of period	1,438,424	2,351,163



(5) Notes to consolidated financial statements

(Notes to assumptions for going concerns)

Not applicable.

(Changes in the Method of Presentation)

(Consolidated balance sheets)

In the previous fiscal year's statements, accounts receivable – trade was included in “Other” under “Current assets,” but due to an increase in its quantitative importance, it has been listed as a separate line item, “Accounts receivable - trade, and contract assets,” for the fiscal year under review. Accordingly, the consolidated balance sheet figures for the previous fiscal year have been modified to reflect this change in the method of presentation. Specifically, the amount of 313,825 thousand yen that was listed for “Other” of “Current assets” in the previous fiscal year's consolidated balance sheet has been restructured as: “Accounts receivable - trade, and contract assets” 63,913 thousand yen and “Other” 249,912 thousand yen.

In the previous fiscal year's statements, “Provision for shareholder benefit program” was included in “Other” under “Current liabilities,” but due to an increase in its quantitative importance, it has been listed as a separate line item for the fiscal year under review. Accordingly, the consolidated balance sheet figures for the previous fiscal year have been modified to reflect this change in the method of presentation.

Specifically, the amount of 335,400 thousand yen that was listed for “Other” of “Current liabilities” in the previous fiscal year's consolidated balance sheet has been restructured as: “Provision for shareholder benefit program” 13,964 thousand yen and “Other” 321,435 thousand yen.

(Consolidated statement of income)

In the previous fiscal year's statements, “Equipment rent” and “Recoveries of written off receivables” were listed as separate line items under “Non-operating income,” but due to a decline in their quantitative importance, they have been included in “Other” in “Non-operating income” for the fiscal year under review. Furthermore, in the previous fiscal year's statements, “Contribution income” was included in “Other” under “Non-operating income,” but due to an increase in its quantitative importance, it has been listed as a separate line item for the fiscal year under review. Accordingly, the consolidated statement of income figures for the previous fiscal year have been modified to reflect these changes in the method of presentation.

Specifically, the “Non-operating income” listings in the previous fiscal year's consolidated statement of income have been restructured from “Equipment rent” 232 thousand yen, “Recoveries of written off receivables” 1,476 thousand yen, and “Other” 2,021 thousand yen to “Contribution income” 1,870 thousand yen and “Other” 1,859 thousand yen.

(Consolidated statement of cash flows)

In the previous fiscal year's statements, “Increase (decrease) in accounts payable – other” were included in “Other, net” under “Cash flows from operating activities,” but due to an increase in their quantitative importance, they have been listed as separate line items for the fiscal year under review. Accordingly, the statement of cash flows figures for the previous fiscal year have been modified to reflect these changes in the method of presentation.

Specifically, the amount of 198,054 thousand yen that was listed for “Other” of “Cash flows from operating activities” in the previous fiscal year's consolidated statement of cash flows has been restructured as: “Increase (decrease) in accounts payable – other” 197,784 thousand yen, and “Other” 270 thousand yen.

(Additional Information)

(Performance-linked stock compensation plan for officers)

The Company adopted a performance-linked stock compensation plan, the Board Benefit Trust (BBT), at the General Meeting of Shareholders held on June 23, 2022 in order to clearly establish a linkage between compensation for its Directors (excluding those who are Audit and Supervisory Committee Members and/or are Outside Directors) and the Company's business performance and share price, and to have the Directors share with shareholders not only the benefits of share price increases, but also the risks of drops in share price, so as to increase the Directors' awareness of the importance of contributing to the improvement of medium- to long-term performance and the enhancement of corporate value.

1. Summary of BBT

The BBT is a performance-linked stock compensation plan in which Company shares are acquired by a trust funded with money from the Company, and Company shares and market price-based cash equivalents of Company shares are paid to Directors through said trust in accordance with the Company's officer stock benefit rules. Said shares and cash equivalents are paid out, in principle, on the 25th of the month immediately following the month in which the Director retires.

2. Company shares remaining in the trust

Company shares that remain in the trust are recorded as treasury shares under net assets based on their book value at the trust (excluding the amount of incidental expenses). The number of said shares and their book value were, respectively, 99,800 shares and 132,061,000 yen at the end of the previous fiscal year, and 99,800 shares and 132,061,000 yen at the end of the fiscal year under review.

(Business combination, etc.)

(Business combination through acquisition)

1. Outline of business combination

(1) Name of company acquired and description of business acquired

Name of company acquired	AIVS
Business description	Development and sales of computer software, etc.

(2) Main reason for business combination

To expand the share in the market of the rent guarantee market by improving the competitiveness and the capability of developing services with IT.

(3) Date of business combination

April 30, 2024

(4) Legal form of business combination

Acquisition of shares for consideration in the form of cash

(5) Company name after business combination

The company names have not changed.

(6) Percentage of voting rights acquired

100%

- (7) Main grounds for determining that the company has been acquired  
The company acquisition is the result of the Company's acquisition of shares for cash as consideration.
2. Period of the business performance of the acquired company included in the consolidated financial statements  
May 1, 2024 to March 31, 2025
3. Cost for acquiring the acquired company, and the amount of each type of consideration for the acquisition
- |                                     |                        |
|-------------------------------------|------------------------|
| Consideration for acquisition: Cash | 1,230,000 thousand yen |
| Acquisition cost                    | 1,230,000 thousand yen |
4. Major acquisition-related expenses and their amounts  
Remuneration, commissions, etc. for advisory: 32,100 thousand yen
5. Amount of goodwill that arose, the origin of the goodwill, the method and period of amortization of the goodwill
- (1) Amount of goodwill that arose  
700,371 thousand yen
- (2) Origin of the goodwill  
Excess earning power expected from the expansion of the business domain of the J-LEASE Group and the improvement in corporate value, through the business expansion in Asia based on the global network of AIVS, K.K., etc.
- (3) Method and period of amortization of the goodwill  
Amortization evenly divided over 10 years
6. Amounts of respective types of assets and liabilities taken over on the date of the business combination
- |                         |                        |
|-------------------------|------------------------|
| Current assets          | 716,372 thousand yen   |
| Non-current assets      | 600,884 thousand yen   |
| Total assets            | 1,317,257 thousand yen |
| Current liabilities     | 476,686 thousand yen   |
| Non-current liabilities | 310,942 thousand yen   |
| Total liabilities       | 787,628 thousand yen   |
7. Amount allocated to intangible assets other than goodwill, and the amortization period thereof  
Client-related assets : 160,856 thousand yen (amortization period: 5 years)
8. Roughly estimated impact on the consolidated profit-and-loss statement in the current fiscal year under the assumption that the business combination has been completed on the starting date of said fiscal year, and the estimation method  
The estimated impact is insignificant, so it has been omitted.

(Segment information)

[Segment information]

1. Overview of reporting segments

(1) Method of determining reporting segments

The reporting segments of the Company's Group are individual units of the Group for which discrete financial information is available and that are subject to periodic review by the Board of Directors for making decisions on allocation of management resources and evaluating performance.

The Group has three reporting segments: guarantee-related business, real-estate-related business, and IT-related business.

(2) Products and services of each reporting segment

The guarantee-related business provides, among other services, credit enhancement and rent guarantee services pertaining to real estate leasing agreements, and medical expense guarantee services.

The real-estate-related business provides, among other services, real estate brokerage services, and rental property management services contracted by real estate owners.

The IT-related business engages in development and sales of environmental inspection systems, sales of software packages, and other businesses.

(3) Matters related to changes in reporting segments, etc.

In conjunction with the acquisition of AIVS as a subsidiary, the Group has added the IT-related business as a reportable segment for the consolidated fiscal year under review.

The segment information for the previous fiscal year listed herein for comparison with the fiscal year under review is presented according to the revised reporting segment classifications.

2. Methods of calculating the net sales, profit (loss), assets, liabilities, and other items for each reporting segment

Reporting segment profit figures are based on operating profit, and intersegment sales and transfers are based on market price.

### 3. Information on sales and profit or loss by reporting segment and decomposition of revenue

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Reporting segment				Adjustment (Note)	Amount recorded in consolidated statement of income
	Guarantee- related business	Real-estate- related business	IT-related business	Total		
Net sales						
Revenue from customer contracts	1,768,847	364,881	—	2,133,728	—	2,133,728
Other revenue	11,013,993	73,198	—	11,087,192	—	11,087,192
Sales to external customers	12,782,840	438,080	—	13,220,921	—	13,220,921
Intersegment sales or transfers	—	9,530	—	9,530	(9,530)	—
Total	12,782,840	447,610	—	13,230,451	(9,530)	13,220,921
Segment profit	2,574,947	31,962	—	2,606,910	—	2,606,910
Segment assets	11,378,211	209,716	—	11,587,928	(1,507)	11,586,421
Segment liabilities	6,893,811	67,058	—	6,960,870	(1,507)	6,959,362
Other items						
Depreciation	186,851	2,567	—	189,418	—	189,418
Amortization of goodwill	—	—	—	—	—	—
Impairment loss	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	234,242	1,048	—	235,290	—	235,290

(Notes) Details of adjustment are as follows:

- (1) Adjustment of (9,530) thousand yen in net sales represents elimination of intersegment transactions.
- (2) Adjustment of (1,507) thousand yen in segment assets represents elimination of intersegment transactions.
- (3) Adjustment of (1,507) thousand yen in segment liabilities represents elimination of intersegment transactions.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in quarterly consolidated statement of income
	Guarantee- related business	Real-estate- related business	IT-related business	Total		
Net sales						
Revenue from customer contracts	2,132,556	201,680	1,731,562	4,065,799	—	4,065,799
Other revenue	13,112,632	89,496	—	13,202,129	—	13,202,129
Sales to external customers	15,245,189	291,177	1,731,562	17,267,928	—	17,267,928
Intersegment sales or transfers	—	8,420	116,855	125,275	(125,275)	—
Total	15,245,189	299,597	1,848,417	17,393,204	(125,275)	17,267,928
Segment profit (loss)	3,133,582	(38,257)	30,953	3,126,278	(23,780)	3,102,498
Segment assets	13,365,385	531,265	1,788,621	15,685,272	(43,298)	15,641,973
Segment liabilities	8,774,805	422,578	555,455	9,752,839	(27,340)	9,725,499
Other items						
Depreciation	148,917	3,743	46,455	199,117	(969)	198,147
Amortization of goodwill	—	—	64,200	64,200	—	64,200
Impairment loss	23,807	—	—	23,807	—	23,807
Increase in property, plant and equipment and intangible assets	260,938	281,329	11,307	553,575	(24,464)	529,110

(Notes) Details of adjustment are as follows:

- (1) Adjustment of (125,275) thousand yen in net sales represents elimination of intersegment transactions.
- (2) Adjustment of (23,780) thousand yen in segment profit represents elimination of intersegment transactions.
- (3) Adjustment of (43,298) thousand yen in segment assets represents elimination of intersegment transactions.
- (4) Adjustment of (27,340) thousand yen in segment liabilities represents elimination of intersegment transactions.

(Revenue recognition)

The details of disaggregation of revenue from contracts with customers are as listed in “Segment information” of these notes to consolidated financial statements.

## (Per share information)

	Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)
Net assets per share	¥260.27	¥329.94
Basic earnings per share	¥100.69	¥117.14
Diluted earnings per share	¥99.79	¥116.40

(Notes) 1. The Company conducted a 2-for-1 stock split of shares of common stock on March 1, 2024. Net assets per share, basic earnings per share and diluted earnings per share are calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. The basis of calculation of basic earnings per share and diluted earnings per share are as follows:

	Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,789,680	2,089,102
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	1,789,680	2,089,102
Average number of common shares outstanding during the period (Shares)	17,774,641	17,833,525
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common shares (Shares)	158,999	113,506
(of which, share acquisition rights (thousand shares))	(158,999)	(113,506)
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	—	—

(Notes) In the calculation of basic earnings per share and diluted earnings per share, Company shares remaining in the stock benefit trust that are recorded as treasury shares in shareholders' equity are included among treasury shares deducted from the calculation of average number of common shares outstanding during the period.

(Previous fiscal year: 99,800 shares; fiscal year under review: 99,800 shares)

(Significant subsequent events)

(Business combination through acquisition)

The Company resolved at the Board of Directors meeting held on March 24, 2025 to acquire all shares in K-net Co., Ltd. (headquarters: Kobe City, Hyogo Prefecture; “K-net”) and make it a wholly owned subsidiary, and executed an agreement on the same day regarding the transfer of shares. The Company subsequently acquired said shares on April 21, 2025.

1. Outline of business combination

(1) Name of company acquired and description of business acquired

Name	K-net Co., Ltd.
Business description	Rent guarantee business

(2) Main reasons for business combination

The Company, aspiring to provide attentive services all across Japan, has been opening new stores in every region of the country. It currently possesses the industry’s largest network of stores, operating 40 locations in 37 of Japan’s prefectures, and has partnerships with 28,000 real estate companies. Furthermore, one of the Company’s strategies is to achieve further growth by bringing into its Group other companies that will work together with the Company to pursue the Group’s philosophy and vision. K-net was founded in 1983 and has been operating a rent guarantee business since 2005. Its strengths include not only a solid customer base in the Kinki region but also competencies in remote sales. Headquartered in Kobe, it has branch offices in Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo, and partners with more than 8,000 real estate companies. In recent years, K-net has leveraged its early-bird advantage in whole-building guarantee services to expand its partnership agreements with large and mid-size real estate companies that deal in fund properties. It has also been long committed to engaging with organizations such as the Japan Property Management Association’s Council of Rent Guarantee Service Providers and the Leasing Information Communicate Center, and to supporting the sound growth of the rent guarantee industry. This industry is populated with operators of all sizes that are engaged in increasingly intense competition. Within this setting, the acquisition of K-net as a Group member is expected to enable both the Company and K-net to strengthen their competitiveness through the sharing of talent, customer bases, and other resources, and thereby empower them to further increase their market shares. The Company has also judged that the sharing of expertise by both enterprises will create opportunities for the Group’s further growth and contribute to the enhancement of corporate value.

(3) Date of business combination

April 21, 2025

(4) Legal form of business combination

Acquisition of shares for consideration in the form of cash

(5) Company names after business combination

The company names have not changed.

(6) Percentage of voting rights acquired

March 24, 2025: 10%

April 21, 2025: 90%

100%



(7) Main grounds for determining that the company has been acquired

The company acquisition is the result of the Company's acquisition of shares for cash as consideration.

2. Cost for acquiring the acquired company, and the amount of each type of consideration for the acquisition

Consideration for acquisition: Cash	50,000 thousand yen
Acquisition cost	50,000 thousand yen

The Company borrowed 700,000 thousand yen from a financial institution to fund the acquisition of the acquired company and to provide a loan of 700,000 thousand yen to the acquired company. The acquired company is using the loan to pay off its own debts.

3. Major acquisition-related expenses and their amounts

Advisory fees, etc.	87,784 thousand yen
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4. Amount of goodwill that arose, the origin of the goodwill, the method and period of amortization of the goodwill

To be determined.

5. Amounts of respective types of assets and liabilities taken over on the date of the business combination

To be determined.

6. Allocation of acquisition cost

To be determined.

(Establishment of subsidiary)

The Company resolved at the Board of Directors meeting held on February 18, 2025 to establish a subsidiary as described below, and established said subsidiary on April 1, 2025.

(1) Purpose of establishing the subsidiary

The Company established J-Lease Football Club Co., Ltd. in order to enhance the Company's contributions to community growth and well-being, particularly through the promotion of soccer and other sports; and further evolve J-Lease Football Club as a business-owned soccer club in terms of business expansion, transparency of management, and earning power.

(2) Outline of subsidiary's establishment

1) Name

J-Lease Football Club Co., Ltd.

2) Address

4th floor, Oita Chuo Bldg., 1-3-19 Miyako-machi, Oita-shi, Oita Prefecture

3) Name and title of representative

Toru ENOKI, President and Representative Director

4) Businesses

Soccer club management

Planning and management of competitions and events in soccer and other sports

Hosting of classes, lectures, etc. on soccer and other sports

- 5) Capital  
10,000 thousand yen
- 6) Date established  
April 1, 2025
- 7) Ownership  
100% owned by the Company