May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

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(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	648,083	8.9	(129,827)	–	(128,174)	–	(144,756)	–
March 31, 2025	595,265	8.6	48,619	27.9	48,384	22.4	37,411	41.2

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥(139,175) million [–%]
For the fiscal year ended March 31, 2025: ¥40,972 million [3.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	(1,989.70)	–	(53.2)	(3.9)	(20.0)
March 31, 2025	511.33	490.00	11.9	1.5	8.2

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥576 million
For the fiscal year ended March 31, 2025: ¥783 million

Note: Diluted earnings per share for the fiscal year ended March 31, 2026 is not presented as the basic earnings per share is a loss, although there are dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	3,223,695	216,259	6.6	3,128.86
March 31, 2025	3,401,816	334,787	9.7	8,590.32

Reference: Equity
As of March 31, 2026: ¥213,174 million
As of March 31, 2025: ¥330,700 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	85,392	(8,461)	(87,034)	63,119
March 31, 2025	(364,294)	(16,838)	372,043	100,036

2. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	610,800	(5.8)	48,700	–	49,700	–	35,800	–	492.08

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Pacifico Energy Sano GK)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement of revisions: None

(3) Number of issued shares (ordinary shares)

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

As of March 31, 2026	48,727,826 shares
As of March 31, 2025	31,429,396 shares

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

As of March 31, 2026	– shares
As of March 31, 2025	– shares

(iii) Average number of shares outstanding during the period

For the fiscal year ended March 31, 2026	72,752,756 shares
For the fiscal year ended March 31, 2025	73,165,839 shares

Note: Class I classified shares, Class II classified shares, and Class III classified shares are included in the average number of shares outstanding during the period, as they have the same rights as ordinary shares with respect to dividends.

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

* Proper use of earnings forecast and other special matters
The consolidated earnings forecast presented herein is based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ materially due to various factors.

* Although the Company’s shares are not publicly traded, we voluntarily disclose management information to ensure timely and appropriate disclosure on an ongoing basis.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2026 (the fiscal year under review), the Japanese economy faced growing uncertainty in the international environment due to factors including U.S. tariff hikes and the tense situation in the Middle East. This led to cost-push inflation, characterized by rising prices for daily necessities such as food. However, personal consumption remained resilient, supported by wage increases and employment growth, which were driven by strong corporate earnings and capital investment. As a result, the economy maintained a moderate recovery trajectory centered on domestic demand, marking some progress toward overcoming deflation. However, given the future economic outlook—including the weakening of the yen driven by U.S. economic policies and increasingly unstable international conditions, continued upward pressure on prices, labor shortages, and geopolitical risks—we will pay closer attention than ever to the risk of a downturn in business conditions.

The Company has striven to create social and business value to “Realize Sustainable Growth by Providing Diverse Solutions to Society, Local Communities, and Clients,” its basic policy under the medium-term management plan, “Sustainable Evolution 2028,” launched in FY2025.

Furthermore, to deepen our approach to sustainability management, we have identified material issues in our aim to effectively deliver social value by leveraging the Group’s strengths and distinctive capabilities. We are focused on putting this approach into practice.

As for business results, the new transaction volume during the fiscal year under review decreased 22.0% year on year to ¥1,138.1 billion, and the balance of operating assets decreased 4.7% from the end of the previous fiscal year to ¥2,939.8 billion.

In addition, net sales increased 8.9% year on year to ¥648.0 billion, operating loss was ¥129.8 billion (compared with operating profit of ¥48.6 billion in the previous fiscal year), ordinary loss was ¥128.1 billion (compared with ordinary profit of ¥48.3 billion in the previous fiscal year), and loss attributable to owners of parent was ¥144.7 billion (compared with profit attributable to owners of parent of ¥37.4 billion in the previous fiscal year).

Business results by segment are as follows:

1) Leasing and installment

In the leasing and installment segment, the new transaction volume decreased 30.7% year on year to ¥443.8 billion, while the operating asset balance decreased 2.1% from the end of the previous fiscal year to ¥1,757.9 billion. In addition, net sales increased 6.0% year on year to ¥535.4 billion, and segment profit increased 35.9% year on year to ¥37.8 billion.

2) Financing

In the financing segment, the new transaction volume decreased 11.3% year on year to ¥600.4 billion, and the operating asset balance decreased 14.8% from the end of the previous fiscal year to ¥924.6 billion. In addition, net sales decreased 8.8% year on year to ¥61.8 billion, and segment loss amounted to ¥160.9 billion (compared with segment profit of ¥30.8 billion in the previous fiscal year).

3) Other

In the other segment, the new transaction volume decreased 34.1% year on year to ¥93.8 billion. In addition, net sales increased 126.9% year on year to ¥50.8 billion, and segment profit increased 119.5% year on year to ¥9.8 billion.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets as of the end of the fiscal year under review decreased by ¥178.1 billion from the end of the previous fiscal year to ¥3,223.6 billion. Net assets decreased by ¥118.5 billion to ¥216.2 billion, and the equity ratio decreased by 3.1 percentage points to 6.6%. However, the adjusted equity ratio, which is calculated after reflecting 50% equity credit assigned to subordinated syndicated loans, was 8.7%.

(3) Overview of Cash Flows for the Fiscal Year under Review

1) Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥85.3 billion (compared to net cash used of ¥364.2 billion in the previous fiscal year). This was mainly due to a decrease in loan claims of ¥159.0 billion, loss on retirement of leased assets and cost of products sold of ¥87.0 billion, and net decrease in lease receivables and investments in leases of ¥47.9 billion, as well as loss before income taxes of ¥126.8 billion, purchase of leased assets of ¥103.8 billion, and interest paid of ¥71.2 billion.

2) Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥8.4 billion (compared to net cash used of ¥16.8 billion in the previous fiscal year). This was mainly due to proceeds from sale and redemption of investment securities of ¥14.5 billion, as well as purchase of investment securities of ¥8.8 billion and purchase of own-used assets of ¥11.2 billion.

3) Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥87.0 billion (compared to net cash provided of ¥372.0 billion in the previous fiscal year). This was mainly due to proceeds from issuance of shares of ¥35.0 billion and a net increase of ¥16.8 billion in bank borrowings and other indirect financing, after deducting a net decrease of ¥126.9 billion in bonds and other direct financing, dividends paid of ¥11.2 billion, and purchase of treasury stock of ¥0.4 billion.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review decreased by ¥36.9 billion from the end of the previous fiscal year to ¥63.1 billion.

(4) Future Outlook

For the fiscal year ending March 31, 2027, on a consolidated basis, we forecast operating profit of ¥48.7 billion, ordinary profit of ¥49.7 billion, and profit attributable to owners of parent of ¥35.8 billion. We will promptly disclose any revisions to this forecast as necessary.

During the fiscal year under review, First Brands Group, LLC, a factoring counterparty of our Group company, filed for reorganization proceedings under Chapter 11 of the United States Bankruptcy Code. It has been indicated that First Brands Group, LLC may have engaged in practices such as inflated billing, fictitious billing, or multiple assignments of considerable amounts of its receivables.

As the receivables acquired by the Group company may also have been affected, and doubt has arisen as to the probability of collection, the Group was compelled to recognize significant credit losses as a precautionary measure.

The Company is closely monitoring the court's verification of the receivables and has established an internal task force in our group to pursue recovery of the receivables through appropriate judicial measures.

The Company has conducted a detailed review of all other factoring transactions and confirmed that no similar concerns exist in other transactions. The Company therefore considers this matter to be an isolated incident with limited impact on its other businesses.

In this context, to steadily continue its healthy business growth, and for the purpose of securing sufficient capital to a level that enables the Company to maintain its current level of financial soundness so that it can continue to contribute to society, the Company completed a third-party allotment of new shares of common stock to The Norinchukin Bank and Mitsui & Co., Ltd. on March 31, 2026. In addition, the Company has procured financing from its five main financial institutions (The Norinchukin Bank, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., and Mizuho Bank, Ltd.) through a subordinated syndicated loan with equity-like features.

As a result, we have maintained our long-term rating of "A+" and short-term rating of "a-1" from Rating and Investment Information, Inc., as well as our long-term rating of "A+" and short-term rating of "J-1" from Japan Credit Rating Agency, Ltd.

We will steadfastly address this issue, thoroughly implement measures to prevent recurrence, and continue to provide our services to society, striving to create ever greater value for society.

(5) Significant Matters Regarding the Going Concern Assumption

The Company's net assets have decreased due to a substantial loss recorded by its U.S. subsidiary during the fiscal year under review. Consequently, the Company is in breach of the financial covenants attached to certain loan agreements and commitment line agreements it has executed with certain financial institutions, and there exist events or circumstances that cast significant doubt on the going concern assumption.

However, we have been in discussions with these financial institutions to resolve the situation, and we expect them to indicate their intention not to exercise their right to declare a default under the financial covenants.

Based on these circumstances, we have determined that there are no significant uncertainties regarding the going concern assumption.

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, based on a consideration of the comparability of financial results over time and across companies. We will appropriately address the adoption of the International Financial Reporting Standards (IFRS) after considering circumstances in Japan and internationally.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	100,200	63,359
Notes receivable - trade	13	0
Installment receivables	111,098	100,682
Lease receivables and investments in leases	1,139,871	1,110,372
Operating loans receivables	754,627	822,336
Other operating loans receivables	324,545	95,718
Lease and other receivables	3,619	4,125
Other operating assets	22,506	20,184
Merchandise	26,979	18,554
Other	67,773	57,629
Allowance for doubtful accounts	(9,052)	(13,143)
Total current assets	2,542,182	2,279,820
Non-current assets		
Property, plant and equipment		
Leased assets		
Leased assets	546,681	548,063
Advances for purchase of leased assets	731	4,259
Total leased assets	547,412	552,322
Other operating assets	25,644	33,395
Own-used assets	1,965	3,755
Total property, plant and equipment	575,022	589,474
Intangible assets		
Leased assets		
Leased assets	5,166	4,704
Total leased assets	5,166	4,704
Other intangible assets		
Goodwill	249	4,863
Software	2,062	1,551
Other	23,653	33,207
Total other intangible assets	25,964	39,622
Total intangible assets	31,131	44,326
Investments and other assets		
Investment securities	226,734	281,651
Distressed receivables	1,124	1,176
Deferred tax assets	3,444	2,913
Other	23,183	25,474
Allowance for doubtful accounts	(1,005)	(1,141)
Total investments and other assets	253,480	310,074
Total non-current assets	859,634	943,875
Total assets	3,401,816	3,223,695

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,379	29,412
Short-term borrowings	760,557	704,798
Current portion of bonds payable	40,000	75,000
Current portion of long-term borrowings	261,851	223,036
Commercial papers	344,720	220,869
Payables under securitization of lease receivables	52,236	50,515
Lease obligations	18,680	13,087
Income taxes payable	10,699	9,501
Deferred profit on installment sales	7,396	5,905
Provision for bonuses	2,795	2,310
Provision for bonuses for directors (and other officers)	75	4
Asset retirement obligations	1,361	1,253
Other	69,035	46,323
Total current liabilities	1,601,789	1,382,017
Non-current liabilities		
Bonds payable	245,000	230,000
Long-term borrowings	1,078,056	1,257,699
Long-term payables under securitization of lease receivables	101,144	80,070
Deferred tax liabilities	2,576	6,627
Retirement benefit liability	5,057	2,375
Guarantee deposits received	28,637	28,345
Asset retirement obligations	1,537	1,610
Other	3,228	18,688
Total non-current liabilities	1,465,239	1,625,418
Total liabilities	3,067,028	3,007,436
Net assets		
Shareholders’ equity		
Share capital	32,000	49,500
Capital surplus	64,048	81,070
Retained earnings	208,592	52,619
Total shareholders' equity	304,640	183,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,942	11,247
Deferred gains or losses on hedges	2,322	4,791
Foreign currency translation adjustment	17,686	12,208
Remeasurements of defined benefit plans	109	1,737
Total accumulated other comprehensive income	26,060	29,985
Non-controlling interests	4,087	3,084
Total net assets	334,787	216,259
Total liabilities and net assets	3,401,816	3,223,695

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	595,265	648,083
Cost of sales	502,792	551,033
Gross profit	92,473	97,050
Selling, general and administrative expenses	43,853	226,877
Operating profit (loss)	48,619	(129,827)
Non-operating income		
Interest income	36	83
Dividend income	1,358	1,640
Share of profit of entities accounted for using equity method	783	576
Foreign exchange gains	–	229
Other	152	879
Total non-operating income	2,330	3,409
Non-operating expenses		
Interest expenses	878	1,368
Bond issuance costs	440	253
Foreign exchange losses	988	–
Other	258	134
Total non-operating expenses	2,565	1,756
Ordinary profit (loss)	48,384	(128,174)
Extraordinary income		
Gain on sale of non-current assets	14	61
Gain on sale of investment securities	7,270	1,646
Gain on sale of golf club membership	0	1
Total extraordinary income	7,285	1,709
Extraordinary losses		
Loss on sale and retirement of non-current assets	14	21
Loss on valuation of investment securities	747	343
Loss on sale of shares of subsidiaries and associates	0	–
Loss on valuation of shares of subsidiaries and associates	10	8
Total extraordinary losses	773	374
Profit (loss) before income taxes	54,897	(126,839)
Income taxes - current	15,880	15,939
Income taxes - deferred	938	617
Total income taxes	16,818	16,556
Profit (loss)	38,079	(143,396)
Profit attributable to non-controlling interests	667	1,360
Profit (loss) attributable to owners of parent	37,411	(144,756)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss)	38,079	(143,396)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,053)	5,305
Deferred gains or losses on hedges	677	2,968
Foreign currency translation adjustment	4,919	(5,563)
Remeasurements of defined benefit plans, net of tax	(39)	1,628
Share of other comprehensive income of entities accounted for using equity method	1,389	(119)
Total other comprehensive income	2,893	4,220
Comprehensive income	40,972	(139,175)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,304	(140,830)
Comprehensive income attributable to non-controlling interests	667	1,654

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	32,000	66,384	179,080	-	277,464
Changes during period					
Issuance of new shares					-
Dividends of surplus			(7,899)		(7,899)
Profit (loss) attributable to owners of parent			37,411		37,411
Purchase of treasury stock				(2,336)	(2,336)
Cancellation of treasury stock		(2,336)		2,336	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,336)	29,512	-	27,175
Balance at end of period	32,000	64,048	208,592	-	304,640

	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	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,995	1,239	11,783	149	23,166	6,652	307,284
Changes during period							
Issuance of new shares							-
Dividends of surplus							(7,899)
Profit (loss) attributable to owners of parent							37,411
Purchase of treasury stock							(2,336)
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity	(4,053)	1,083	5,903	(39)	2,893	(2,565)	328
Total changes during period	(4,053)	1,083	5,903	(39)	2,893	(2,565)	27,503
Balance at end of period	5,942	2,322	17,686	109	26,060	4,087	334,787

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	32,000	64,048	208,592	-	304,640
Changes during period					
Issuance of new shares	17,500	17,500			35,000
Dividends of surplus			(11,217)		(11,217)
Profit (loss) attributable to owners of parent			(144,756)		(144,756)
Purchase of treasury stock				(477)	(477)
Cancellation of treasury stock		(477)		477	-
Net changes in items other than shareholders' equity					
Total changes during period	17,500	17,022	(155,973)	-	(121,451)
Balance at end of period	49,500	81,070	52,619	-	183,189

	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	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,942	2,322	17,686	109	26,060	4,087	334,787
Changes during period							
Issuance of new shares							35,000
Dividends of surplus							(11,217)
Profit (loss) attributable to owners of parent							(144,756)
Purchase of treasury stock							(477)
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity	5,305	2,469	(5,477)	1,628	3,925	(1,002)	2,922
Total changes during period	5,305	2,469	(5,477)	1,628	3,925	(1,002)	(118,528)
Balance at end of period	11,247	4,791	12,208	1,737	29,985	3,084	216,259

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	54,897	(126,839)
Depreciation of leased assets	27,949	30,193
Loss on retirement of leased assets and cost of products sold	57,696	87,099
Depreciation of own-used assets and loss (gain) on sale or disposal of assets	2,325	1,846
Amortization of goodwill	509	601
Foreign exchange losses (gains)	(5,423)	27,795
Increase (decrease) in allowance for doubtful accounts	1,574	4,237
Interest and dividend income	(1,395)	(1,723)
Capital costs and interest expenses	59,571	68,225
Share of loss (profit) of entities accounted for using equity method	(783)	(576)
Loss (gain) on sale of investment securities	(7,270)	(1,646)
Loss (gain) on valuation of investment securities	747	343
Loss on valuation of shares of subsidiaries and associates	10	8
Loss (gain) on sale of shares of subsidiaries and associates	0	–
Decrease (increase) in lease and other receivables	(223)	(415)
Decrease (increase) in installment receivables	10,814	9,762
Net decrease (increase) in lease receivables and investments in leases	10,704	47,952
Decrease (increase) in loan claims	(184,811)	159,009
Decrease (increase) in other operating assets	2,995	2,424
Decrease (increase) in inventories	(10,467)	8,425
Decrease (increase) in operational investment securities	(92,303)	(50,910)
Purchase of leased assets	(215,055)	(103,800)
Increase (decrease) in trade payables	(5,948)	(3,003)
Other, net	(2,410)	13,304
Subtotal	(296,299)	172,315
Interest and dividends received	2,199	2,388
Interest paid	(59,033)	(71,213)
Income taxes paid	(11,161)	(18,097)
Net cash provided by (used in) operating activities	(364,294)	85,392
Cash flows from investing activities		
Purchase of own-used assets	(9,746)	(11,295)
Purchase of investment securities	(16,437)	(8,852)
Proceeds from sale and redemption of investment securities	10,280	14,515
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,385)
Other, net	(935)	557
Net cash provided by (used in) investing activities	(16,838)	(8,461)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	116,180	(83,773)
Net increase (decrease) in commercial papers	(191,209)	(123,851)
Proceeds from securitization of lease receivables	62,343	30,000
Repayments of payables under securitization of lease receivables	(50,524)	(52,795)
Proceeds from long-term borrowings	573,515	329,666
Repayments of long-term borrowings	(189,387)	(229,006)
Proceeds from issuance of bonds	99,559	59,746
Redemption of bonds	(35,000)	(40,000)
Proceeds from issuance of shares	–	35,000
Purchase of treasury stock	(2,336)	(477)
Dividends paid	(7,899)	(11,217)
Other, net	(3,199)	(326)
Net cash provided by (used in) financing activities	372,043	(87,034)
Effect of exchange rate change on cash and cash equivalents	6,590	(26,812)
Net increase (decrease) in cash and cash equivalents	(2,499)	(36,916)
Cash and cash equivalents at beginning of period	102,535	100,036
Cash and cash equivalents at end of period	100,036	63,119

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group’s reportable segments are the units for which separate financial information is available, and which are regularly reviewed by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Group engages in the leasing, installment sales, and financing of machinery and equipment such as office machines, communication machines, transportation machines, machine tools, construction machinery, food machinery, medical machinery, and industrial machinery, as well as parts and various facilities related and incidental to these. The Group’s reportable segments comprise “Leasing and installment” and “Financing,” which are categorized according to the type of service.

2. Calculation method for the amounts of sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting methods used for the reportable segments are the same as those presented under “Notes to Significant Matters that Serve as the Basis for Preparing the Consolidated Financial Statements.”

The profits of the reportable segments are based on operating profit.

Internal revenues and transfers between segments are based on market prices.

3. Information on net sales, profit (loss), assets, liabilities, other items, and revenue breakdown by reportable segment

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

(Millions of yen)

	Reportable segments			Other (Note 2)	Total	Adjustment (Note 3)	Amount recorded in Quarterly Consolidated Statement of Income (Note 4)
	Leasing and installment	Financing (Note 1)	Total				
Net sales							
Net sales to outside customers (Note 5)	505,057	67,810	572,867	22,398	595,265	–	595,265
Inter-segment net sales or transfers	–	–	–	45	45	(45)	–
Total	505,057	67,810	572,867	22,444	595,311	(45)	595,265
Segment profit (loss)	27,838	30,819	58,658	4,497	63,156	(14,536)	48,619
Segment assets	1,888,492	1,126,608	3,015,100	212,758	3,227,858	173,957	3,401,816
Other items							
Depreciation	25,764	–	25,764	2,184	27,949	2,325	30,274
Increase in property, plant and equipment and intangible assets	215,055	–	215,055	4,661	219,717	9,746	229,463

Notes:

1. The “Financing” category mainly includes operations involving investments in securities held to generate financial income for business purposes.
2. The “Other” category refers to business segments not included in reportable segments and comprises trading transactions, fee transactions, insurance agency operations, and other activities.
3. The adjustment amount for segment profit (loss) represents corporate expenses associated with the parent company’s administrative divisions (general affairs, human resources, accounting, etc.) within selling, general and administrative expenses that are not attributable to reportable segments.
   The adjustment amount for segment assets mainly represents surplus operating funds, long-term investment funds, company-wide assets related to the management department, and deferred tax assets of the parent company that are not attributable to reportable segments.
   The adjustment amount for depreciation and the adjustment amount for the increase in property, plant and equipment and intangible assets are related to company-wide assets.
4. Segment profit (loss) is reconciled with operating loss in the Consolidated Statement of Income.
5. Revenue from contracts with customers included in net sales for the period under review amounted to ¥16,523 million in the “Other” category.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Other (Note 2)	Total	Adjustment (Note 3)	Amount recorded in Quarterly Consolidated Statement of Income (Note 4)
	Leasing and installment	Financing (Note 1)	Total				
Net sales							
Net sales to outside customers (Note 5)	535,454	61,812	597,266	50,817	648,083	–	648,083
Inter-segment net sales or transfers	–	–	–	90	90	(90)	–
Total	535,454	61,812	597,266	50,907	648,173	(90)	648,083
Segment profit (loss)	37,821	(160,987)	(123,166)	9,870	(113,295)	(16,532)	(129,827)
Segment assets	1,840,771	952,767	2,793,539	267,472	3,061,012	162,682	3,223,695
Other items							
Depreciation	26,743	–	26,743	3,449	30,193	1,886	32,079
Increase in property, plant and equipment and intangible assets	103,800	–	103,800	1,016	104,817	11,295	116,112

Notes:
1. The "Financing" category mainly includes operations involving investments in securities held to generate financial income for business purposes.
2. The "Other" category refers to business segments not included in reportable segments and comprises trading transactions, fee transactions, insurance agency operations, and other activities.
3. The adjustment amount for segment profit represents corporate expenses associated with the parent company's administrative divisions (general affairs, human resources, accounting, etc.) within selling, general and administrative expenses that are not attributable to reportable segments.
   The adjustment amount for segment assets mainly represents surplus operating funds, long-term investment funds, company-wide assets related to the management department, and deferred tax assets of the parent company that are not attributable to reportable segments.
   The adjustment amount for depreciation and the adjustment amount for the increase in property, plant and equipment and intangible assets are related to company-wide assets.
4. Segment profit is reconciled with operating profit in the Consolidated Statement of Income.
5. Revenue from contracts with customers included in net sales for the period under review amounted to ¥36,934 million in the "Other" category.

[Related information]

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

1. Information by product and service

Information by product and service is omitted as the classification of products and services is the same as for reportable segments.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	United States	Other	Total
482,469	74,216	38,580	595,265

(1) Property, plant and equipment

(Millions of yen)

Japan	United States	Other	Total
373,930	176,911	24,180	575,022

3. Information by major customer

Information by major customer is omitted, as no company accounts for 10% or more of the net sales presented in the Consolidated Statement of Income.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

Information by product and service is omitted as the classification of products and services is the same as for reportable segments.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	United States	Other	Total
526,960	83,509	37,613	648,083

(1) Property, plant and equipment

(Millions of yen)

Japan	United States	Other	Total
376,340	191,793	21,339	589,474

3. Information by major customer

Information by major customer is omitted, as no company accounts for 10% or more of the net sales presented in the Consolidated Statement of Income.

[Information on impairment losses by reportable segment]

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

Not applicable.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

[Information on the amortization of goodwill and the unamortized balance of goodwill by reportable segment]

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

(Millions of yen)

	Reportable segments			Other	Adjustment	Total
	Leasing and installment	Financing	Total			
Amortization	–	–	–	–	509	509
Unamortized balance at end of period	–	–	–	–	249	249

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Other	Adjustment	Total
	Leasing and installment	Financing	Total			
Amortization	–	–	–	–	601	601
Unamortized balance at end of period	–	–	–	–	4,863	4,863

[Information on gain on bargain purchase by reportable segment]

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

Not applicable.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥8,590.32	¥3,128.86
Basic earnings (loss) per share	¥511.33	¥(1,989.70)
Diluted earnings per share	¥490.00	–

(Notes) 1. Diluted earnings per share for the fiscal year ended March 31, 2026 is not presented as the basic earnings per share is a loss, although there are dilutive shares.

2. Net assets per share is calculated based on the following:

Item	As of March 31, 2025	As of March 31, 2026
Total net assets (Millions of yen)	334,787	216,259
Amounts deducted from total net assets	64,799	63,796
[Of which, paid-in amount for classified shares] (Millions of yen)	[60,712]	[60,712]
[Of which, a portion attributable to non-controlling interests] (Millions of yen)	[4,087]	[3,084]
Net assets attributable to ordinary shares (Millions of yen)	269,988	152,462
Number of ordinary shares at end of period used to calculate net assets per share (Thousands of shares)	31,429	48,727

3. Basic earnings (loss) per share and diluted earnings per share are calculated based on the following:

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	37,411	(144,756)
Amount not attributable to ordinary shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent relating to ordinary shares (Millions of yen)	37,411	(144,756)
Average number of ordinary shares outstanding during the period (Thousands of shares)	73,165	72,752
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of ordinary shares (Thousands of shares)	3,184	–
[Of which, Class I classified shares] (Thousands of shares)	[3,184]	–
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	Class II classified shares (33,448 thousand shares) Class III classified shares (3,883 thousand shares)	

(Significant subsequent events)

Not applicable.

4. Other

(1) New Transaction Volume

New transaction volumes during the fiscal years by segments are as follows:

Segments	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026	
	New transaction volume (Millions of yen)	Composition ratio (%)	New transaction volume (Millions of yen)	Composition ratio (%)
Leasing and installment	640,141	43.9	443,841	39.0
Financing	676,849	46.4	600,418	52.8
Other	142,446	9.8	93,864	8.2
Total	1,459,437	100.0	1,138,125	100.0

Notes: 1. For leasing, the amounts represent the acquisition cost of assets obtained for leasing during the fiscal year ended March 31, 2026. For installment, the amounts represent figures after deducting unrealized profit from installment receivables.
2. For financing, the amounts include securities held to generate financial income for business purposes.

(2) Operating Asset Balance

Balances of operating assets by segments are as follows:

Segments	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026	
	Balance at end of period (Millions of yen)	Composition ratio (%)	Balance at end of period (Millions of yen)	Composition ratio (%)
Leasing and installment	1,795,421	58.2	1,757,916	59.8
Financing	1,085,772	35.2	924,656	31.5
Other	203,804	6.6	257,275	8.8
Total	3,084,998	100.0	2,939,848	100.0

Notes: 1. For installment, the amounts represent figures after deducting unrealized profit from installment receivables.
2. For financing, the amounts include securities held to generate financial income for business purposes.