



Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 7, 2025

Company name: J-LEASE CO., LTD.

Stock exchange listing: Tokyo

Code number: 7187

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Representative Director President & COO

Senior Managing Director

Scheduled date of commencing dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025, to June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	4,711	23.4	972	37.3	955	34.2	664	41.8
June 30, 2024	3,817	-	708	-	712	-	468	-

(Note) Comprehensive income: Three months ended June 30, 2025: ¥664 million [41.8%]
Three months ended June 30, 2024: ¥468 million [-%]

	Basic earnings per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2025	37.08	-
June 30, 2024	26.37	26.14

- (Notes) 1. Following the establishment of J-Lease Football Club Co., Ltd. (spin-off) to operate a soccer club as a full-scale business, the Company changed the presentation method from the first quarter of the fiscal year ending March 31, 2026, such that profit and loss of said company are presented in net sales and cost of sales, though they were previously included in selling, general and administrative expenses, non-operating income, and non-operating expenses. In the fiscal year ending March 31, 2025, the provisional accounting treatment for the business combination was finalized, and the figures for the first quarter of the fiscal year ending March 31, 2025 reflect the details of the provisional accounting treatment. Accordingly, the percentage change in the first quarter for the fiscal year ending March 2025 compared to the previous fiscal year is not shown.
2. Diluted profit per share for the first quarter of the fiscal year ending March 31, 2026 is not shown because there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	18,020	6,175	34.3
March 31, 2025	15,641	5,916	37.8

(Reference) Equity: As of June 30, 2025 ¥6,175 million
As of March 31, 2025 ¥5,916 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	22.50	-	22.50	45.00
Fiscal year ending March 31, 2026	-	-	-	-	-
Fiscal year ending March 31, 2026 (Forecast)	-	25.00	-	25.00	50.00

(Note) Revisions to the forecast for dividends announced most recently : No

3. Consolidated Financial Results 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

(Note) Revisions to the financial results forecast announced most recently : No

*Notes:

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

New: Two (Company name: J-Lease Football Club Co., Ltd.)
K-net Co., Ltd.

Exclusion: - (Company name: -)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements : No

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

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

2) Changes in accounting policies other than 1 : No

3) Changes in accounting estimates : No

4) Retrospective restatement : No

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

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

June 30, 2025:	18,032,000 shares
March 31, 2025:	18,032,000 shares

2) Number of treasury shares at the end of the period

June 30, 2025:	100,224 shares
March 31, 2025:	100,224 shares

3) Average number of shares outstanding during the period

June 30, 2025:	17,931,776 shares
June 30, 2024:	17,778,208 shares

(Note) The number of treasury shares at the end of the period and the number of treasury shares deducted from the calculation of the average number of shares outstanding during the period include the Company's shares held by the Board Benefit Trust (BBT).

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm : None

* 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 “(3) Explanation of future forecast information such as consolidated financial results forecasts” in “1. Qualitative Information on Quarterly Financial Results under Review” 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. Qualitative Information on Quarterly Financial Results under Review

(1) Explanation of operating results

The provisional accounting treatment to be applied with respect to business combinations was determined at the end of the previous consolidated fiscal year. Therefore, the figures for the first quarter of the fiscal year ending March 31, 2025 reflect the details of this provisional accounting treatment.

During the three months of the consolidated fiscal year under review, Japan's economic environment has been gradually recovering due to the improving employment and income environment and the effects of various policies. But there remained downward risks such as uncertainty caused by such factors as trade policies of the United States, and the impact of continued rising prices on personal spending.

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

In April 2025, moreover, the Company made K-net Co., Ltd., which engages in the rent guarantee business, a wholly-owned subsidiary. As the difference between the quarterly consolidated settlement date is within three months of the deemed acquisition date of April 30, 2025, the Company consolidated only the balance sheet for the three months ended June 30, 2025 and the statement of income is scheduled to be reflected from the six months ending September 30, 2025. Furthermore, in May 2025, the Company acquired additional shares of Wellon Solutions Co., Ltd. to make it an equity method company.

As a result, net sales for the three months of the fiscal year under review were 4,711,780 thousand yen (up 23.4% year-on-year), operating profit came to 972,724 thousand yen (up 37.3% year-on-year), ordinary profit was 955,726 thousand yen (up 34.2% year-on-year), and profit attributable to owners of parent posted 664,969 thousand yen (up 41.8% year-on-year).

Operating results by segment are as follows. Please note that from the first quarter of the fiscal year under review, the Company's reporting segments have been changed. For details, please refer to "(3) Notes to quarterly consolidated financial statements (Segment information)" in "2. Quarterly Consolidated Financial Statements and Key Notes." Year-on-year comparisons were made with figures for the corresponding period of the previous fiscal year that have been reclassified according to the classification after the change.

(Guarantee-related business)

For sales, the residential rent guarantee business grew at an accelerated pace due to the success of human resource development and sales activities through alliances. The commercial rent guarantees business remained strong with a further focus on sales activities in the Tokyo metropolitan area where the market scale is large, supported by the risk-averse attitudes of real estate owners and the rising use rate of guarantees. In addition, the Company opened the Mie Branch in June 2025 in order to expand its community-based services, which is one of its strengths, enabling the Company to operate business in 38 prefectures.

In terms of expenses, bad debt-related expenses increased in line with an increase in the number of contracts and administrative fees (cost of sales) for real estate companies increased due to intensifying competition. Amid these situations, the Company has continued appropriate risk control through measures such as credit screening and credit management, improving operational efficiency.

In the medical expense guarantee business, the Company continued to expand sales channels and strengthen marketing efforts such as commencing business operations utilizing its nationwide store network, resulting in an increase in new transactions.

As a result, net sales of the guarantee-related business for the three months of the fiscal year under review were 4,287,455 thousand yen (up 19.4% year-on-year) and operating profit was 965,137 thousand yen (up 23.9% year-on-year).

(Real-estate-related business)

Asumirai Co., Ltd., which engages in the real estate brokerage and property management business and the real estate leasing business, focused on providing services to foreign nationals and responded to their demand for Japanese real estate caused by the weak yen and other factors, resulting in strong sales of real estate for sale with significant growth in net sales.

As a result, net sales of the real-estate-related business for the three months of the fiscal year under review were 143,725 thousand yen (up 320.7% year-on-year) and operating loss recorded 5,904 thousand yen (operating loss of 20,592 thousand yen for the previous fiscal year).

(IT-related business)

AIVS, which engages in software development and other activities, provides IT services including the development and sale of environmental inspection systems. Its net sales significantly grew and it became profitable due to factors such as strengthened credibility through its entry into the Group.

As a result, net sales of the IT-related business for the three months of the fiscal year under review were 293,731 thousand yen (up 47.5% year-on-year) and operating profit recorded 15,872 thousand yen (operating loss of 17,280 thousand yen for the previous fiscal year).

(Others)

Others consist of J-Lease Football Club Co., Ltd. that was established in April 2025 and net sales were 35,732 thousand yen (up 3,491.9% year-on-year) and operating loss recorded 93 thousand yen (operating loss of 32,703 thousand yen for the same period of the previous fiscal year).

(2) Explanation of financial position

Total assets at the end of the first quarter of the fiscal year under review were up 2,378,079 thousand yen from the end of the previous fiscal year to 18,020,053 thousand yen. This was mainly due to an increase of 1,784,586 thousand yen in goodwill resulting from the acquisition of subsidiaries, an increase of 589,868 thousand yen in advances paid of subrogation, an increase of 236,677 thousand yen in advances paid of collection, an increase of 148,706 thousand yen in accounts receivable - other, an increase of 126,958 thousand yen in investment securities, an increase of 979,980 thousand yen in allowance for doubtful accounts, a decrease of 344,048 thousand yen in accrued guarantee, a decrease of 229,878 thousand yen in cash and deposits, and a decrease of 182,127 thousand yen in accounts receivable - trade, and contract assets.

Liabilities grew 2,118,847 thousand yen from the end of the previous fiscal year to 11,844,346 thousand yen. This was mainly due to an increase of 1,132,271 thousand yen in long-term borrowings, an increase of 649,489 thousand yen in advances received, an increase of 482,254 thousand yen in the current portion of long-term borrowings, an increase of 174,400 thousand yen in short-term borrowings, a decrease of 567,829 thousand yen in income taxes payable, and a decrease of 121,263 thousand yen in provision for bonuses.

Net assets increased by 259,232 thousand yen from the end of the previous fiscal year to 6,175,707 thousand yen. This was mainly due to an increase of 259,258 thousand yen in retained earnings.

As a result, the equity-to-asset ratio decreased 3.5 percentage points from the end of the previous fiscal year to 34.3%.

(3) Explanation of future forecast information such as consolidated financial results forecasts

With regard to the financial results forecast for the fiscal year ending March 31, 2026, there is no change from the consolidated financial results forecast for the first half and full year announced in the “Consolidated Financial Results for the Year Ended March 31, 2025,” dated May 15, 2025, as the business performance for the three months ended June 30, 2025 remained favorable.

The financial results forecasts are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual results may differ significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Thousand yen)

	Previous fiscal year (March 31, 2025)	Three months ended June 30, 2025 (June 30, 2025)
Assets		
Current assets		
Cash and deposits	2,351,163	2,121,285
Accrued guarantee	1,993,051	1,649,002
Accounts receivable commission	92,031	94,960
Accounts receivable - trade, and contract assets	300,829	118,702
Accounts receivable - other	349,216	497,923
Advances paid of subrogation	6,871,835	7,461,704
Advances paid of collection	1,527,565	1,764,243
Real estate for sale	126,321	68,445
Work in process	23,635	21,029
Supplies	24,830	21,336
Other	323,374	549,437
Allowance for doubtful accounts	(2,428,200)	(2,759,200)
Total current assets	11,555,655	11,608,870
Non-current assets		
Property, plant and equipment	493,718	643,846
Intangible assets		
Goodwill	636,171	2,420,757
Other	514,899	545,961
Total intangible assets	1,151,070	2,966,719
Investments and other assets		
Investment securities	128,680	255,638
Deferred tax assets	1,704,410	1,755,966
Other	962,698	1,792,252
Allowance for doubtful accounts	(354,258)	(1,003,239)
Total investments and other assets	2,441,529	2,800,617
Total non-current assets	4,086,318	6,411,183
Total assets	15,641,973	18,020,053

(Thousand yen)

	Previous fiscal year (March 31, 2025)	Three months ended June 30, 2025 (June 30, 2025)
Liabilities		
Current liabilities		
Short-term borrowings	1,103,000	1,277,400
Current portion of long-term borrowings	126,920	609,175
Lease liabilities	4,860	5,995
Accounts payable of collection	904,370	923,663
Accounts payable - other	1,145,261	1,067,094
Income taxes payable	934,953	367,123
Advances received	3,153,663	3,803,153
Provision for bonuses	256,962	135,699
Provision for shareholder benefit program	15,941	7,076
Other	547,712	934,920
Total current liabilities	8,193,646	9,131,302
Non-current liabilities		
Long-term borrowings	1,110,439	2,242,710
Lease liabilities	9,352	15,305
Provision for retirement benefits for directors (and other officers)	8,702	9,270
Provision for share awards for directors (and other officers)	97,259	107,184
Retirement benefit liability	42,412	45,245
Asset retirement obligations	86,555	96,219
Other	177,130	197,108
Total non-current liabilities	1,531,852	2,713,044
Total liabilities	9,725,499	11,844,346
Net assets		
Shareholders' equity		
Share capital	720,166	720,166
Capital surplus	295,166	295,166
Retained earnings	5,033,745	5,293,003
Treasury shares	(132,410)	(132,410)
Total shareholders' equity	5,916,666	6,175,925
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(192)	(218)
Total accumulated other comprehensive income	(192)	(218)
Total net assets	5,916,474	6,175,707
Total liabilities and net assets	15,641,973	18,020,053

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

Quarterly consolidated statement of income

Three months ended June 30, 2025

(Thousand yen)

	Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025, to June 30, 2025)
Net sales	3,817,897	4,711,780
Cost of sales	1,076,330	1,453,137
Gross profit	2,741,567	3,258,642
Selling, general and administrative expenses	2,033,288	2,285,918
Operating profit	708,278	972,724
Non-operating income		
Interest income	0	313
Dividend income	293	1,946
Commission income	-	1,036
Insurance claim income	3,483	106
Subsidy income	1,385	440
Recoveries of written off receivables	119	544
Other	4,759	305
Total non-operating income	10,041	4,692
Non-operating expenses		
Interest expenses	5,224	9,636
Share of loss of entities accounted for using equity method	-	11,135
Other	962	918
Total non-operating expenses	6,187	21,690
Ordinary profit	712,132	955,726
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	712,132	955,726
Income taxes - current	247,083	342,313
Income taxes - deferred	(3,797)	(51,555)
Total income taxes	243,285	290,757
Profit	468,846	664,969
Profit attributable to owners of parent	468,846	664,969

Quarterly consolidated statement of comprehensive income

Three months ended June 30, 2025

	(Thousand yen)	
	Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025, to June 30, 2025)
Profit	468,846	664,969
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(26)
Total other comprehensive income	(4)	(26)
Comprehensive income	468,842	664,943
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	468,842	664,943

(3) Notes to quarterly consolidated financial statements

(Notes to assumptions for going concerns)

Not applicable.

(Notes to statement of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the first quarter of the fiscal year under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the fiscal year under review are as follows.

	Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025, to June 30, 2025)
Depreciation	42,619 thousand yen	38,509 thousand yen
Amortization of goodwill	11,672 thousand yen	17,509 thousand yen

(Notes) The provisional accounting treatment to be applied with respect to business combinations was determined at the end of the previous consolidated fiscal year. Therefore, the figures for the first quarter of the fiscal year ending March 31, 2025 reflect the details of this provisional accounting treatment.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Additional information)

(Change in presentation method)

(Quarterly consolidated statement of income)

Previously, with regard to the soccer club operation business, sponsorship revenue, merchandise revenue, etc. were recorded in "commission income" of non-operating income, expenses for players and other persons, club operation expenses, etc. were recorded in "selling, general and administrative expenses," and merchandise costs, etc. were recorded in "other" of non-operating expenses. However, from the first quarter of the fiscal year under review, the presentation method has been changed such that "commission income" of non-operating income is included in "net sales" and part of "selling, general and administrative expenses" and "other" of non-operating expenses are included in "cost of sales."

Regarding the soccer club operation business which was positioned as an ancillary business up to this point, the Company established J-Lease Football Club Co., Ltd. in April 2025 to secure stable revenue opportunities in the future by operating it as a full-scale business and positioned it as a new business of the Group.

This change in presentation method was made to more appropriately reflect the actual state of the business, as importance of the soccer club operation business is expected to further increase.

To reflect this change of the presentation method, the Company reclassified the quarterly consolidated statement of income for the three months ended June 30, 2024. Due to this change, the Company reclassified 994 thousand yen recorded in "commission income" of non-operating income as "net sales" and 29,966 thousand yen recorded in "selling, general and administrative expenses" and 346 thousand yen recorded in "other" of non-operating expenses as "cost of sales."

As a result, compared to the previous method, "gross profit" decreased 29,318 thousand yen and "operating profit" increased 647 thousand yen.

(Segment information)

[Segment information]

Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)

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

(Thousand yen)

	Reporting segment				Others (Note) 1	Total	Adjustment (Note) 2	Amount recorded in quarterly consolidated statement of income (Note) 3
	Guarantee- related business	Real-estate- related business	IT-related business	Total				
Net sales								
Revenue from contracts with customers	492,717	13,892	194,768	701,378	994	702,373	-	702,373
Other revenue	3,097,991	17,532	-	3,115,524	-	3,115,524	-	3,115,524
Sales to external customers	3,590,708	31,425	194,768	3,816,902	994	3,817,897	-	3,817,897
Intersegment sales or transfers	-	2,738	4,362	7,101	-	7,101	(7,101)	-
Total	3,590,708	34,164	199,131	3,824,004	994	3,824,999	(7,101)	3,817,897
Segment profit (loss)	778,855	(20,592)	(17,280)	744,976	(32,703)	712,273	-	712,273

(Notes) 1. “Others” is a business segment not included in reporting segments and includes the soccer club operation business.

2. The sales adjustment of -7,101 thousand yen represents elimination of intersegment transactions.

3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

4. The provisional accounting treatment to be applied with respect to business combinations was determined at the end of the previous consolidated fiscal year. Therefore, the figures for the first quarter of the fiscal year ending March 31, 2025 reflect the details of this provisional accounting treatment.

2. Information on impairment loss on non-current assets and goodwill by reporting segment

(Significant changes in the amount of goodwill)

With the acquisition of shares of AIVS and inclusion in the scope of consolidation on April 30, 2024, goodwill increased 700,371 thousand yen in the first quarter of the fiscal year under review. This amount reflects significant revision of the initial allocation of acquisition cost following the finalization of provisional accounting treatment related to business combination.

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

The Group added the “IT-related business” to its reporting segments from the first quarter of the fiscal year under review, following the inclusion in the scope of consolidation of AIVS, which had become a subsidiary through the acquisition of shares.

Three months ended June 30, 2025 (From April 1, 2025, to June 30, 2025)

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

(Thousand yen)

	Reporting segment				Others (Note) 1	Total	Adjustment (Note) 2,3	Amount recorded in quarterly consolidated statement of income (Note) 4
	Guarantee- related business	Real-estate- related business	IT-related business	Total				
Net sales								
Revenue from contracts with customers	591,569	112,029	280,718	984,316	1,787	986,104	-	986,104
Other revenue	3,695,861	29,814	-	3,725,675	-	3,725,675	-	3,725,675
Sales to external customers	4,287,431	141,843	280,718	4,709,992	1,787	4,711,780	-	4,711,780
Intersegment sales or transfers	24	1,882	13,013	14,919	33,945	48,865	(48,865)	-
Total	4,287,455	143,725	293,731	4,724,912	35,732	4,760,645	(48,865)	4,711,780
Segment profit (loss)	965,137	(5,904)	15,872	975,105	(93)	975,012	(2,287)	972,724

(Notes) 1. “Others” is a business segment not included in reporting segments and includes the soccer club operation business.

2. The sales adjustment of -48,865 thousand yen represents elimination of intersegment transactions.

3. The segment profit (loss) adjustment of -2,287 thousand yen represents elimination of intersegment transactions.

4. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets and goodwill by reporting segment

(Significant changes in the amount of goodwill)

With the acquisition of shares of K-net Co., Ltd. and inclusion in the scope of consolidation on April 21, 2025, goodwill increased 1,802,095 thousand yen in the guarantee-related business. The amount of such goodwill is the amount calculated based on the provisional accounting treatment because the allocation of the acquisition cost has not been completed as of the end of the first quarter of the fiscal year under review.

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

The Group included newly established J-Lease Football Club Co., Ltd. in the scope of consolidation from the first quarter of the fiscal year under review. Because the business of this company is insignificant in terms of amounts, it is stated under “Others” and not included in reporting segments. The segment information for the three months ended June 30, 2024 herein for comparison with the three months ended June 30, 2025 is that prepared according to the revised reporting segments.