

November 14, 2025

For Immediate Release

JA Mitsui Leasing, Ltd.

**Notice regarding the Recognition of Losses Due to the Risk of Uncollectible or
Delayed Collection of Account Receivables at Our Group Company Katsumi Global, LLC, and
Revision of Full-Year Consolidated Earnings Forecast**

We, JA Mitsui Leasing, Ltd., hereby announce that, in relation to our October 10, 2025 press release “Information regarding the business of our group company, Katsumi Global, LLC”, and October 31 press release “Notice regarding the Recognition of Losses Due to the Risk of Uncollectible or Delayed Collection of Account Receivables at Our Group Company Katsumi Global, LLC, and Revision of Full-Year Consolidated Earnings Forecast”, we have recorded a loss due to additional recognition of the risk of uncollectible or delayed collection of account receivables at Katsumi Global, LLC. We have revised the consolidated earnings forecast for the fiscal year ending March 2026, which was previously announced on October 31, 2025.

1. Relevant Group Company:
Katsumi Global, LLC (hereinafter "KG"), registered in Texas, the United States of America
2. KG's Counterparty Confirmed for Legal Proceedings:
First Brands Group, LLC and certain affiliated companies (collectively hereinafter “FBG”), registered in Ohio, the United States of America
3. Contents:
 - On September 28, 2025, FBG, an account receivables purchase (hereinafter “ARP”) client of our group company KG, filed a voluntary petition for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code (hereinafter “ch.11”).
 - KG has acquired accounts receivable held by FBG through ARP transactions.
 - This matter is currently under review by the U.S. Bankruptcy Court (hereinafter “the Court”). Taking into account various publicly disclosed information, we issued a press release on October 31, 2025, stating that we decided to record an allowance for doubtful accounts as a precautionary measure given the potential risk of multiple assignments of receivables.

- Since our decision to take the above measures, public notices have been released intermittently, and we confirmed through the Court filings dated November 3, 2025 that a new lawsuit has been filed with FBG as the plaintiff.
- This lawsuit names the founder of FBG as the defendant and alleges that FBG incurred losses as a result of the founder's serious misconduct and misappropriation of funds.
- The detailed clarifications of this lawsuit and its financial impact will depend on the Court's findings. However, the filed complaint listed a specific example of falsified invoice used in ARP transactions with KG, and our group recognized the need for further consideration from an accounting perspective.
- After discussions with our independent auditors, based on the CECL model, we calculated an allowance for doubtful accounts from a further precautionary perspective.
CECL (Current Expected Credit Loss) model is the standard for calculating loss reserves for credit losses under generally accepted U.S. accounting standards (US-GAAP). CECL requires to estimate and recognize an allowance for credit losses over the life of a financial asset.
We reflected it into our consolidated financial results for the second quarter of the fiscal year ending March 31, 2026, in order to recognize potential credit losses in advance.

(Provision for Allowance for Doubtful Accounts)

- We recognize an allowance for doubtful accounts of 47,491 million yen in our consolidated financial results for the second quarter of the fiscal year ending March 31, 2026.
- The scope of this allowance for doubtful accounts comprehensively includes allowance for “the potential losses from multiple assignment of receivables” and “the receivables that became due for payment to KG before the ch.11 filing” (both referred to in the press release dated October 31), as well as “the possible fraudulent acts by the founder of FBG.” This represents an increase of the allowance for doubtful accounts of 28,627 million yen (an increase in loss reserve) compared to the report dated October 31, 2025.
- The ch.11 proceedings remain ongoing under the Court and we are closely monitoring the progress of the Court's investigation.
- Please note that the estimated amount of the allowance may change depending on future developments.

4. Revision of Earnings Forecast:

Taking into account the above impacts, we have revised the consolidated earnings forecast for the fiscal year ending March 2026 (April 1, 2025 – March 31, 2026) as follows.

(Earnings Forecast release dated May 13, 2025)

Unit: JPY Billion

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Full Year	616.3	51.2	51.3	35.8

(Earnings Forecast Revision release dated October 31, 2025)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Full Year	616.0	29.2	30.0	20.5

(Earnings Forecast Revision release dated November 14, 2025)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Full Year	616.0	0.6	1.3	(0.6)

Contact Information:

Corporate Communication Department, Corporate Management Division,
JA Mitsui Leasing, Ltd.

Phone : +81-3-6775-3002, E-Mail : JAMLDG1114@jamitsuilease.co.jp