CONSOLIDATED BALANCE SHEET (Translation)

As of March 31, 2024

(Millions of yen)

ASSETS	
Account item	**Amount**
Current assets	**2,376,473**
Cash and deposits	102,958
Notes receivable-trade	1
Installment receivables	122,395
Lease receivables and investments in leases	1,156,740
Operating loans receivables	607,559
Other operating loans receivable	283,944
Lease and other receivables	3,401
Other operating assets	25,507
Merchandise	16,512
Other	64,802
Allowance for doubtful accounts	(7,350)
Non-current assets	**579,376**
Property, plant, and equipment	**416,325**
Leased assets	404,190
Leased assets	396,854
Advances for purchase of leased assets	7,335
Other operating assets	9,276
Own-used assets	2,858
Intangible assets	**20,791**
Leased assets	2,174
Goodwill	1,099
Software	2,507
Other	15,010
Investments and other assets	**142,259**
Investment securities	123,000
Distressed receivables	1,118
Deferred tax assets	4,172
Other	15,026
Allowance for doubtful accounts	(1,058)
Total assets	**2,955,849**

LIABILITIES	
Account item	**Amount**
Current liabilities	**1,547,650**
Notes and accounts payable-trade	38,334
Short-term borrowings	638,938
Current portion of bonds payable	35,000
Current portion of long-term borrowings	156,418
Commercial papers	535,929
Payables under securitization of lease receivables	46,539
Lease obligations	21,244
Income taxes payable	7,060
Deferred profit on installment sales	7,923
Provision for bonuses	2,318
Provision for bonuses for directors (and other officers)	47
Asset retirement obligations	1,306
Other	56,588
Non-current liabilities	**1,100,914**
Bonds payable	185,000
Long-term borrowings	780,544
Long-term payables under securitization of lease receivables	95,022
Deferred tax liabilities	2,554
Retirement benefit liability	5,161
Guarantee deposits received	29,065
Asset retirement obligations	599
Other	2,966
Total liabilities	**2,648,565**
NET ASSETS	
Shareholders' equity	**277,464**
Share capital	**32,000**
Capital surplus	**66,384**
Retained earnings	**179,080**
Accumulated other comprehensive income	**23,166**
Valuation difference on available-for-sale securities	**9,995**
Deferred gains or losses on hedges	**1,239**
Foreign currency translation adjustment	**11,783**
Remeasurements of defined benefit plans	**149**
Non-controlling interests	**6,652**
Total net assets	**307,284**
Total liabilities and net assets	**2,955,849**

CONSOLIDATED STATEMENT OF INCOME (Translation)

For the year ended March 31, 2024

(Millions of yen)

Account item	Amount	
Net sales		547,893
Cost of sales		472,316
Gross profit		**75,577**
Selling, general, and administrative expenses		37,573
Operating profit		**38,003**
Non-operating income		
Interest income	47	
Dividend income	828	
Share of profit of entities accounted for using equity method	1,059	
Foreign exchange gains	343	
Other	192	2,470
Non-operating expenses		
Interest expenses	550	
Bond issuance costs	382	
Other	12	945
Ordinary profit		**39,528**
Extraordinary income		
Gain on sale of non-current assets	18	
Gain on sale of investment securities	142	160
Extraordinary losses		
Loss on sale and retirement of non-current assets	138	
Loss on sale of investment securities	6	
Loss on valuation of shares of subsidiaries and associates	5	150
Profit before income taxes		**39,538**
Income taxes-current	12,295	
Income taxes-deferred	720	13,016
Profit		**26,522**
Profit attributable to non-controlling interests		18
Profit attributable to owners of parent		**26,503**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Translation)

For the year ended March 31, 2024

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	32,000	66,384	159,196	257,581
Effect of revision of accounting standards for overseas subsidiaries and affiliates			(344)	(344)
Restated balance	32,000	66,384	158,851	257,236
(Changes during period)				
Dividends from surplus			(6,275)	(6,275)
Profit attributable to owners of parent			26,503	26,503
Net changes in items other than shareholders' equity				
Total changes during period	—	—	20,228	20,228
Balance at end of period	32,000	66,384	179,080	277,464

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,446	(37)	3,882	(216)	10,076	7,685	275,343
Effect of revision of accounting standards for overseas subsidiaries and affiliates							(344)
Restated balance	6,446	(37)	3,882	(216)	10,076	7,685	274,998
(Changes during period)							
Dividends from surplus							(6,275)
Profit attributable to owners of parent							26,503
Net changes in items other than shareholders' equity	3,548	1,276	7,900	365	13,090	(1,033)	12,057
Total changes during period	3,548	1,276	7,900	365	13,090	(1,033)	32,285
Balance at end of period	9,995	1,239	11,783	149	23,166	6,652	307,284

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Translation)

For the year ended March 31, 2024

Amounts less than one million yen have been truncated.

(Notes to Significant Matters that Serve as the Basis for Preparing the Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 62

Names of principal consolidated subsidiaries are described in “Business Report 1. (6) Status of significant subsidiaries.”

PXAM G.K. and one other company have been included in the scope of consolidation due to their establishment; JM Realty Investment Limited Partnership and four other companies have been included in the scope of consolidation due to investments in them; Katsumi Global, LLC and four other companies have been included in the scope of consolidation due to acquisition; and Dionysos Maritime Y.K., which had been an unconsolidated subsidiary in the consolidated fiscal year ended March 31, 2023, has been included in the scope of consolidation due to increased materiality, effective from the consolidated fiscal year ended March 31, 2024.

Sirius Shipholding Pte. Ltd. has been excluded from the scope of consolidation due to liquidation; 2545910 ONTARIO INC. has been excluded from the scope of consolidation, as the entity dissolved due to an absorption-type merger with First Financial Canadian Leasing, LTD. as the surviving company; and JAML MRC Holding, Inc. has been excluded from the scope of consolidation, as the entity dissolved due to an absorption-type merger with JA Mitsui Leasing USA Holdings, Inc. as the surviving company, effective from the consolidated fiscal year ended March 31, 2024.

(2) Names and other information of principal unconsolidated subsidiaries

Dyna Shipholding Pte. Ltd.

Ark Capital Investment Co., Ltd.

(Reasons for excluding subsidiaries from the scope of consolidation)

Of the unconsolidated subsidiaries, Dyna Shipholding Pte. Ltd. and 42 other companies are business operators that conduct the leasing business mainly through silent partnership investments, and their assets, liabilities, and profit and loss are not attributable to those subsidiaries. Therefore, they have been excluded from the scope of consolidation.

Ark Capital Investment Co., Ltd. and 25 other companies are small in scale, and each company’s total assets, net sales, profit and loss (amount corresponding to equity), and retained earnings (amount corresponding to equity) do not significantly affect the consolidated financial statements. Therefore, they have been excluded from the scope of consolidation.

2. Application of equity method

(1) Associated companies accounted for using equity method: 13

PT. Bussan Auto Finance

Nochu-JAML Investment Advisors Co., Ltd. and 11 other companies

PT. Bussan Auto Finance and one other company have been included in the scope of the equity method effective from the consolidated fiscal year ended March 31, 2024, due to the acquisition of their equity interests.

(2) Of the unconsolidated subsidiaries or associated companies not accounted for using equity method, names of the principal companies are as follows:

Dyna Shipholding Pte. Ltd. (unconsolidated subsidiary)

Ark Capital Investment Co., Ltd. (unconsolidated subsidiary)

B&M Asset Management G.K. (associate)

(Reasons for not applying the equity method)

Of the unconsolidated subsidiaries, Dyna Shipholding Pte. Ltd. and 42 other companies are business operators that conduct the leasing business mainly through silent partnership investments, and their profit and loss are not attributable to those subsidiaries. Therefore, they have been excluded from the scope of the equity method.

Ark Capital Investment Co., Ltd. and 25 other unconsolidated subsidiaries, as well as B&M Asset Management G.K., an associate, have been excluded from the scope of the equity method due to their respective amounts of profit and loss (amount corresponding to equity) and retained earnings (amount corresponding to equity), which might not affect the consolidated financial statements, as well as their overall insignificance to the Group's interests.

3. Fiscal years of the consolidated subsidiaries

Of the consolidated subsidiaries, the closing date of JM Realty Investment Limited Partnership and 17 other companies is December 31, and the closing date of JAML Natural Energy Investment Limited Partnership and 10 other companies is January 31. In preparing the consolidated financial statements, financial statements as of these dates are used and necessary adjustments for consolidation are made for any significant transactions that occur between the consolidated closing date and these dates. The closing date of Silent Partnership Development No. 79 G.K. and one other company is September 30, and the closing date of Silent Partnership Esmeralda Lease is August 31; however, in preparing the consolidated financial statements, their financial statements as of March 31 through the temporary settlement are used.

4. Accounting standards

(1) Valuation basis and methods applied for significant assets

① Securities

Held-to-maturity securities	Amortized cost method
Available-for-sale securities	
Securities other than shares, etc., that do not have a market price	At fair value (all valuation differences are reported as a component of equity. The cost of securities sold is determined by the moving-average method.)
Shares, etc., that do not have a market price	At cost determined by the moving-average method Investments in limited partnerships, which are considered securities under Article 2, Paragraph 2 of the Japanese Financial Instruments and Exchange Act, are recorded under the equity method and based on the latest financial statements available on the reportable date ruled by the partnership contracts.
② Derivative financial instruments	At fair value
③ Inventories	At cost determined by the specific identification method (consolidated balance sheet amount is subject to the book value reduction method based on decreased profitability)

(2) Methods of depreciation and amortization applied for significant non-current assets

① Leased assets

Leased assets are depreciated under the straight-line method within the estimated lease and rent period, assuming that useful lives are the same as the estimated lease and rent period, and that residual values are the disposal price estimable at the end of the estimated lease and rent period.

For some of the leased assets, property, plant, and equipment are depreciated under the declining-balance method. However, for buildings (excluding facilities attached to buildings) acquired after April 1, 1998, and facilities attached to buildings acquired after April 1, 2016, the straight-line method is applied. Intangible assets are amortized under the straight-line method.

② Other non-current assets

Property, plant, and equipment

The declining-balance method is applied; however, for buildings (excluding facilities attached to buildings) acquired after April 1, 1998, and facilities attached to buildings and structures acquired after April 1, 2016, the straight-line method is applied.

The principal useful lives are as follows:

Buildings	2 to 38 years
Furniture and equipment	2 to 20 years

Intangible assets

The straight-line method is applied. Software for internal use is amortized under the straight-line method over internal useful lives (five years).

(3) Accounting method of deferred assets

Bond issuance costs

Bond issuance costs are recognized as expense at the time of expenditure.

(4) Significant allowance and provisions

① Allowance for doubtful accounts

For general receivables, allowance for estimated uncollectible receivables is provided for at an adequate rate calculated based on the probability of bankruptcy, while allowance for certain categories, including seriously doubtful receivables and distressed receivables, is provided for based on a case-by-case collectibility assessment. For distressed receivables, an estimated uncollectible amount is calculated by subtracting estimated collectible amounts from the receivables amount. For the year ended March 31, 2024, such estimated uncollectible amount is ¥3,215 million.

② Provision for bonuses

Of the estimated amount of bonuses payable to employees in the following fiscal year, the portion attributable to their service during the consolidated fiscal year ended March 31, 2024, has been set aside as provision for employees' bonuses.

③ Provision for bonuses for directors (and other officers)

Of the estimated amount of bonuses payable to directors in the following fiscal year, the portion attributable to their service during the consolidated fiscal year ended March 31, 2024, has been set aside as provision for bonuses for directors (and other officers).

(5) Significant income and expenses

① Accounting policy for revenues and costs from finance lease transactions

The Group adopts the method in which lease revenue and cost of lease are recorded at the time when lease fees are collectible.

② Accounting policy for revenues from operating lease transactions

The Group records lease revenues corresponding to the elapsed period of the lease contract term on the basis of the monthly lease fees collectible according to the lease contract for such contract term.

(6) Translation of significant foreign currency accounts

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates on the consolidated balance sheet date, and the foreign exchange gains and losses therefrom are recognized in the consolidated statement of income.

Assets and liabilities of the overseas consolidated subsidiaries are translated into Japanese yen at the spot exchange rate on the closing date of each company. Their income and expenses are translated into Japanese yen by using the average exchange rate during the fiscal year of each company. These translation adjustments are recorded as foreign currency translation adjustment and non-controlling interests under net assets.

(7) Significant method of hedge accounting

① Method of hedge accounting

Gains or losses on derivatives are deferred until maturity of the hedged items. For a currency swap, the Group applies designated hedge accounting as far as it qualifies for the required rules, and for an interest rate swap, the Group applies the exceptional method as far as it qualifies for the required rules.

② Hedging instruments and hedged items

Hedging instruments

Interest rate swap transactions

Cross-currency interest rate swap transactions

Hedged items

Operating loans receivables and borrowings

Lease receivables and investments in leases

③ Hedge accounting policy and evaluation of the hedge effectiveness

For purposes of hedging risks from fluctuations in interest rates arising from assets and liabilities, integrated

management of assets, liabilities, and profit and loss (ALM), and securing stable income, the Group conducts derivative transactions in accordance with the internal regulations stipulated by the Management Committee.
The Group compares the cumulative changes in market fluctuations and cash flows of the hedged items against those of the hedging instruments during the period from the start of the hedging until the time when effectiveness is determined. This comparison serves as the basis for evaluating hedge effectiveness.
Evaluation of the effectiveness of interest rate swap transactions based on the exceptional method has been omitted.
Of the above hedging relationships, the Group has applied the exceptional treatment defined in the "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (Practical Issues Task Force No. 40, March 17, 2022) to all hedging relationships included in the scope of the Practical Solution.
The details of the hedging relationships to which this Practical Solution is applied are as follows:
Method of hedge accounting

Deferred hedge method and exceptional method for interest rate swap

Hedging instruments

Interest rate swap transactions and cross-currency interest rate swap transactions

Hedged items

Operating loans receivables and borrowings, and lease receivables and investments in leases

Types of hedging transactions

Hedging transactions that offset market fluctuation and hedging transactions that fix cash flows

(8) Amortization method and amortization period of goodwill
Goodwill is amortized using the straight-line method over the period, not exceeding 20 years, during which its effect will last.
(9) Other significant matters that serve as the basis for preparing the consolidated financial statements
Accounting treatment for retirement benefits
Attribution method of the estimated amount of retirement benefits
In calculating projected benefit obligations, the estimated amount of retirement benefits by the end of the consolidated fiscal year ended March 31, 2024, is attributed on a straight-line basis.
Accounting method for actuarial differences and past service costs
Past service costs are recognized in each fiscal year, as they arise.
Actuarial differences are charged to income on a straight-line basis, beginning from the consolidated fiscal year following the respective accounting period of recognition, over a period within the average remaining years of service of employees (9 to 19 years) at that time.

(Notes to Accounting Estimates)

Recording of allowance for doubtful accounts

(1) Amount recorded in the consolidated fiscal year ended March 31, 2024

	(Millions of yen)
Allowance for doubtful accounts (current)	(7,350)
Allowance for doubtful accounts (non-current)	(1,058)

(2) Other information that facilitates understanding about the nature of estimates

① Method of estimation

The same information is described in 4. under “Notes to Significant Matters that Serve as the Basis for Preparing the Consolidated Financial Statements.”

② Main assumptions used for estimation

The levels of credit risk are determined based on the business conditions of customers, by conducting regular self-assessments in accordance with the self-assessment regulations established by the Group.

③ Impact on consolidated financial statements for the next consolidated fiscal year

The Group has determined that the accounting estimates used to value receivables are reasonable and that sufficient allowance for doubtful accounts was recorded. However, the valuation of receivables entails uncontrollable uncertainties and may fluctuate depending on the business conditions of customers, changes in the value of collateral, and unpredictable changes in assumptions. Allowance for doubtful accounts, therefore, may increase or decrease in the consolidated financial statements for the next consolidated fiscal year.

(Notes to Consolidated Balance Sheet)

1. Assets pledged as collateral and corresponding liabilities

(1) Assets pledged as collateral

	(Millions of yen)
Installment receivables	5,161
Lease receivables and investments in leases	118,110
Operating loans receivables	34,673
Other operating loans receivable	966
Investment securities	7,805
Other (investments and other assets)	15
Total	166,733

(2) Liabilities corresponding to assets pledged as collateral

	(Millions of yen)
Current portion of long-term borrowings	548
Payables under securitization of lease receivables	46,539
Long-term borrowings	11,902
Long-term payables under securitization of lease receivables	95,022
Total	154,013

2. Accumulated depreciation of property, plant, and equipment

	(Millions of yen)
Accumulated depreciation of leased assets	87,925
Accumulated depreciation of own-used assets	3,624

3. Contingent liabilities

Contingent liabilities for other companies' borrowings, etc., from financial institutions

	(Millions of yen)
LNG CORNFLOWER SHIPPING CORPORATION	12,648
M&M Shipholding Pte. Ltd.	10,487
Other	1,904
Total	25,040

4. Notes maturing on the last day of the fiscal year

Notes maturing on the last day of the consolidated fiscal year are accounted for as settled on the clearing date. As the last day of the consolidated fiscal year ended March 31, 2024, fell on a bank holiday, the following notes maturing on the last day of the consolidated fiscal year are still included in the balance as of March 31, 2024.

	(Millions of yen)
Notes receivable-trade	0
Notes received for installment receivables	67
Notes received for lease receivables and investments in leases	5
Notes received for other operating loans receivable	531
Other notes received	37

(Notes to Consolidated Statement of Changes in Net Assets)

1. Number of issued and outstanding shares

(Thousand shares)

Class of shares	Number of shares at the beginning of the consolidated fiscal year	Number of increased shares during the consolidated fiscal year	Number of decreased shares during the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Issued and outstanding shares				
Ordinary shares	32,415	—	—	32,415
Class I classified shares	4,077	—	—	4,077
Class II classified shares	33,448	—	—	33,448
Class III classified shares	3,883	—	—	3,883
Total	73,824	—	—	73,824

2. Matters regarding dividends

(1) Amount of dividend payments

Dividend payments resolved at the 15th annual general meeting of shareholders held on June 29, 2023.

- Total amount of dividends ¥6,275 million
- Dividend per share
  - Ordinary shares ¥85
  - Class I classified shares ¥85
  - Class II classified shares ¥85
  - Class III classified shares ¥85
- Record date March 31, 2023
- Effective date June 30, 2023

(2) Dividends with a record date in the current consolidated fiscal year and effective date in the next consolidated fiscal year

At the 16th annual general meeting of shareholders scheduled to be held on June 27, 2024, the Group will make the following proposals to be discussed and resolved:

- Total amount of dividends ¥7,899 million
- Dividend per share
  - Ordinary shares ¥107
  - Class I classified shares ¥107
  - Class II classified shares ¥107
  - Class III classified shares ¥107
- Record date March 31, 2024
- Effective date June 28, 2024

The source of dividends is retained earnings.

(Notes to Financial Instruments)

1. Matters relating to the status of financial instruments

(1) The Group's policy for financial instruments

The Group raises funds by direct financing, such as issuance of commercial papers and bonds payable, as well as securitization of receivables, along with indirect financing, including bank borrowings, in order to develop its core leasing business and other financial service businesses, including installment sales and loans to customers. The Group avoids concentration risk on specific industries or companies. It also periodically quantifies the amount of credit risks associated with its credit portfolios (the difference between credit VaR at a specified confidence level and credit costs) with the aim of maintaining a sound financial position.

From the perspective of stable finance, the Group seeks to diversify methods of financing and deconcentrate trading financial institutions for borrowings, and the issuance of commercial papers and bonds payable. It also implements integrated asset and liability management (ALM) with the aim of keeping up with changes in financial conditions and engages in derivative transactions as part of ALM. Derivative transactions are used with the objective of avoiding risks and not for speculative purposes.

(2) Details of financial instruments and their risks

Financial assets held by the Group are primarily lease receivables, investments in leases, installment receivables, and other operating loans receivable involving domestic clientele, all of which are exposed to credit risk associated with the event of default by customers.

Bank borrowings and issuance of commercial papers and bonds payable are all exposed to liquidity risk involving difficulty in ensuring the procurement of sufficient funds via normal fund-raising activities in the event of significant dysfunction of the financial/capital markets. Furthermore, borrowings at variable interest rates are exposed to interest rate risk, which is partially avoided by interest rate swap transactions. Leases, installment sales, and loan transactions denominated in foreign currencies are exposed to exchange risk, which is mitigated by foreign currency denominated borrowing.

One area of the derivative transactions in which the Group is engaged is interest rate swap transactions deployed as hedging instruments as part of the integrated asset and liability management (ALM) in which interest rate risk associated with the hedged borrowing is subject to hedge accounting. Under hedge accounting, the Group compares the cumulative changes in cash flows of the hedged items against those of the hedging instruments during the period from the start of the hedging until the time at which effectiveness is determined. This comparison serves as the basis for evaluating hedge effectiveness.

(3) Risk management system for financial instruments

① Management of credit risks

In accordance with the internal rules for credit risks, the Group has developed and maintains a credit management system in respect of its trade receivables, including credit assessment and management of credit limits and credit data on a case-by-case basis, internal credit rating, application of a ceiling system to avoid credit concentration risk, arrangement of guarantee and security, and response to questionable receivables. In addition, the Group periodically quantifies credit risks (the difference between credit VaR at a specified confidence level and credit costs) in order to analyze and monitor its exposure to credit risks.

② Management of financial market risks

The Group manages interest rate risk on the basis of the integrated asset and liability management (ALM). Details of the methods and procedures of the risk management are set out under the Group's Risk Management Policies, while analysis of financial market trends and identification/confirmation of interest rate risk position, along with discussion/approval on the future policies for handling this type of risk, are carried out by the Integrated Risk Management Committee. Exchange risk is managed on a case-by-case basis. Furthermore, for quantitative analysis of the interest rate risk, the Group calculates the amount of impact on profit and loss by simulating the reasonably expected moving range of interest rate risk after the year-end; and assuming that all risk variables other than interest rates remain the same, calculations indicate that the fair value of financial assets and financial liabilities will increase by ¥1,670 million based on the scenario where the benchmark interest rate increases by 10 basis points (0.1%) as of March 31, 2024.

③ Management of liquidity risks concerning financing

The Group engages in liquidity management of company-wide funds via ALM, along with other measures, including the maintenance of adequate balance of cash and deposits, diversification of fund-raising methods, establishment of commitment lines from a number of financial institutions, and an optimum mix of short-term and long-term financing in consideration of the market environment.

(4) Supplementary information on matters relating to the fair value of financial instruments

The fair value of financial instruments is calculated based on certain assumptions; therefore, the value may vary if different assumptions are applied.

2. Matters relating to the fair value of financial instruments

Consolidated balance sheet amounts, fair value, and the differences as of March 31, 2024, are as follows. Shares, etc., that do not have a market price and investments in partnerships, etc., are not included in the table below (please refer to Note 1). Note to cash is omitted. Notes to short-term borrowings, commercial papers, and payables under securitization of lease receivables are also omitted, as they are settled in a short period; thus, their book value is approximate to their fair value.

(Millions of yen)

	Consolidated balance sheet amounts	Fair value	Differences
(1) Installment receivables (*1)	114,472		
Allowance for doubtful accounts (*2)	(685)		
	113,786	113,287	(499)
(2) Lease receivables and investments in leases	1,156,740		
Estimated residual value (*3)	(41,034)		
Allowance for doubtful accounts (*2)	(2,378)		
	1,113,328	1,106,110	(7,218)
(3) Operating loans receivables	607,559		
Allowance for doubtful accounts (*2)	(2,517)		
	605,042	603,313	(1,729)
(4) Other operating loans receivable	283,944		
Allowance for doubtful accounts (*2)	(123)		
	283,820	283,804	(16)
(5) Investment securities			
Available-for-sale securities	48,487	48,487	—
(6) Distressed receivables	1,118		
Allowance for doubtful accounts (*2)	(1,015)		
	102	102	—
Total assets	2,164,567	2,155,104	(9,463)
(1) Bonds payable (*4)	220,000	218,811	(1,188)
(2) Long-term borrowings (*5)	936,963	932,293	(4,669)
(3) Long-term payables under securitization of lease receivables (*6)	141,561	140,350	(1,211)
Total liabilities	1,298,524	1,291,455	(7,069)
Derivative transactions (*7)			
1) Derivative transactions to which hedge accounting is not applied	29	29	—
2) Derivative transactions to which hedge accounting is applied	3,671	3,671	—
Total derivative transactions	3,701	3,701	—

(*1) Deferred profit on installment sales has been deducted from installment receivables.
(*2) Corresponding allowance for doubtful accounts has been deducted.
(*3) Estimated residual value included in investments in leases has been deducted.
(*4) Current portion of bonds payable is included.
(*5) Current portion of long-term borrowings is included.
(*6) Long-term payables under securitization of lease receivables scheduled to be repaid within one year as included in payables under securitization of lease receivables are included.
(*7) Actual receivables and payables derived from derivative transactions are represented as net amounts.

(Note 1) Consolidated balance sheet amounts of shares, etc., that do not have a market price and investments in partnerships, etc., are as follows. These items are not included in "Assets (5) Investment securities."

(Millions of yen)

Classification	Consolidated balance sheet amounts
Unlisted shares (*1) (*3)	28,954
Investments in partnerships, etc. (*2)	45,558

(*1) Unlisted shares are not disclosed at fair values in accordance with Item 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

(*2) Investments in partnerships, etc., are primarily investments in silent partnerships and investment associations, as well as money held in trust, etc., that has investments in silent partnerships as the trust assets. These items are not disclosed at fair values in accordance with Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(*3) An impairment loss of ¥5 million was recognized for unlisted shares, etc., in the consolidated fiscal year ended March 31, 2024.

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value:

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest-level input that is significant to the entire measurement.

(1) Financial assets and financial liabilities measured at fair value on the consolidated balance sheet

For the fiscal year ended March 31, 2024

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	18,935	4,123	—	23,059
Bonds payable	—	—	3,637	3,637
Other	—	21,240	550	21,790
Derivative transactions				
Currency related	—	58	—	58
Interest rates related	—	4,165	—	4,165
Total assets	18,935	29,587	4,187	52,710
Derivative transactions				
Currency related	—	1	—	1
Interest rates related	—	521	—	521
Total liabilities	—	522	—	522

(2) Financial assets and financial liabilities not measured at fair value on the consolidated balance sheet

For the fiscal year ended March 31, 2024

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Installment receivables	—	—	113,287	113,287
Lease receivables and investments in leases	—	—	1,106,110	1,106,110
Operating loans receivables	—	—	603,313	603,313
Other operating loans receivable	—	—	283,804	283,804
Distressed receivables	—	—	102	102
Total assets	—	—	2,106,617	2,106,617
Bonds payable	—	218,811	—	218,811
Long-term borrowings	—	—	932,293	932,293
Long-term payables under securitization of lease receivables	—	—	140,350	140,350
Total liabilities	—	218,811	1,072,644	1,291,455

(Note 1) A description of the valuation technique(s) and inputs used in the fair value measurements

<u>Investment securities</u>

Listed shares are measured using quoted prices. The fair value of listed shares that are traded in active markets is classified as Level 1. On the other hand, the fair value of listed shares held by the Company that are not traded frequently in the public market and not considered to have quoted prices in active markets is classified as Level 2. The fair value of investment trusts is measured using published net asset value, and is classified as Level 2. The fair value of investment securities that use significant unobservable inputs is classified as Level 3. The fair value of share acquisition rights for unlisted shares is classified as Level 3, but measurement is omitted due to a lack of materiality.

<u>Derivative transactions</u>

The fair value of interest rate swaps, currency swaps, and forward exchange contracts is measured using observable inputs, such as interest rates and exchange rates, and is classified as Level 2.

<u>Installment receivables, lease receivables and investments in leases, operating loans receivables, and other operating loans receivable</u>

The fair value of installment receivables, lease receivables and investments in leases, operating loans receivables, and other operating loans receivable is categorized by a specified period and measured using the discounted cash flow method based on future cash flows and the hypothetical interest rate assumed applicable to new contracts under similar conditions, for each type of credit risk categorized for credit management purposes, and is classified as Level 3.

Distressed receivables

The fair value of distressed receivables is measured at their book value, less the estimated bad debt, which is calculated based on the estimated amount to be recovered through collateral or guarantee, and is classified as Level 3.

Bonds payable

The fair value of bonds payable issued by the Company is measured in reference to published quoted prices, but is classified as Level 2 because they are not traded frequently in the public market and not considered to have quoted prices in active markets.

Long-term borrowings

The fair value of long-term borrowings is measured using the discounted cash flow method based on the sum of their principal and interest (*), remaining maturities, and an interest rate reflecting credit risk, and is classified as Level 3.

(*) For long-term borrowings, subject to the exceptional method for interest rate swap transactions, the sum of their principal and interest using the rate for such interest rate swap transactions

Long-term payables under securitization of lease receivables

The fair value of long-term payables under securitization of lease receivables is classified as Level 3 because the fair value of lease receivables, etc., subject to liquidation is classified as Level 3.

(Note 2) Information about Level 3 fair value of financial assets and financial liabilities measured at fair value on the consolidated balance sheet

(1) Quantitative information on significant unobservable inputs

Classification	Valuation technique(s)	Significant unobservable inputs	Scope of inputs
Investment securities Bonds payable	Discounted cash flow method	Discount rate	7.87%

(2) A reconciliation from the beginning balances to the ending balances and losses on valuation of financial assets and financial liabilities held at the end of the fiscal year included in profit or loss for the fiscal year

(Millions of yen)

Classification	Beginning balance	Profit or loss, or other comprehensive income for the fiscal year		Changes due to purchases, issuances, sales, and settlements	Transfer to Level 3	Ending balance	Gains or losses on valuation of financial assets and financial liabilities held at the end of the fiscal year included in profit or loss for the fiscal year
		Recorded in profit or loss	Recorded in other comprehensive income				
Bonds payable	3,506	−	0	130	−	3,637	−
Other	−	−	−	−	550	550	−

(3) A description of valuation processes used for fair value measurements

At the Group, a division in charge measures fair value in accordance with accounting policies, etc., for measuring fair value. The Group verifies whether the fair value obtained is measured using valid valuation techniques and inputs, as well as whether they are classified into an appropriate level of the fair value hierarchy. In measuring fair value, the Group uses a valuation model that appropriately reflects the nature, characteristics, and risks of each asset.

(4) A narrative description of sensitivity of the fair value measurement to changes in significant unobservable inputs

Discount rate

The discount rate is the interest rate adjusted to market interest rates and consists primarily of risk premium demanded by market participants for bearing the uncertainty of cash flows of financial instruments arising from credit risk. Generally, a significant rise (decline) in the discount rate will result in a significant decrease (increase) in fair value.

(Notes to Revenue Recognition)

1. Disaggregation of revenue from contracts with customers

Revenue from contracts with customers of ¥11,940 million is included in the Group’s net sales of ¥547,893 million for the consolidated fiscal year ended March 31, 2024.

2. Basic information for understanding revenue

(Merchandise sales contracts)

Revenue from merchandise sales contracts is recognized when delivery of merchandise to a customer is completed because this is the point at which our performance obligation is deemed to have been satisfied.

(Electricity sales contracts)

Revenue from electricity sales contracts is recognized over time, as electricity is supplied to a customer because our performance obligation is deemed to be satisfied as electricity is supplied.

(Notes to Per Share Information)

1. Book value per share	¥7,401.43
2. Earnings per share	¥359.01

BALANCE SHEET (Translation)

As of March 31, 2024

(Millions of yen)

ASSETS

Account item	Amount
Current assets	**1,881,044**
Cash and deposits	44,566
Installment receivables	83,871
Lease receivables	279,827
Investments in leases	518,241
Operating loans receivables	374,842
Other operating loans receivable	103,388
Lease and other receivables	946
Other operating assets	15,920
Advance on contracts	5,826
Prepaid expenses	2,844
Short-term loan receivables	436,658
Other	16,630
Allowance for doubtful accounts	(2,518)
Non-current assets	**267,424**
Property, plant, and equipment	**13,791**
Leased assets	13,104
Own-used assets	686
Intangible assets	**6,796**
Leased assets	230
Software	2,245
Other	4,320
Investments and other assets	**246,835**
Investment securities	58,368
Shares of subsidiaries and associates	98,040
Long-term loan receivables	82,814
Distressed receivables	702
Long-term prepaid expenses	94
Deferred tax assets	350
Other	7,160
Allowance for doubtful accounts	(694)
Total assets	**2,148,468**

LIABILITIES

Account item	Amount
Current liabilities	**1,073,921**
Notes payable-trade	1,437
Accounts payable-trade	27,497
Short-term borrowings	245,350
Current portion of bonds payable	35,000
Current portion of long-term borrowings	122,161
Commercial papers	535,929
Payables under securitization of lease receivables	46,331
Lease obligations	15,020
Accounts payable-other	10,278
Accrued expenses	1,941
Income taxes payable	3,960
Advances received on lease contracts	5,362
Deposits received	15,875
Unearned revenue	6
Deferred profit on installment sales	5,774
Provision for bonuses	1,585
Provision for bonuses for directors (and other officers)	43
Other	366
Non-current liabilities	**849,766**
Bonds payable	185,000
Long-term borrowings	557,995
Long-term payables under securitization of lease receivables	93,993
Provision for employees' retirement benefits	4,316
Guarantee deposits received	7,886
Other	575
Total liabilities	**1,923,688**
NET ASSETS	
Shareholders' equity	**214,404**
Share capital	**32,000**
Capital surplus	**66,264**
Legal capital surplus	30,000
Other capital surplus	36,264
Retained earnings	**116,139**
Legal retained earnings	412
Other retained earnings	115,727
Retained earnings brought forward	115,727
Valuation and translation adjustments	**10,375**
Valuation difference on available-for-sale securities	**9,925**
Deferred gains or losses on hedges	**450**
Total net assets	**224,780**
Total liabilities and net assets	**2,148,468**

STATEMENT OF INCOME (Translation)

For the year ended March 31, 2024

(Millions of yen)

Account item	Amount	
Net sales		
Lease revenue	282,675	
Installment sales	15,689	
Finance revenue	15,616	
Other revenue	6,067	320,048
Cost of sales		
Cost of lease	259,701	
Cost of installment sales	13,965	
Cost of finance	86	
Financing costs	8,418	
Cost of other sales	1,492	283,665
Gross profit		**36,383**
Selling, general, and administrative expenses		19,584
Operating profit		**16,798**
Non-operating income		
Interest income	7,600	
Dividend income	9,401	
Foreign exchange gains	438	
Other	906	18,348
Non-operating expenses		
Interest expenses	7,255	
Bond issuance costs	382	
Other	8	7,646
Ordinary profit		**27,501**
Extraordinary income		
Gain on sale of non-current assets	2	
Gain on sale of investment securities	112	115
Extraordinary losses		
Loss on sale and retirement of non-current assets	129	
Loss on sale of investment securities	5	
Loss on valuation of shares of subsidiaries and associates	5	139
Profit before income taxes		**27,476**
Income taxes-current	6,544	
Income taxes-deferred	80	6,624
Profit		**20,852**

STATEMENT OF CHANGES IN NET ASSETS (Translation)

For the year ended March 31, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings	
Balance at beginning of period	32,000	30,000	36,264	66,264	412	101,150	101,562	199,827
(Changes during period)								
Dividends from surplus						(6,275)	(6,275)	(6,275)
Profit						20,852	20,852	20,852
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	14,576	14,576	14,576
Balance at end of period	32,000	30,000	36,264	66,264	412	115,727	116,139	214,404

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	6,461	(36)	6,425	206,252
(Changes during period)				
Dividends from surplus				(6,275)
Profit				20,852
Net changes in items other than shareholders' equity	3,463	486	3,950	3,950
Total changes during period	3,463	486	3,950	18,527
Balance at end of period	9,925	450	10,375	224,780

NOTES TO FINANCIAL STATEMENTS (Translation)

For the year ended March 31, 2024

Amounts less than one million yen have been truncated.

(Notes to Significant Accounting Policies)

1. Valuation basis and methods applied for assets

(1) Securities

Shares of subsidiaries and associates......................	At cost determined by the moving-average method
Available-for-sale securities	
Securities other than shares, etc., that do not have a market price..	At fair value (all valuation differences are reported as a component of equity. The cost of securities sold is determined by the moving-average method.)
Shares, etc., that do not have a market price…...........	At cost determined by the moving-average method Investments in limited partnerships, which are considered securities under Article 2, Paragraph 2 of the Japanese Financial Instruments and Exchange Act, are recorded under the equity method and based on the latest financial statements available on the reportable date ruled by the partnership contracts.
(2) Derivative financial instruments.......................................	At fair value

2. Methods of depreciation and amortization applied for non-current assets

(1) Leased assets

Leased assets are depreciated under the straight-line method within the estimated lease and rent period, assuming that useful lives are the same as the estimated lease and rent period, and that residual values are the disposal price estimable at the end of the estimated lease and rent period.

For some of the leased assets, property, plant, and equipment are depreciated under the declining-balance method. Intangible assets are amortized under the straight-line method.

(2) Other non-current assets

Property, plant, and equipment

The declining-balance method is applied; however, for facilities attached to buildings acquired after April 1, 2016, the straight-line method is applied.

The principal useful lives are as follows:

Buildings	3 to 18 years
Furniture and equipment	2 to 20 years

Intangible assets

The straight-line method is applied. Software for internal use is amortized under the straight-line method over internal useful lives (five years).

3. Accounting method of deferred assets

Bond issuance costs

Bond issuance costs are recognized as expense at the time of expenditure.

4. Translation of foreign currency accounts

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates on the balance sheet date, and the foreign exchange gains and losses therefrom are recognized in the statement of income.

5. Allowance and provisions

(1) Allowance for doubtful accounts

For general receivables, allowance for estimated uncollectible receivables is provided for at an adequate rate calculated based on the probability of bankruptcy, while allowance for certain categories, including seriously doubtful receivables and distressed receivables, is provided for based on a case-by-case collectibility assessment. For distressed receivables, an estimated uncollectible amount is calculated by subtracting estimated collectible amounts from the receivables amount. For the year ended March 31, 2024, such estimated uncollectible amount is ¥2,969 million.

(2) Provision for bonuses

Of the estimated amount of bonuses payable to employees in the following fiscal year, the portion attributable to their service during the current fiscal year has been set aside as provision for employees' bonuses.

(3) Provision for bonuses for directors (and other officers)

Of the estimated amount of bonuses payable to directors in the following fiscal year, the portion attributable to their service during the current fiscal year has been set aside as provision for bonuses for directors (and other officers).

(4) Provision for employees' retirement benefits

The Company provides the estimated year-end liabilities for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

Past service costs are recognized in each fiscal year, as they arise.

Actuarial differences are charged to income on a straight-line basis, beginning from the year after they are recognized, over the average remaining years of service of employees (13 to 16 years).

6. Income and expenses

(1) Lease accounting

① Accounting policy for revenues and costs from finance lease transactions

The Company adopts the method in which lease revenue and cost of lease are recorded at the time when lease fees are collectible.

② Accounting policy for revenues from operating lease transactions

The Company records lease revenues corresponding to the elapsed period of the lease contract term on the basis of the monthly lease fees collectible according to the lease contract for such contract term.

(2) Accounting for installment contracts

For financing-type installment contracts, the Company accounts for the amount equivalent to principal of contracts as installment receivables upon delivery of goods and records the amount equivalent to interest as installment sales as each payment becomes due.

For sales-type installment contracts, the Company accounts for in a lump-sum installment sales and costs of installment sales upon sales. Unrealized gross profits on installment receivables with installment payments becoming due at later dates are deferred.

(3) Accounting treatment for financial expenses

Total assets are divided into assets based on sales transactions and other assets, where financial expenses corresponding to the former are recorded as financing costs under the heading of operating expenses, while financial expenses corresponding to the latter are recorded as non-operating expense based on the balance proportion of such assets.

Financial expenses related to operating assets, less corresponding interest income, etc., are recorded as financing costs.

7. Method of hedge accounting

(1) Method of hedge accounting

Gains or losses on derivatives are deferred until maturity of the hedged items. For an interest rate swap, the Company applies the exceptional method as far as it qualifies for the required rules.

(2) Hedging instruments and hedged items

Hedging instruments

Interest rate swap transactions

Hedged items

Operating loans receivables and borrowings

Lease receivables and investments in leases

(3) Hedge accounting policy and evaluation of the hedge effectiveness

For purposes of hedging risks from fluctuations in interest rates arising from assets and liabilities, integrated management of assets, liabilities, and profit and loss (ALM), and securing stable income, the Company conducts derivative transactions in accordance with the internal regulations stipulated by the Management Committee.

The Company compares the cumulative changes in market fluctuations and cash flows of the hedged items against those of the hedging instruments during the period from the start of the hedging until the time when effectiveness is determined. This comparison serves as the basis for evaluating hedge effectiveness.

Evaluation of the effectiveness of interest rate swap transactions based on the exceptional method has been omitted.

8. Other significant matters that serve as the basis for preparing financial statements

Accounting treatment for retirement benefits

The method of accounting treatment for actuarial differences yet to be recognized in retirement benefits differs from the method applied for the consolidated financial statements.

(Notes to Accounting Estimates)

Recording of allowance for doubtful accounts

(1) Amount recorded in the fiscal year ended March 31, 2024

	(Millions of yen)
Allowance for doubtful accounts (current)	(2,518)
Allowance for doubtful accounts (non-current)	(694)

(2) Other information that facilitates understanding about the nature of estimates

The same information is described in "(Notes to Accounting Estimates), Recording of allowance for doubtful accounts" in the notes to consolidated financial statements.

(Notes to Balance Sheet)

1. Assets pledged as collateral and corresponding liabilities

(1) Assets pledged as collateral

	(Millions of yen)
Lease receivables	73,399
Investments in leases	43,705
Operating loans receivables	34,673
Other operating loans receivable	966
Investment securities	6,701
Other (investments and other assets)	15
Total	159,461

(2) Liabilities corresponding to assets pledged as collateral

	(Millions of yen)
Payables under securitization of lease receivables	46,331
Long-term payables under securitization of lease receivables	93,993
Total	140,325

2. Accumulated depreciation of property, plant, and equipment

	(Millions of yen)
Accumulated depreciation of leased assets	21,197
Accumulated depreciation of own-used assets	1,170

3. Contingent liabilities

Contingent liabilities for other companies' borrowings, etc., from financial institutions

	(Millions of yen)
JA Mitsui Leasing Capital Corporation	319,871
JA Mitsui Leasing Singapore Pte. Ltd.	72,371
PT. Mitsui Leasing Capital Indonesia	48,236
JA Mitsui Leasing Kyushu, Ltd.	15,600
Other	52,919
Total	508,999

4. Breakdown of lease receivables and investments in leases

(Millions of yen)

	Lease receivables	Investments in leases
Amount of receivables	300,421	536,523
Estimated residual value	—	25,861
Amount equivalent to interest receivables	20,594	44,142
Total	279,827	518,241

5. Notes received as guarantees

(Millions of yen)

Notes received for installment receivables	775
Notes received for investments in leases	152
Notes received for other operating loans receivable	4,817

6. Operating lease contract receivables under the remaining lease terms

(Millions of yen)

Other lease contract receivables	6,557

7. Trade receivables due after one year

(Millions of yen)

Installment receivables	51,828
Lease receivables	192,406
Investments in leases	362,216
Operating loans receivables	242,556
Other operating loans receivable	34,683
Operating lease contract receivables under the remaining lease terms	4,309
Total	888,001

8. Receivables and payables with subsidiaries and associated companies

(Millions of yen)

Short-term receivables	443,595
Long-term receivables	82,813
Short-term payables	113,515
Long-term payables	22,600

9. Notes maturing on the last day of the fiscal year

Notes maturing on the last day of the fiscal year are accounted for as settled on the clearing date. As the last day of the fiscal year ended March 31, 2024, fell on a bank holiday, the following notes maturing on the last day of the fiscal year are still included in the balance as of March 31, 2024.

(Millions of yen)

Notes received for installment receivables	55
Notes received for investments in leases	5
Notes received for other operating loans receivable	531
Other notes received	36

(Notes to Statement of Income)

1. Transactions with subsidiaries and associated companies

(Millions of yen)

Amount of operating transactions	
Net sales	5,296
Cost of sales	341
Selling, general, and administrative expenses	1,964
Amount of non-operating transactions	17,061

2. Breakdown of financing costs

	(Millions of yen)
Interest expenses, etc.	12,745
Interest income, etc.	(4,326)
Net balance	8,418

(Notes to Income Taxes)

1. Significant components of the Company's deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Allowance for doubtful accounts	1,702
Provision for employees' retirement benefits	1,322
Excess provision for depreciation and amortization	778
Provision for bonuses	485
Shares of subsidiaries and associates	415
Other	1,044
Deferred tax assets subtotal	5,749
Less valuation allowance	(746)
Total deferred tax assets	5,002
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(4,385)
Deferred gains or losses on hedges	(198)
Other	(67)
Total deferred tax liabilities	(4,651)
Net deferred tax assets	350

2. Significant components of difference between statutory tax rate and effective tax rate after adjustments for tax effect accounting

Statutory tax rate	30.6%
(Adjustments)	
Permanent differences, such as dividend income	(7.1)%
Withholding tax	0.2%
Inhabitant tax on per capita basis	0.2%
Other	0.2%
Effective tax rate after adjustments for tax effect accounting	24.1%

(Notes to Leased Non-current Assets)

In addition to non-current assets stated in the balance sheet, the Company uses information equipment and vehicles under lease contracts.

(Notes to Related Party Transactions)

1. Parent company and major corporate stockholder

Category	Name of related company	Percentage of voting rights (of the Company)	Relationship with related party	Description of the transaction	Transactions (Millions of yen)	Account item	Balance (Millions of yen)
Other associated company	The Norinchukin Bank	Directly 33.40%	Loan Doubled as director	Borrowings (*)	354,500	Short-term borrowings	82,000
						Current portion of long-term borrowings	15,770
						Long-term borrowings	22,600
				Payment of the interest	174	Accrued expenses	43

The terms and conditions of the above transactions and their related policies, etc.

(*) Interest rates, etc., are subject to general terms and conditions.

2. Subsidiaries, etc.

Category	Name of related company	Equity ownership percentage	Relationship with related party	Description of the transaction	Transactions (Millions of yen)	Account item	Balance (Millions of yen)
Subsidiary	JA Mitsui Leasing Kyushu, Ltd.	Directly 100%	Loan Doubled as executive officer, etc.	Loan (*1)	510,200	Short-term loan receivables	38,800
				Receipt of the interest	174	Accrued income	1
Subsidiary	JA Mitsui Leasing Auto, Ltd.	Directly 100%	Loan Doubled as executive officer, etc.	Loan (*1)	446,500	Short-term loan receivables	38,900
				Receipt of the interest	149	Accrued income	1
Subsidiary	JA Mitsui Leasing Tatemono Co., Ltd.	Directly 100%	Loan Doubled as executive officer, etc.	Loan (*1)	2,671,300	Short-term loan receivables	284,300
				Receipt of the interest	854	Accrued income	12
Subsidiary	JA Mitsui Energy Solutions, Ltd.	Directly 100%	Loan Doubled as executive officer, etc.	Loan (*1)	52,767	Short-term loan receivables	15,311
				Receipt of the interest	61	Accrued income	49
Subsidiary	JA Mitsui Leasing USA Holdings, Inc.	Indirectly 100%	Underwriting of capital increase Doubled as executive officer, etc.	Underwriting of capital increase	30,122	—	—
Subsidiary	JA Mitsui Leasing Capital Corporation	Indirectly 100%	Loan Guarantee of liability Doubled as executive officer, etc.	Loan (*1)	298,462	Short-term loan receivables	22,711
				Receipt of the interest	4,374	Long-term loan receivables	60,517
						Accrued income	53
				Guarantee of liabilities (*2)	319,871	—	—
				Receipt of the guarantee fee	423	Accrued income	121
Subsidiary	PT. Mitsui Leasing Capital Indonesia	Directly 85.00% Indirectly 14.99%	Guarantee of liability	Guarantee of liabilities (*2)	48,236	—	—
				Receipt of the guarantee fee	80	Accrued income	19
Subsidiary	JA Mitsui Leasing Singapore Pte. Ltd.	Indirectly 100%	Guarantee of liability Doubled as executive officer, etc.	Guarantee of liabilities (*2)	72,371	—	—
				Receipt of the guarantee fee	100	Accrued income	24
Subsidiary	JAML Capital One L.P.	Directly 100%	Loan	Loan (*1)	151,789	Short-term loan receivables	20,229
				Receipt of the interest	535	Accrued income	27

The terms and conditions of the above transactions and their related policies, etc.

(*1) The terms and conditions of the loans are determined in consideration of the prevailing market interest rates and other factors.

(*2) The guarantee of liabilities is for borrowings from financial institutions, and the rate of guarantee fee is reasonably determined in consideration of the prevailing market interest rates.

(Notes to Per Share Information)

1. Book value per share	¥5,061.44
2. Earnings per share	¥282.45

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 23, 2024

To the Board of Directors of
JA MITSUI LEASING, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Kensuke Yamasaki

Designated Engagement Partner,
Certified Public Accountant:

Yoshihiro Fujii

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of JA MITSUI LEASING., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2024, and the consolidated statement of income and consolidated statement of changes in net assets for the fiscal year from April 1, 2023 to March 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 23, 2024

To the Board of Directors of
JA MITSUI LEASING, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Kensuke Yamasaki

Designated Engagement Partner,
Certified Public Accountant:

Yoshihiro Fujii

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements of JA MITSUI LEASING, Ltd. (the "Company"), namely, the balance sheet as of March 31, 2024, and the statement of income and statement of changes in net assets for the 16th fiscal year from April 1, 2023 to March 31, 2024, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(Translation)

Audit Report by the Audit & Supervisory Board

Certified Copy

Audit Report

The Audit & Supervisory Board, following deliberations on the reports made by each Audit & Supervisory Board member concerning the audit of performance of duties by directors of the Company for the 16th fiscal year from April 1, 2023, to March 31, 2024, has prepared this Audit Report, and hereby reports as follows:

1. Auditing Method Used by Each Audit & Supervisory Board Member and the Audit & Supervisory Board and Details Thereof:

(1) The Audit & Supervisory Board established auditing policies, assignment of duties, and other relevant matters, and received reports from each Audit & Supervisory Board member regarding the progress and results of audits, as well as received reports from the directors, other relevant personnel, and the independent auditors regarding the performance of their duties, and sought explanations, as necessary.

(2) In conformity with the Audit & Supervisory Board member auditing standard policies established by the Audit & Supervisory Board and in accordance with the auditing policies, assignment of duties, and other relevant matters, each Audit & Supervisory Board member, while utilizing means, such as telephone lines or the Internet as well, endeavored to gather information and to create an improved environment for auditing through close communication with the directors, the Internal Audit Department, and other relevant personnel and conducted audits as follows:

1) Each Audit & Supervisory Board member attended meetings of the board of directors and other important meetings; received reports from the directors, employees, and other relevant personnel regarding the performance of their duties; sought explanations, as necessary; inspected documents involving important resolutions; and examined the operations and financial position of the Company at the head office and other principal offices of the Company. As for the subsidiaries of the Company, each standing Audit & Supervisory Board member, concurrently holding the office of Audit & Supervisory Board member of significant subsidiary, attended meetings of the board of directors of significant subsidiaries; endeavored to keep communication and share information with directors and other related personnel of the subsidiaries; and received reports from the subsidiaries, directors, and other relevant personnel regarding their businesses, as necessary. Each standing Audit & Supervisory Board member also reviewed the business report for the fiscal year and supplementary schedules thereto.

2) Each Audit & Supervisory Board member monitored and verified the content and the status of the resolution of the board of directors to establish the systems provided by Article 100, Sections 1 and 3 of the Ordinance for Enforcement of the Companies Act and the systems established pursuant to such resolution (the "Internal Control System"), which are necessary to establish the systems to ensure directors carry out their duties described in the business report in accordance with laws and regulations and the Company's Articles of Incorporation and other systems to ensure appropriateness of business of the corporate group consisting of the Company and its subsidiaries. Each Audit & Supervisory Board member also sought explanations from the directors, employees, and other relevant personnel, as necessary, and expressed his/her opinions.

3) Audit & Supervisory Board members monitored and verified whether the independent auditors

maintained their independence and implemented appropriate audits, as well as received reports from the independent auditors regarding the performance of their duties, and sought explanations, as necessary. Each Audit & Supervisory Board member was notified by the independent auditors that they have established a "system to ensure that duties of independent auditors are being conducted properly" (matters prescribed in each item of Article 131 of the Corporate Accounting Regulations) and that the system is developed and implemented in accordance with the "Quality Control Standards for Audit" (Business Accounting Council) and other applicable standards, and sought explanations, as necessary. Audit & Supervisory Board members discussed with the independent auditors on key considerations in audits, received reports regarding the implementation of audits on them, and sought explanations, as necessary.

Based on the foregoing method, Audit & Supervisory Board members reviewed the business report and supplementary schedules thereto, the financial statements for the fiscal year (balance sheet, statement of income, statement of changes in net assets, and the related notes), and supplementary schedules thereto, as well as the consolidated financial statements for the fiscal year (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and the related notes).

2. Audit Results

(1) Audit Results on the Business Report, etc.

1) In our opinion, the business report and supplementary schedules thereto fairly represent the Company's condition in conformity with the applicable laws and regulations, as well as the Articles of Incorporation of the Company.

2) We have found no evidence of misconduct or material facts in violation of the applicable laws and regulations, nor of any violation with respect to the Articles of Incorporation of the Company, related to performance of duties by the directors.

3) In our opinion, the status of the operation and maintenance of the Internal Control System is appropriate. We have found no issues to be mentioned on the contents of the business report and the directors' performance of their duties with respect to the Internal Control System.

(2) Results of Audit of the Financial Statements and Supplementary Schedules

In our opinion, the method and the results of the audit used and conducted by Deloitte Touche Tohmatsu LLC, the independent auditors, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

In our opinion, the method and the results of the audit used and conducted by Deloitte Touche Tohmatsu LLC, the independent auditors, are appropriate.

May 27, 2024

The Audit & Supervisory Board of JA Mitsui Leasing, Ltd.

Standing Audit & Supervisory Board member	Yoshimi Sugawara
Standing Audit & Supervisory Board member	Hideyuki Takeda
Audit & Supervisory Board member	Hideo Tsukamoto

(Note) Hideyuki Takeda, a standing Audit & Supervisory Board member, and Hideo Tsukamoto, an Audit & Supervisory Board member, are the outside Audit & Supervisory Board members as set forth in Article 2, Item 16 and Article 335, Section 3 of the Companies Act.