Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 7, 2026

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
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Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	5,796	23.0	900	(7.4)	887	(7.1)	525	(21.0)
June 30, 2025	4,711	23.4	972	37.3	955	34.2	664	41.8

(Note) Comprehensive income: Three months ended June 30, 2026: ¥525 million [(21.0)%]
Three months ended June 30, 2025: ¥664 million [41.8%]

	Basic earnings per share	Diluted profit per share
Three months ended	Yen	Yen
June 30, 2026	29.47	-
June 30, 2025	37.08	-

(Note) Diluted profit per share is not shown because there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	21,791	7,370	33.8
March 31, 2026	22,137	7,386	33.4

(Reference) Equity: As of June 30, 2026 ¥7,370 million
As of March 31, 2026 ¥7,386 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, 2026	-	25.00	-	30.00	55.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		30.00	-	30.00	60.00

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

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026, to March 31, 2027)

(% 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	11,469	17.8	1,532	(13.5)	1,518	(12.9)	983	(16.3)	55.13
Full year	24,859	15.2	3,856	6.4	3,825	6.5	2,522	2.1	141.44

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period : No

New: - (Company name: -)

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

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

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

(iii) Changes in accounting estimates : No

(iv) Retrospective restatement : No

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

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

June 30, 2026:	18,032,000 shares
March 31, 2026:	18,032,000 shares

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

June 30, 2026:	201,424 shares
March 31, 2026:	201,424 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2026	17,830,576 shares
Three months ended June 30, 2025	17,931,776 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 on 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

During the three months of the consolidated fiscal year under review, Japan's economic environment continued to recover gradually, supported by improvements in the employment and income environment and the effects of various policy measures. However, downside risks to household budgets and corporate earnings became apparent, as continued high interest rates in the U.S. and Europe, the prolonged situation in the Middle East, and the rapid depreciation of the yen heightened upward price pressures.

In the industry of real estate for rent, rising rents and higher relocation costs have prompted a tendency to hold off on moving, and existing tenants are increasingly remaining in place. Meanwhile, soaring housing prices and rising interest rates have driven a shift from a preference for homeownership to a preference for renting, and occupancy demand has remained firm. The use of rent guarantees is also on an increasing trend for commercial properties such as offices and tenant spaces, and the market is expanding in both the residential and business categories.

Under this environment and its human capital management, the Group continued its risk control efforts through the strengthening of its AI-based 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, and pursued management mindful of the cost of capital.

As a result, net sales for the three months of the fiscal year under review were 5,796,311 thousand yen (up 23.0% year-on-year), operating profit came to 900,459 thousand yen (down 7.4% year-on-year), ordinary profit was 887,889 thousand yen (down 7.1% year-on-year), and profit attributable to owners of parent posted 525,476 thousand yen (down 21.0% year-on-year).

Operating results by segment are as follows.

(Guarantee-related business)

For sales, the residential rent guarantee business and the business rent guarantee business both remained strong, supported by human resource development, the strengthening of alliances, the expansion of the sales base through the expansion of store locations, and the strengthening of sales activities in the Tokyo metropolitan area, where the market scale is large, as well as by the contribution to earnings from K-net Co., Ltd., which became a subsidiary in April 2025.

In terms of expenses, the Strategic investments progressed as planned. with the aim of strengthening its foundation for sustainable future growth, including the introduction of a new HR system that encourages challenge and growth, the development of a new core system that will serve as the foundation for AX, and the expansion of the Tokyo head office floor space to strengthen sales activities in the Tokyo metropolitan area. In addition, amid an increase in bad debt-related expenses associated with the expansion in the number of contracts and an increase in administrative fees (cost of sales) for real estate companies due to intensifying competition, the Company continued to promote improvements in operational efficiency and cost control.

In the medical expense guarantee services, new transactions increased as a result of sales development utilizing the Company's nationwide store network, as well as referrals from existing business partners and alliance partners.

As a result, net sales of the guarantee-related business for the three months of the fiscal year under review were 5,451,041 thousand yen (up 27.1% year-on-year) and operating profit was 948,832 thousand yen (down 1.7% year-on-year).

(Real-estate-related business)

Asumirai Co., Ltd. provides the real estate brokerage and property management business, the real estate leasing business, the purchase-and-resale business, and real estate investment support services in Japan and overseas. In the three months of the fiscal year under review, net sales declined, mainly in reaction to sales of high-value renovation resale properties and real estate for sale in the previous fiscal year, but results progressed in line with plan.

As a result, net sales of the real-estate-related business for the three months of the fiscal year under review were 58,275 thousand yen (down 59.5% year-on-year) and operating loss recorded 14,165 thousand yen (operating loss of 5,904 thousand yen for the same period of 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. In the three months of the fiscal year under review, order intake remained firm, with steady performance led by software sales and development projects. However, in reaction to the concentration of projects in the previous fiscal year and because deliveries for some projects slipped to the second quarter or later, net sales came in slightly below plan and declined year-on-year.

As a result, net sales of the IT-related business for the three months of the fiscal year under review were 270,630 thousand yen (down 7.9% year-on-year) and operating loss recorded 30,255 thousand yen (operating profit of 15,872 thousand yen for the same period of the previous fiscal year).

(Others)

Others consists of J-Lease Football Club Co., Ltd., which engages in the soccer club operation business, and AFB Co., Ltd., which engages in the general advertising business (renamed JL Lab Co., Ltd. effective August 1, 2026), and net sales were 105,405 thousand yen (up 195.0% year-on-year) and operating loss recorded 7,364 thousand yen (operating loss of 93 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 down 346,354 thousand yen from the end of the previous fiscal year to 21,791,386 thousand yen. This was mainly due to an increase of 331,115 thousand yen in advances paid of subrogation, an increase of 315,922 thousand yen in advances paid of collection, a decrease of 630,937 thousand yen in accrued guarantee, a decrease of 451,419 thousand yen in notes and accounts receivable - trade, and contract assets, and an increase of 283,104 thousand yen in allowance for doubtful accounts.

Liabilities decreased by 330,842 thousand yen from the end of the previous fiscal year to 14,420,617 thousand yen. This was mainly due to an increase of 572,000 thousand yen in short-term borrowings, an increase of 104,300 thousand yen in advances received, a decrease of 483,841 thousand yen in income taxes payable, a decrease of 189,864 thousand yen in accounts payable - trade, a decrease of 154,397 thousand yen in provision for bonuses, and a decrease of 107,161 thousand yen in long-term borrowings.

Net assets decreased by 15,512 thousand yen from the end of the previous fiscal year to 7,370,768 thousand yen. This was mainly due to a decrease of 15,470 thousand yen in retained earnings.

As a result, the equity-to-asset ratio increased 0.4 percentage points from the end of the previous fiscal year to 33.8%.

(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, 2027, results for the three months of the fiscal year under review progressed smoothly, and there is no change from the consolidated financial results forecasts for the first half, nor for the full year announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026,” dated May 13, 2026.

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, 2026)	Three months ended June 30, 2026 (June 30, 2026)
Assets		
Current assets		
Cash and deposits	2,743,286	2,662,368
Accrued guarantee	2,539,518	1,908,580
Accounts receivable - commission	104,851	108,288
Notes and accounts receivable - trade, and contract assets	617,719	166,299
Accounts receivable - other	455,702	453,509
Advances paid of subrogation	8,576,503	8,907,619
Advances paid of collection	1,961,503	2,277,426
Real estate for sale	306,106	327,113
Work in process	40,949	62,694
Supplies	22,256	21,887
Other	355,140	595,473
Allowance for doubtful accounts	(3,256,100)	(3,450,200)
Total current assets	14,467,439	14,041,062
Non-current assets		
Property, plant and equipment	1,592,311	1,597,341
Intangible assets		
Goodwill	2,109,696	2,049,785
Other	658,971	640,866
Total intangible assets	2,768,668	2,690,652
Investments and other assets		
Investment securities	256,806	259,833
Distressed receivables	1,289,701	1,378,705
Deferred tax assets	2,310,213	2,389,014
Other	743,001	814,181
Allowance for doubtful accounts	(1,290,401)	(1,379,405)
Total investments and other assets	3,309,321	3,462,330
Total non-current assets	7,670,301	7,750,323
Total assets	22,137,740	21,791,386

(Thousand yen)

	Previous fiscal year (March 31, 2026)	Three months ended June 30, 2026 (June 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	293,883	104,019
Short-term borrowings	2,656,000	3,228,000
Current portion of long-term borrowings	432,713	431,714
Lease liabilities	50,995	50,960
Accounts payable of collection	932,337	950,803
Accounts payable - other	1,338,697	1,269,497
Income taxes payable	948,087	464,245
Advances received	4,170,129	4,274,429
Provision for bonuses	289,686	135,288
Provision for shareholder benefit program	18,531	7,347
Other	604,224	634,198
Total current liabilities	11,735,285	11,550,505
Non-current liabilities		
Long-term borrowings	2,337,372	2,230,211
Lease liabilities	174,070	161,266
Provision for retirement benefits for directors (and other officers)	11,482	2,600
Provision for share awards for directors (and other officers)	142,473	123,890
Retirement benefit liability	49,020	51,776
Asset retirement obligations	113,187	113,953
Other	188,564	186,412
Total non-current liabilities	3,016,173	2,870,111
Total liabilities	14,751,459	14,420,617
Net assets		
Shareholders’ equity		
Share capital	720,166	720,166
Capital surplus	295,166	295,166
Retained earnings	6,648,190	6,632,719
Treasury shares	(277,038)	(277,038)
Total shareholders’ equity	7,386,483	7,371,012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(202)	(244)
Total accumulated other comprehensive income	(202)	(244)
Total net assets	7,386,281	7,370,768
Total liabilities and net assets	22,137,740	21,791,386

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

Quarterly consolidated statement of income

Three months ended June 30, 2026

(Thousand yen)

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Net sales	4,711,780	5,796,311
Cost of sales	1,453,137	1,817,563
Gross profit	3,258,642	3,978,747
Selling, general and administrative expenses	2,285,918	3,078,287
Operating profit	972,724	900,459
Non-operating income		
Interest income	313	121
Dividend income	1,946	1,997
Share of profit of entities accounted for using equity method	-	3,069
Commission income	1,036	640
Insurance claim income	106	-
Subsidy income	440	-
Recoveries of written off receivables	544	325
Other	305	386
Total non-operating income	4,692	6,539
Non-operating expenses		
Interest expenses	9,636	18,215
Share of loss of entities accounted for using equity method	11,135	-
Other	918	894
Total non-operating expenses	21,690	19,110
Ordinary profit	955,726	887,889
Extraordinary losses		
Loss on retirement of non-current assets	0	132
Impairment losses	-	1,659
Total extraordinary losses	0	1,792
Profit before income taxes	955,726	886,097
Income taxes - current	342,313	439,422
Income taxes - deferred	(51,555)	(78,801)
Total income taxes	290,757	360,620
Profit	664,969	525,476
Profit attributable to owners of parent	664,969	525,476

Quarterly consolidated statement of comprehensive income

Three months ended June 30, 2026

(Thousand yen)

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Profit	664,969	525,476
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	(42)
Total other comprehensive income	(26)	(42)
Comprehensive income	664,943	525,434
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	664,943	525,434

(3) Notes to quarterly consolidated financial statements

(Notes to assumptions for going concerns)

Not applicable.

(Notes to statement of cash flows)

Quarterly consolidated statement of cash flows has not been prepared for the three months ended June 30, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months of the fiscal years are as follows.

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Depreciation	38,509 thousand yen	65,925 thousand yen
Amortization of goodwill	17,509 thousand yen	59,911 thousand yen

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

Not applicable.

(Segment information)

[Segment information]

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 1,607,595 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.

Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

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	720,620	29,293	257,411	1,007,325	51,417	1,058,742	-	1,058,742
Other revenue	4,709,615	27,954	-	4,737,569	-	4,737,569	-	4,737,569
Sales to external customers	5,430,235	57,247	257,411	5,744,894	51,417	5,796,311	-	5,796,311
Intersegment sales or transfers	20,805	1,027	13,219	35,052	53,988	89,040	(89,040)	-
Total	5,451,041	58,275	270,630	5,779,946	105,405	5,885,351	(89,040)	5,796,311
Segment profit (loss)	948,832	(14,165)	(30,255)	904,411	(7,364)	897,047	3,412	900,459

(Notes) 1. "Others" is a business segment not included in reporting segments and includes the soccer club operation business and the general advertising business.
2. The sales adjustment of -89,040 thousand yen represents elimination of intersegment transactions.
3. The segment profit (loss) adjustment of 3,412 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 impairment losses on non-current assets)

The Company recorded impairment losses on property, plant and equipment in the guarantee-related business segment. The amount of recorded impairment losses for the first quarter of the fiscal year under review was 1,659 thousand yen.

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

The Group included K-net Co., Ltd. and AFB Co., Ltd., which had become subsidiaries through the acquisition of shares in the previous fiscal year, in the scope of consolidation, and added K-net Co., Ltd. to the "guarantee-related business" and AFB Co., Ltd. to the "Others" business segment not included in reporting segments.

In addition, AFB Co., Ltd. changed its company name to JL Lab Co., Ltd., effective August 1, 2026.