

May 1, 2026

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 of Our Group Companies and Revision of Full-Year  
Consolidated Earnings Forecast**

First Brands Group, LLC (including its group companies, individually or collectively, hereinafter “FBG”), a factoring counterparty of Katsumi Global, LLC (hereinafter “KG”), a consolidated subsidiary of JA Mitsui Leasing, Ltd. (hereinafter the “Company”), as well as JA Mitsui Leasing Capital Corporation (hereinafter “JMCC”) and certain SPCs (collectively, hereinafter the “Group”), filed a petition under Chapter 11 of the U.S. Bankruptcy Code (hereinafter “Ch.11”) in September 2025.

Although various procedures are still ongoing, according to publicly disclosed information, there are indications that FBG may have engaged in fraudulent practices such as inflated billing, fictitious billing, or assignments multiple times of certain accounts receivable (hereinafter the “Receivables”) to different purchasers, and the founders of FBG and others have been indicted on charges including financial fraud.

As the Receivables acquired by the Group through factoring transactions with FBG also have been affected and doubt has arisen as to the probability of collection and the Company has elected, as a precautionary measure, to recognize additional credit losses and to directly write down the relevant amounts in accordance with U.S. GAAP.

While the Company’s contingent claims are not recorded in the financial statements, the Group will take all possible actions and vigorously pursue its rights, including legal measures against parties potentially responsible for these losses.

**1. Subject Group Companies:**

KG — registered in Texas, the United States of America

JMCC — registered in New York, the United States of America, and SPCs

**2. Counterparty of KG Under Legal Proceedings:**

FBG — registered in Ohio, the United States of America

**3. Details:**

- FBG, a factoring counterparty of the Group, filed a petition under Ch.11 on September 28, 2025.
- The Group acquired the Receivables through factoring transactions with FBG.

- As of May 2026, the Ch.11 proceedings remain ongoing in the U.S. Bankruptcy Court (hereinafter the “Court”). Information continues to be disclosed intermittently through the Court and various media reports. In reviewing publicly disclosed information, allegations of “inflated receivables” and “multiple pledges of receivables,” among other “fraudulent activities by FBG,” have been reported, and the founders of FBG and others have been indicted on charges including financial fraud.
- As a potential victim of the series of financial frauds, the Group will confront these matters head-on, continue to engage in the Ch.11 process, and exert its utmost efforts through to the end to maximize recovery of the Group’s receivables.
- Given the continuing uncertainty regarding the future course of the Ch.11 proceedings and in light of information disclosed by the Court, the Group notes that doubt has arisen as to the probability of collection of the factoring receivables. From a precautionary perspective, and after discussions with the financial auditors, the Company has decided to recognize additional credit losses in the consolidated financial results for the fiscal year ended March 31, 2026, and to directly write down the relevant amounts in accordance with U.S. GAAP.

(Details of Credit Losses)

- In the consolidated financial results for the fiscal year ended March 31, 2026, the Company will record allowance for doubtful accounts and credit losses totaling JPY 178.3 billion and directly write down the full amount of the Receivables under U.S. GAAP.
- This amount comprehensively includes the allowances previously disclosed and represents an increase of JPY 27.9 billion compared with the disclosure dated February 3, 2026.  

(Note) For additional information, please refer to the Company’s press releases dated October 31, 2025, November 14, 2025, and February 3, 2026.
- The Company is closely monitoring the Court’s verification process 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 transactions other than those involving FBG. The Company therefore considers this matter to be an isolated incident with limited impact on its other businesses.

- As announced in the press release dated March 31, 2026, in order 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, the Company has completed a third-party allotment of new shares to The Norinchukin Bank and Mitsui & Co., Ltd., as well as the funding of a subordinated syndicated loan with equity-like features, and even after the recognition of the additional credit losses, the Company has no concerns regarding its financial foundation.
- Following the recognition of these credit losses, the Company will implement measures to prevent recurrence and will proceed with the formulation and execution of a business improvement plan.
- Overcoming this significant but isolated challenge, the Company will continue to provide its services and further enhance its contributions to society.

#### 4. Revision of Earnings Forecast:

Taking into account the above impacts, the Company has revised its consolidated full-year earnings forecast for the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026) as follows.

Unit: JPY Billion

(Earnings Forecast release dated May 13, 2025)

	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 May 1, 2026)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent
Full Year	648.0	(129.8)	(128.1)	(144.7)

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