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

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

August 7, 2026

信用で人をつなぐ
ジェイリース

JPX
PRIME

証券コード:7187

# Message from the President

## First-quarter net sales and profit both exceeded plan; recent performance also remains progressing steadily

I am Tsuchi Nakashima, Representative Director and President. I would like to express our sincere appreciation for your continued support. In June of this year, I was appointed CEO of the J-Lease Group. We will continue to devote our efforts to enhancing corporate value.

In the first quarter of the fiscal year ending March 31, 2027, our ongoing store-opening strategy and the strengthening of sales activities in the Tokyo metropolitan area bore fruit, and net sales exceeded plan by 2.5%. On the expense side, we executed strategic investments as planned, including the development of a new core system and the introduction of a new HR system. While net sales were running ahead of plan, we pressed ahead with cost control, resulting in first-quarter costs coming in almost exactly in line with plan. As a result, operating profit exceeded plan by 20.4%.

We have left our earnings forecast unchanged. However, as recent sales have also been progressing steadily, we will further strengthen cost control and continue working to improve profitability, aiming to deliver full-year profit above forecast.

Going forward, in addition to the rent guarantee business, we will work to further expand sales of medical expense guarantees, which offer considerable room for growth, and of the HOMETACT smart home service. At the same time, we will advance the AI-enabled business transformation (AX) that we began this fiscal year and strive to improve capital efficiency. We will also take on new businesses, including by advancing our research into overseas expansion.

Going forward, on the premise of generating returns that exceed the cost of capital, we will pursue growth investments and business portfolio management while making every effort to further enhance shareholder returns. We ask for your continued and unwavering support.

President and CEO,
CEO of J-lease Group

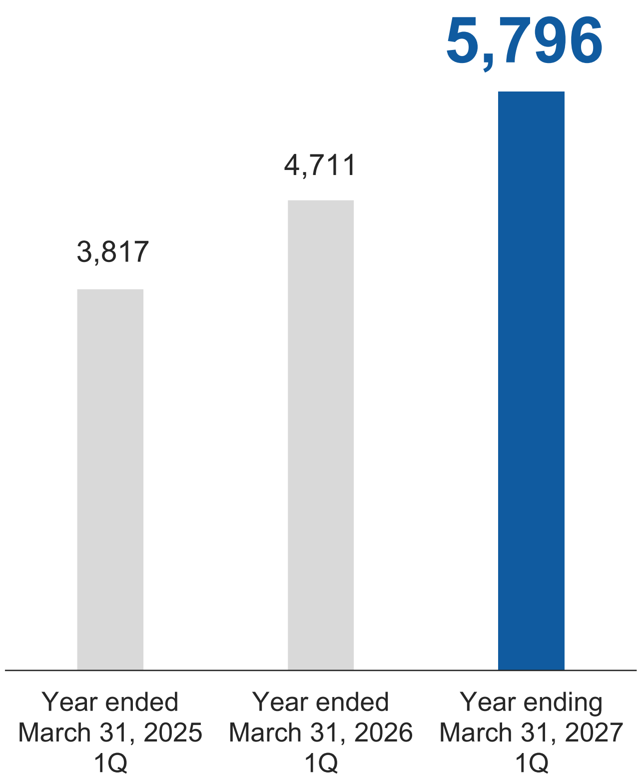
# Financial Results for 1Q of the Fiscal Year Ending March 31, 2027

## Strategic investments are progressing as planned; profits at all levels exceeded plan

### Net sales (Millions of yen)

**+23.0%** YoY

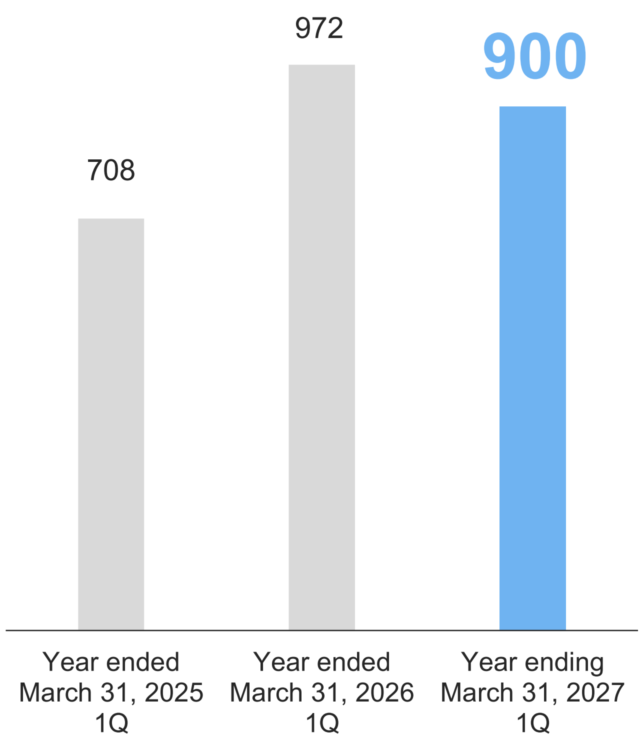
**+2.5%** versus plan



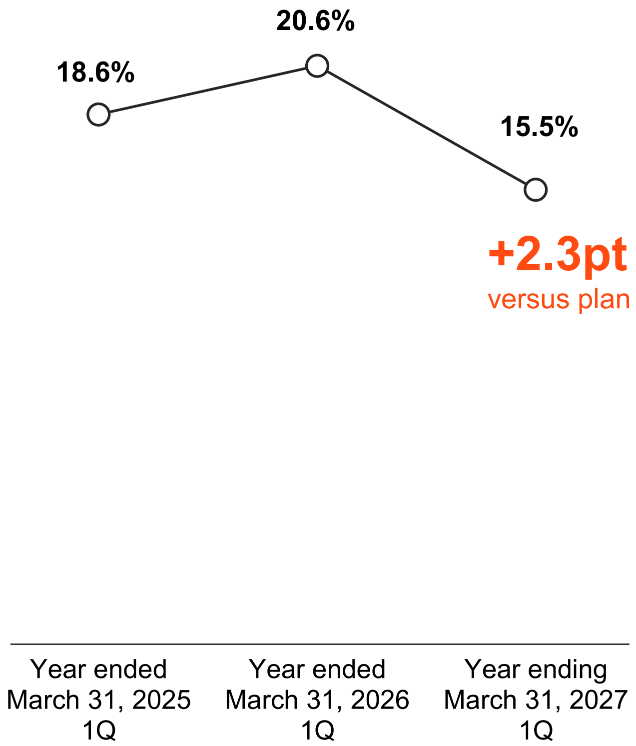

### Operating profit (Millions of yen)

**-7.4%** YoY

**+20.4%** versus plan




### Operating profit margin



# Summary of Financial Results for 1Q of the Fiscal Year Ending March 31, 2027

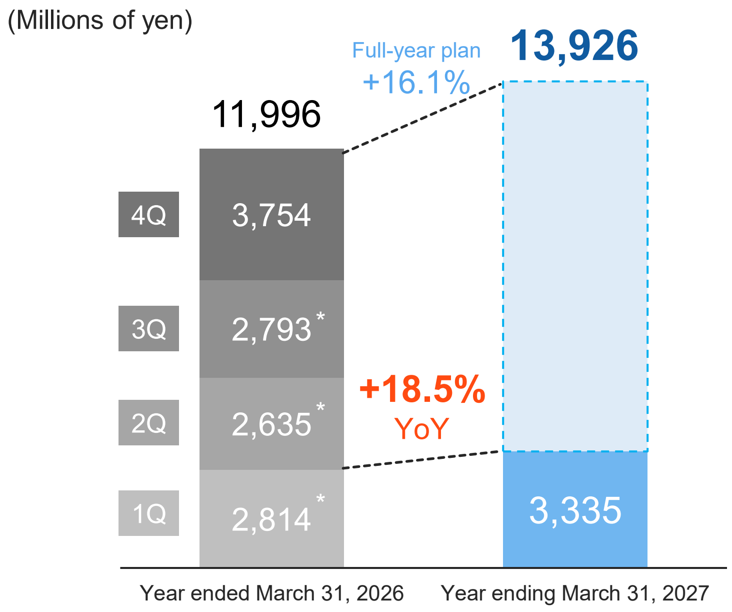
## Strategic investments are progressing as planned; profits at all levels exceeded plan

| (Millions of yen) | Year ended March 31, 2026 1Q results | Year ending March 31, 2027 1Q plan | Year ending March 31, 2027 1Q results | YoY change | Versus plan |
|---|---|---|---|---|---|
| Net sales | 4,711 | 5,652 | **5,796** | **+23.0%** | **+2.5%** |
| Operating profit | 972 | 747 | **900** | **-7.4%** | **+20.4%** |
| Operating profit margin | 20.6% | 13.2% | **15.5%** | **-5.1pt** | **+2.3pt** |
| Ordinary profit | 955 | 739 | **887** | **-7.1%** | **+20.1%** |
| Profit attributable to owners of parent | 664 | 466 | **525** | **-21.0%** | **+12.8%** |

- While sales came in above plan, expenses tracked largely in line with the plan, resulting in profits at all levels significantly exceeding plan.
- Mainstay residential and business rent guarantees performed strongly, centered on the Tokyo metropolitan area.
  The effect of expanding our store network and sales from K-net, which became a subsidiary in the previous fiscal year (no sales were recorded in 1Q of the previous fiscal year), also contributed, and net sales continued to grow at a double-digit pace, exceeding the sales plan by 2.5%.
- Strategic investments progressed as planned, 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.
- Some expenses, including personnel expenses, came in below plan, and advertising, litigation-related, and other expenses were reviewed; as a result, expenses overall tracked almost exactly in line with plan.

# Main Business: Growth Strategy of Residential Rent Guarantee

## Net sales of residential rent guarantees




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

## Market environment

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

→ **Expansion of rental demand**

- Rising rent levels, particularly in major metropolitan areas

→ **Increase in guarantee fee revenue**

## The Company's strengths in residential rent guarantee

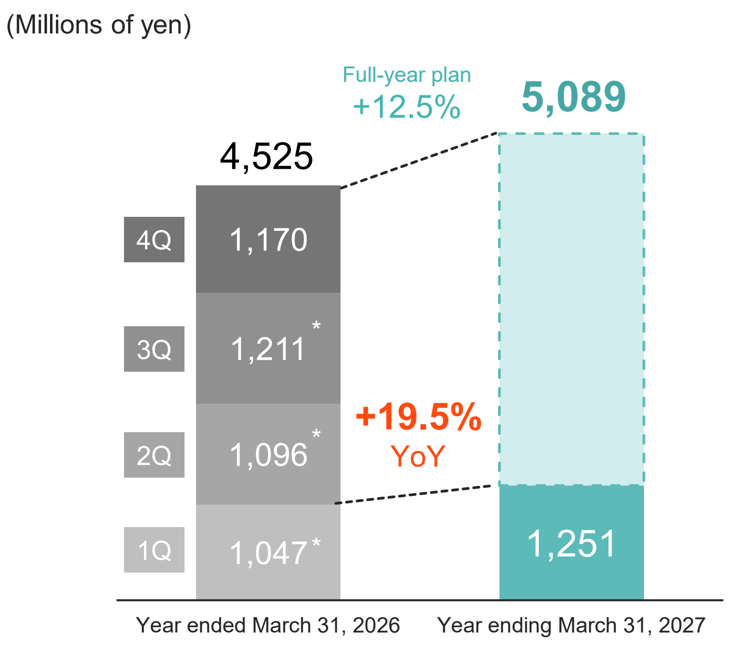
- Listed on the Prime Market of the Tokyo Stock Exchange, with proven track record and high credibility accumulated over 22 years since our establishment
- No. 1 store network in the industry; attentive service through localization
- Continued development of marketing human resources with a high level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

## Residential rent guarantee strategies

- Further expansion of the nationwide network through new stores—covering all 47 prefectures with the opening of six stores in the fiscal year under review
- Sales synergies with subsidiary K-net (expanded promotion of the whole-building guarantee service and business restructuring)
- Engagement in marketing collaborations with partner companies and approaches to large real estate companies through teams of experts selected from across the country
- Creating a next-generation guarantee platform through the expanded promotion of HOMETACT (Mitsubishi Estate Group)
- Strengthening sales in the Tokyo metropolitan area
(because the Company originated in Kyushu, its entry into the Tokyo metropolitan area came later, and its share is low with substantial room for expansion)

# Main Businesses: Growth Strategy of Business Rent Guarantee

## Net sales of business rent guarantees




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

## Market environment

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

**Market continues to grow as awareness of the service expands**

## Potential for expansion in the business rent guarantee market

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

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

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

Our estimate of the future market size takes into account factors such as the potential for an increase in the warranty utilization rate. The market size could expand further if adoption in large-scale facilities and offices, among other settings, continues to grow.

## Business rent guarantee strategies

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

# Key Performance Indicators (KPI)

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

| | Year ended March 31, 2026 1Q results | **Year ending March 31, 2027 1Q results** | YoY |
|---|---|---|---|
| Number of real estate company agreements (cases) *2 | 29,000 | **32,000** | +9.3% |
| Number of applications (cases) *2 | 71,000 | **75,000** | +5.5% |
| Average contract rent for residential use (yen) | 70,387 | **73,468** | +4.4% |
| Average contract rent for business use (yen) | 176,012 | **191,586** | +8.8% |
| Subrogation incidence rate | 6.5% | **6.8%** | +0.3pt |
| Subrogation recovery rate | 97.6% | **97.2%** | -0.4pt |
| Balance of advance subrogation payments (millions of yen) | 7,464 | **8,847** | +18.5% |
| Number of stores (stores) | 41 | **44** | +3 stores |
| Number of prefectures with stores | 38 | **41** | +3 prefectures |
| Number of employees (persons) | 445 | **484** | +39 persons |

**+0.1pt** versus plan

**+0.4pt** versus plan

**No. 1 store network in the industry**

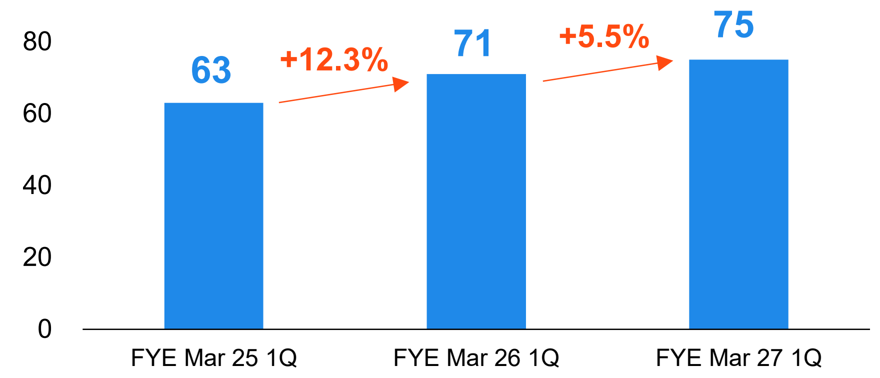
*1 Figures for each indicator are those for J-lease alone, excluding K-net
*2 Rounded down to the nearest 1,000 cases

# Key Performance Indicators (KPI)

## Subrogation recovery rate above company plan due to optimal risk controls

### Number of applications

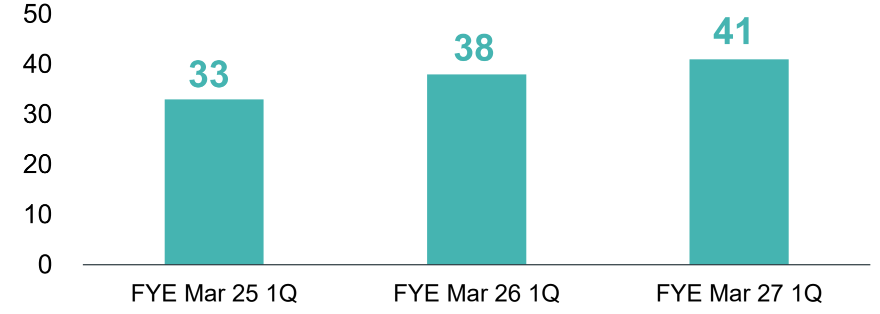
(Thousands) (J-lease alone)




- Although high prices have created a tendency to hold off on moving, the number of applications remained steady

### Number of prefectures with stores

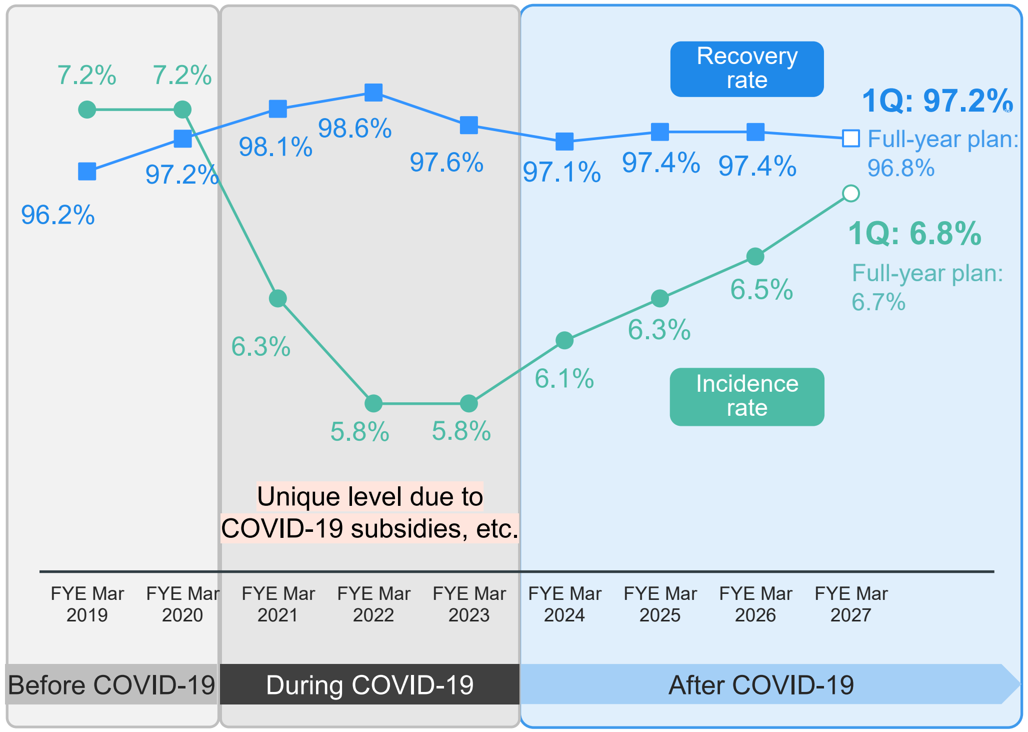
(Prefectures) (J-lease alone)




- Establishing a presence in all 47 prefectures in the fiscal year ending March 31, 2027 through the opening of six stores

### Subrogation incidence and recovery rates

(J-lease alone)




- The subrogation incidence rate is rising as anticipated, reflecting factors such as the impact of soaring prices on household finances
- Subrogation recovery rate was brought to a favorable level of 0.4 pt above the full-year plan through attentive customer service and other efforts
- The medium-term outlook for the subrogation indicators assumes an incidence rate of around 7% and a recovery rate in the 96% range

# Performance Status of Businesses in Development

## Medical expense guarantee business

**Continued high growth**

**Net sales**

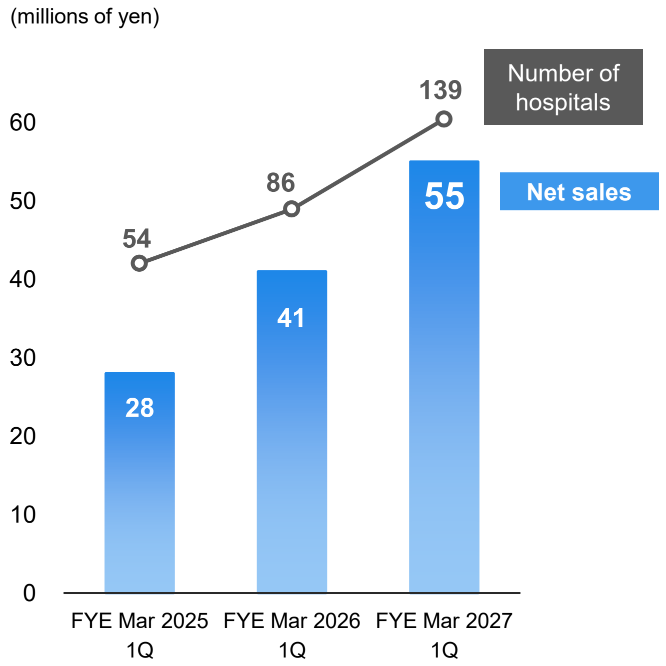
**55** million yen

(+31.8% YoY)

**Number of newly contracted medical institutions (April to June 2026)**

**19** hospitals

**Net sales, Number of hospitals**




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

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

**In line with the company plan**

**Net sales**

**58** million yen

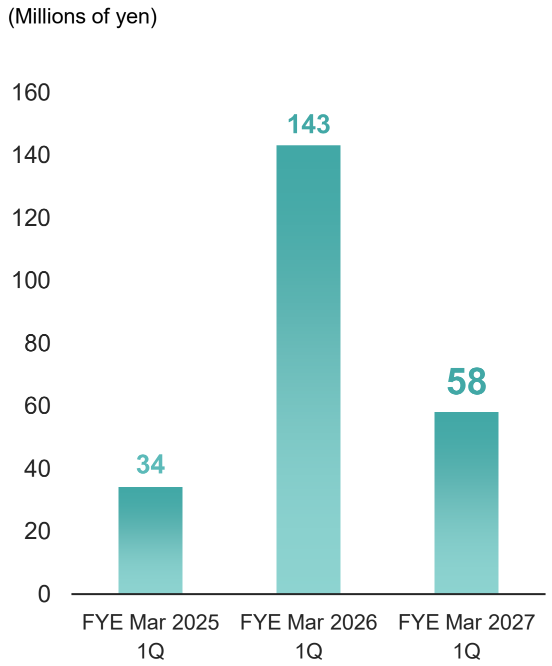
(-59.5% YoY)

**Operating loss**

**14** million yen

(Loss of 5 million yen for the same period of the previous fiscal year)

**Net sales**




- Sales declined in reaction to the 96 million yen in high-value renovation resales and real estate for sale recorded in the previous fiscal year, but progress was in line with the company plan
- Stepped up property purchasing in the previous fiscal year; aims to move into the black by advancing sales of these properties during the current fiscal year

# Performance Status of Businesses in Development

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

**Synergy strategy is underway**

**Net sales**

**401** million yen

**Operating profit**

**0** million yen

K-net alone

### Synergy strategy

**Key focus 1**

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

**K-net to specialize in whole-building guarantees**

New regular guarantees are to be gradually switched to J-lease agreements
→ Curb bad debt-related costs through improved screening accuracy

**Key focus 2**

**Sharing of overlapping service areas and appropriate allocation of human resources**

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

- Successful expansion of the whole-building guarantee service with J-lease, with multiple companies in negotiations for its adoption
- New adoptions of the whole-building guarantee service in 1Q: 28 companies (+86.7% year on year)
  ➡Whole-building guarantee = For existing tenants who currently have no guarantee, we will add a guarantee and commit to using our company's guarantee when tenants are replaced in the future.

## AIVS (IT-related business)

**Plans to strengthen collaboration within the Group**

**Net sales**

**270** million yen

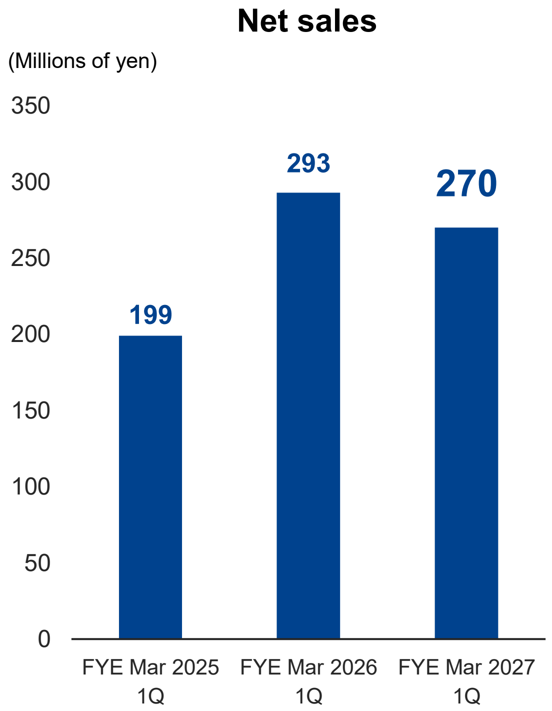
(-7.9% YoY)

**Operating loss**

**4** million yen

(Profit of 41 million yen for the same period of the previous fiscal year)

AIVS alone




- Sales declined in reaction to a strong 1Q of the previous fiscal year, when projects were concentrated, and because some projects shifted to 2Q or later, but performance remained steady
- Earnings are seasonal, with sales and profit weighted toward 4Q
- Shift to business operations that emphasize profitability, and strengthen Group collaboration by deploying AI, security, and other capabilities across the Group, with the aim of improving earnings and building a foundation for sustainable growth

# Opportunities and Risks

## Aiming for further growth by turning risks into opportunities

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

*1 According to the "Ownership and Renting Orientation" survey in the 2023 "Survey on Public Awareness of Land Issues" (Ministry of Land, Infrastructure, Transport and Tourism), the percentage of respondents who "do not mind renting or prefer renting" is on an increasing trend to 17.5% from 15.1%.

*2 The Company has expanded its services for foreign visitors to Japan (see "Notice of Expansion of Rent Guarantee Services for Foreign Visitors to Japan" dated January 24, 2024).

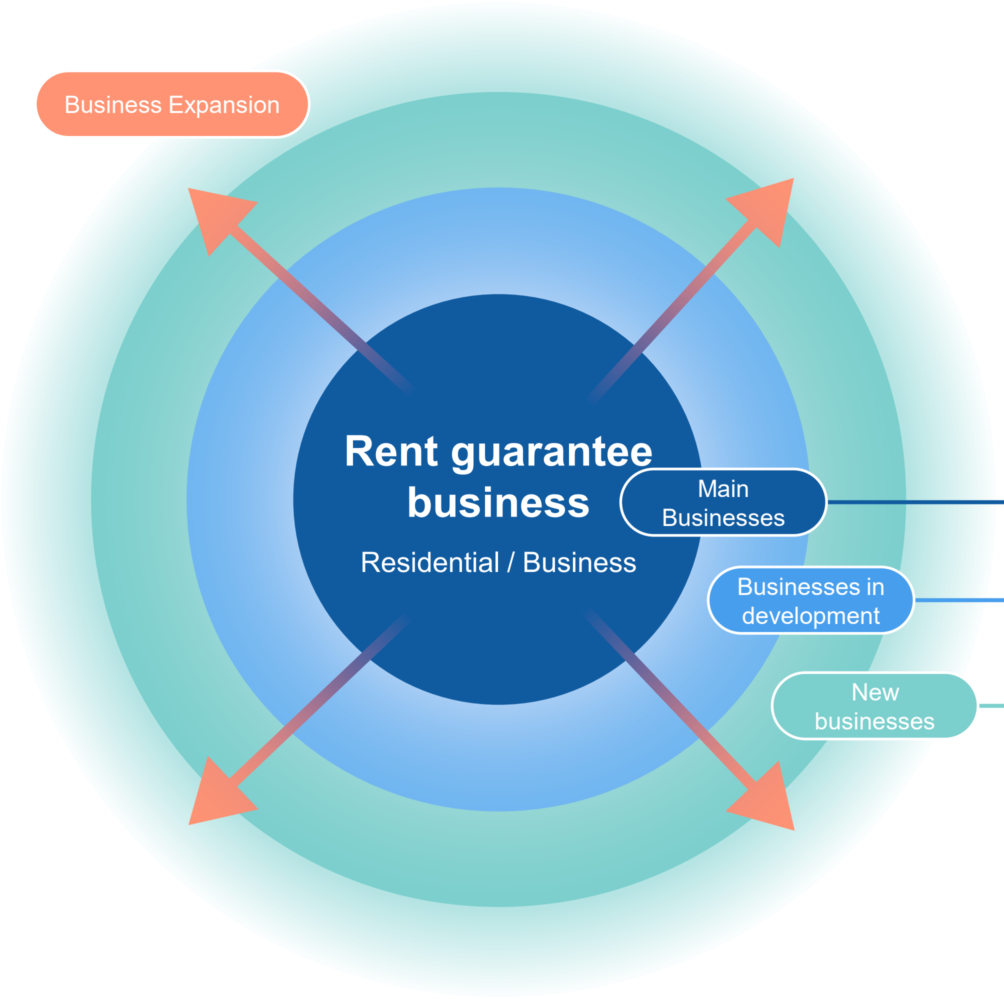
## Expanding businesses that solve social issues, aiming to realize our philosophy and vision

Corporate Philosophy

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

Vision

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




### Rent guarantee business

| | |
|---|---|
| Oct. 2017 | "J-AKINAI" Strategic business rent guarantee plan |
| April 2025 | Made K-net Co., Ltd. a subsidiary<br>➡ Acquired customers by utilizing whole-building guarantee services |
| May 2025 | Made Wellon Solutions Co., Ltd. an equity method company<br>➡ Expanded customer base by utilizing bank network |

### Businesses in development

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

### New businesses

| | |
|---|---|
| April 2024 | Made AIVS (IT-related business) a subsidiary<br>➡ Strengthened system infrastructure and implemented cross-selling |
| April 2025 | Established J-Lease Football Club Co., Ltd. (company split)<br>➡ Strengthened selling ability through enhanced brand recognition |
| July 2025 | Made JL Lab Co., Ltd.* (Advertising-related business) a subsidiary<br>➡ Strengthened marketing and promotion functions |

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

# Shareholder Returns (Dividend Forecasts)

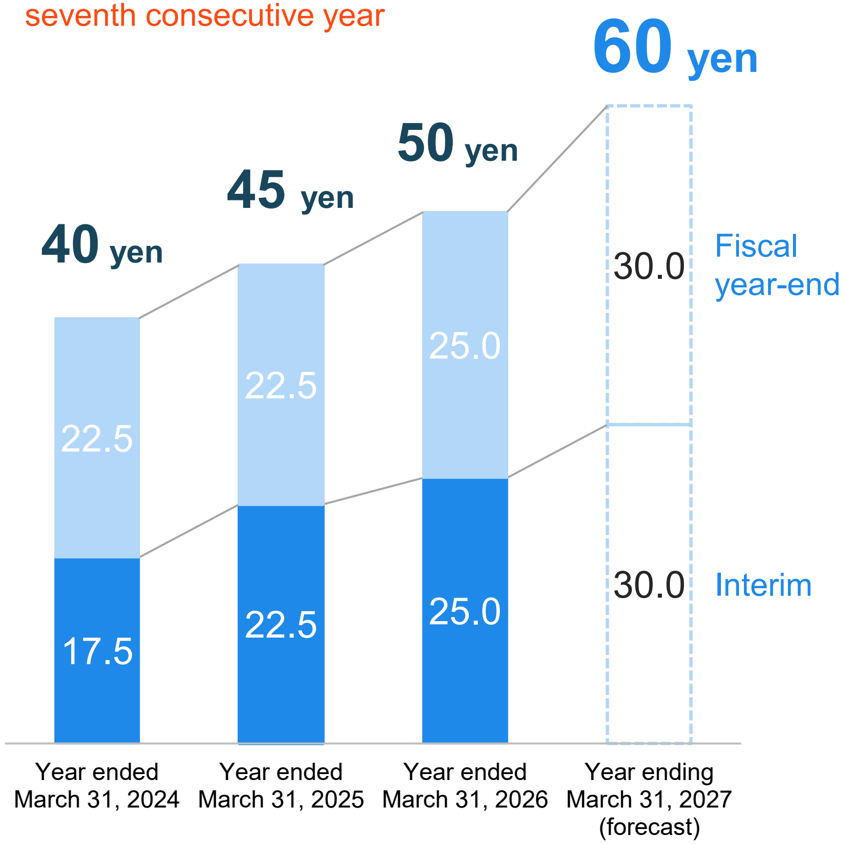
## We will raise dividends for the seventh consecutive year

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

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

### Trend of dividends

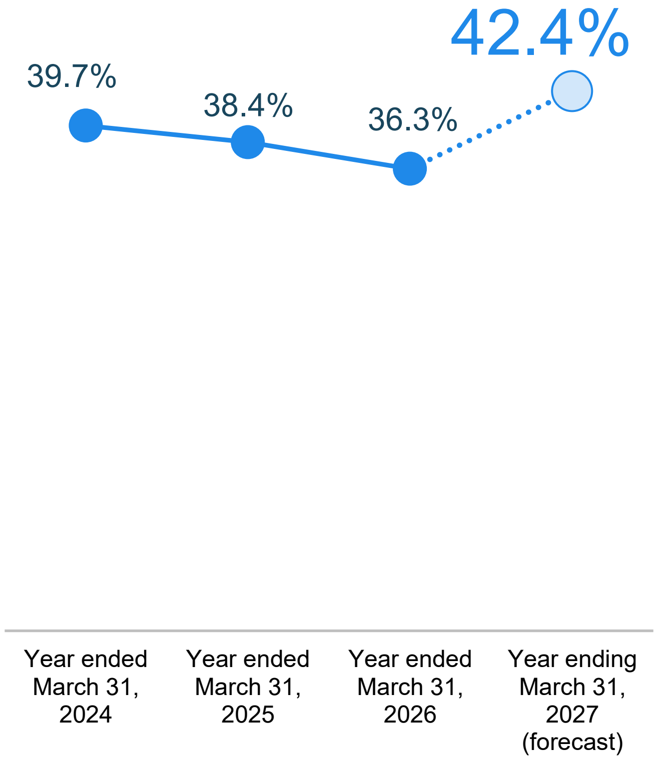
We will raise dividends for the seventh consecutive year




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

### Dividend payout ratio

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



# J-lease Group's specific initiatives for sustainability

## Environment

We recognize the impact of our business activities on the environment and climate change and will maintain our efforts to achieve a sustainable society that balances social and economic development with global environmental conservation.

### Environmental initiatives

- Changing company vehicles to EVs and hybrid cars
- Indoor temperature control in summer and winter
- Reduction of paper use through various digitization efforts
- Calculation of $CO_2$ emissions
- Eco-driving while using company vehicles
  ➡Telematics device is installed in company vehicles to manage driving conditions and control sudden starts, sudden acceleration, sudden deceleration, and idling time and to prevent speeding
- Cleanup activities by J-Lease FC at game venues
- Climate change-related disclosures (CDP score: B)

### Environmental analysis support systems

Subsidiary AIVS has developed various systems to support environmental analysis operations such as water quality inspections, air quality inspections, and legal inspections of septic tanks. It has supplied these systems to more than 200 companies and municipalities, including waterworks bureaus and factories.

eaXross

Environmental analysis support system
eaXross series

## Social

### Initiatives for housing assistance

Efforts under the Revised Act on Promotion of Offering of Rental Housing to Persons Requiring Special Assistance in Securing Housing:

- Corporation for Supporting Housing for Persons Requiring Special Assistance in Securing Housing (20 prefectures)
- Certified by the Minister of Land, Infrastructure, Transport and Tourism as certified rent guarantee company (No. 5)

### DE&I promotion

- Hiring of people with disabilities
- Scholarships to support the visually impaired (J-LEASE Scholarship Foundation)
- DE&I training for our executives through collaboration with people with intractable diseases and disabilities
- Promotion of women's advancement (women in management positions)
- Promotion of maternity and childcare leave
- Social gatherings for employees raising children (Iku Cafe)
- Social gatherings for employees involved in caregiving (Kaigo Cafe)
- Employment of foreign nationals, mainly at subsidiary Asumirai
- Web accessibility support, etc.

Introduced an in-house health keeper system
(Tokyo Head Office and Oita Headquarters)

### Social contribution through sports

The corporate-sponsored soccer team J-Lease FC is actively involved in local volunteer activities and other initiatives. The team was promoted to the Japan Football League starting from the 2026 season. We will continue to advance urban development through sports.

## Governance

### Evaluation of the effectiveness of the Board of Directors

To further strengthen the supervisory function of directors, the Company conducts independent and objective questionnaires using a third-party organization for directors to evaluate the effectiveness of the Board of Directors as a whole. Many items received positive evaluations, indicating that the Board of Directors is operating appropriately in accordance with the requirements of the Corporate Governance Code.

### Reinforcement of risk-management system


To strengthen our risk-management system, each department is working to analyze, evaluate, and control risk scenarios based on our business characteristics and comprehensive risk assessment.

### Ensuring compliance

We regard thorough compliance as our most important management responsibility. We will pursue highly transparent management and further strengthen our compliance system.

# Cautionary Statement Concerning Forward-Looking Statements

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

For IR inquiries, please contact

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信用で人をつなぐ
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