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Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 6, 2026

Company name: KYUSHU LEASING SERVICE CO., LTD.
Stock exchange listing: Tokyo and Fukuoka Stock Exchanges
Securities code: 8596
URL: https://www.k-lease.co.jp
Representative: Hiroyuki Irie, President and CEO
Contact: Ryoichi Kojima, Managing Executive Officer, General Manager, General Planning Department
Phone: +81-92-431-2530
Scheduled date of commencing dividend payments: –
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 - June 30, 2026)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	9,867	31.8	2,279	54.5	2,236	47.5	1,576	29.6
June 30, 2025	7,488	(46.7)	1,475	(21.5)	1,516	(20.3)	1,216	7.2

(Note) Comprehensive income: Three months ended June 30, 2026: 1,524 million yen [22.9%]
Three months ended June 30, 2025: 1,240 million yen [(14.7)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	69.66	–
June 30, 2025	53.84	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	219,443	46,308	21.0
As of March 31, 2026	219,586	45,498	20.6

(Reference) Equity: As of June 30, 2026: 46,148 million yen
As of March 31, 2026: 45,336 million yen

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	28.00	–	30.00	58.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		31.00	–	31.00	62.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,200	1.9	6,100	1.5	4,200	6.9	185.66

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period under review: None

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2026:	25,952,374 shares
March 31, 2026:	25,952,374 shares

2) Total number of treasury shares at the end of the period:

June 30, 2026:	3,306,045 shares
March 31, 2026:	3,330,645 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2026:	22,627,813 shares
Three months ended June 30, 2025:	22,586,487 shares

(Note) Treasury shares include the Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust property for the “Board Benefit Trust (BBT)” and the “Japanese employee stock ownership plan (J-ESOP).”

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

Financial results forecasts and other forward-looking statements contained herein are based on information available as of this report’s publication and certain assumptions that are deemed reasonable, and these forecasts are not guarantees of future performance. Actual results may differ significantly due to various factors.

For the assumptions underlying the forecasts herein and cautionary notes on the use of these financial results forecasts, please refer to “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments.

(How to obtain the supplementary explanatory materials on financial results)

The supplementary explanatory materials on financial results are posted on the Company’s website (in Japanese only).

Table of Contents - Attachments

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the three months ended June 30, 2026, the leasing/installment sales segment and the finance segment performed favorably, supported by robust corporate demand for capital investment and buoyant conditions in the real estate market. This resulted in a steady growth in core earnings that more than offset increases in capital costs and other expenses. In addition, steady progress was also made in generation of flow revenue from sales of real estate for sale. As a result, both sales and profit recorded a year-on-year increase. Profit attributable to owners of parent for the first quarter increased for the fifth consecutive year, setting a new record high for the three months ended June 30.

The Company posted net sales of 9,867 million yen (up 31.8% year on year), operating profit of 2,279 million yen (up 54.5% year on year), ordinary profit of 2,236 million yen (up 47.5% year on year), and profit attributable to owners of parent was 1,576 million yen (up 29.6% year on year).

Operating assets increased by 1,446 million yen to 207,102 million yen (up 0.7% from the end of the previous fiscal year), reflecting our ongoing efforts to rebalance the asset portfolio with a focus on profitability and efficiency toward sustainable growth for the Group.

The Group remains committed to maximizing results through the implementation of the three basic strategies of “Establishing a solid revenue foundation,” “Creating new business fields,” and “Strengthening the management foundation” as set out in its medium-term management plan, “Co-creation 2027: Create the Future with the Power of Connection.” The Group strives to achieve sustainable growth and improve corporate value, while addressing social issues.

Operating results by business segment are as follows.

1) Leasing/Installment sales

Net sales increased by 19.6% year on year to 6,189 million yen and operating profit increased by 14.3% year on year to 587 million yen. The main factors included growth in recurring revenue due to a steady increase in new contracts, especially for equipment for environment-related areas and civil engineering and construction machinery, and the recording of proceeds from the sale of leased properties. Operating assets as of June 30, 2026 were 106,323 million yen (up 0.5% from the end of the previous fiscal year).

2) Finance

Net sales increased by 23.3% year on year to 746 million yen and operating profit increased by 9.6% year on year to 467 million yen. This was mainly due to an increase in interest revenue resulting from improved yields through appropriate interest rate setting in response to the rise in the policy interest rate, as well as an increase in the average balance during the period. Operating assets as of June 30, 2026 were 45,527 million yen (up 0.1% from the end of the previous fiscal year).

3) Real estate

Net sales increased by 99.5% year on year to 2,453 million yen and operating profit increased by 136.4% year on year to 1,233 million yen. This was due to steady streams of real estate lease revenue and brokerage fee revenue, as well as the recording of proceeds from the sale of real estate for sale. Operating assets as of June 30, 2026 were 49,931 million yen (up 1.6% from the end of the previous fiscal year).

4) Fee business

Net sales decreased by 5.8% year on year to 162 million yen and operating profit decreased by 1.7% year on year to 97 million yen due to sluggish automobile-related commissions, despite steady income from the insurance agency business.

5) Environmental solutions

Net sales decreased by 1.1% year on year to 297 million yen and operating profit decreased by 5.9% year on year to 78 million yen. This was mainly due to a decrease in revenue from electricity sales primarily caused by the impact of output curtailment, despite an increase in gain on investments in silent partnerships in environment-related areas. Operating assets as of June 30, 2026 were 5,319 million yen (up 0.1% from the end of the previous fiscal year).

(2) Overview of Financial Position for the Period under Review

Assets, liabilities and net assets

Total assets at the end of the three months under review decreased by 142 million yen or 0.1% from the end of the previous fiscal year to 219,443 million yen. This was mainly due to an increase of 1,344 million yen in installment receivables and a decrease of 1,648 million yen in cash and deposits.

Total liabilities decreased by 952 million yen or 0.5% from the end of the previous fiscal year to 173,134 million yen. This was mainly due to a decrease of 1,048 million yen in notes and accounts payable - trade.

Total net assets increased by 810 million yen or 1.8% from the end of the previous fiscal year to 46,308 million yen. This was mainly due to an increase of 863 million yen in retained earnings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The 2026 Kumamoto Earthquake, which occurred on July 28, 2026, affected some of the real estate for rent and other properties owned by the Group. However, no significant damage has been confirmed at this time. Therefore, no changes have been made to the consolidated financial results forecast for the fiscal year ending March 31, 2027, announced on May 8, 2026.

If any material matters requiring disclosure arise in the future, they will be promptly disclosed.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	6,325	4,676
Notes and accounts receivable - trade	87	68
Installment receivables	33,580	34,925
Lease receivables and investments in leases	65,730	65,055
Accounts receivable - operating loans	45,102	45,077
Accounts receivable - lease	267	265
Real estate for sale	13,369	14,260
Other	647	863
Allowance for doubtful accounts	(516)	(494)
Total current assets	164,595	164,697
Non-current assets		
Property, plant and equipment		
Assets for lease		
Real estate for rent, net	28,312	28,223
Other, net	7,260	7,183
Total assets for lease	35,573	35,406
Other operating assets	3,101	3,019
Own-used assets	573	563
Total property, plant and equipment	39,248	38,989
Intangible assets	432	398
Investments and other assets		
Investment securities	13,293	13,299
Other	2,017	2,059
Total investments and other assets	15,310	15,358
Total non-current assets	54,990	54,746
Total assets	219,586	219,443

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,035	2,986
Short-term borrowings	42,861	51,463
Current portion of bonds payable	500	500
Commercial papers	4,500	7,000
Income taxes payable	999	663
Provisions	516	422
Other	5,567	5,422
Total current liabilities	58,981	68,457
Non-current liabilities		
Bonds payable	21,300	21,150
Long-term borrowings	82,156	71,868
Provisions	389	337
Retirement benefit liability	180	186
Asset retirement obligations	436	437
Other	10,643	10,697
Total non-current liabilities	115,106	104,676
Total liabilities	174,087	173,134
Net assets		
Shareholders' equity		
Share capital	2,933	2,933
Capital surplus	811	811
Retained earnings	41,740	42,603
Treasury shares	(1,250)	(1,240)
Total shareholders' equity	44,234	45,108
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	930	840
Foreign currency translation adjustment	171	199
Total accumulated other comprehensive income	1,101	1,039
Non-controlling interests	162	160
Total net assets	45,498	46,308
Total liabilities and net assets	219,586	219,443

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	7,488	9,867
Cost of sales	5,273	6,752
Gross profit	2,215	3,115
Selling, general and administrative expenses	739	836
Operating profit	1,475	2,279
Non-operating income		
Dividend income	23	24
Gain on sale of investment securities	49	–
Other	4	7
Total non-operating income	77	31
Non-operating expenses		
Interest expenses	28	40
Share of loss of entities accounted for using equity method	–	31
Other	8	2
Total non-operating expenses	36	74
Ordinary profit	1,516	2,236
Extraordinary income		
Gain on sales of real estate for rent	29	–
Total extraordinary income	29	–
Profit before income taxes	1,545	2,236
Income taxes - current	242	663
Income taxes - deferred	78	(12)
Total income taxes	320	650
Profit	1,225	1,586
Profit attributable to non-controlling interests	9	9
Profit attributable to owners of parent	1,216	1,576

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,225	1,586
Other comprehensive income		
Valuation difference on available-for-sale securities	14	(89)
Share of other comprehensive income of entities accounted for using equity method	–	27
Total other comprehensive income	14	(62)
Comprehensive income	1,240	1,524
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,230	1,514
Comprehensive income attributable to non-controlling interests	9	9

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on changes in accounting policies)

Not applicable.

(Additional information)

(Transactions of delivering the Company's own stock to employees, etc. through trusts)

The Company introduced a performance-based stock compensation plan (the "Board Benefit Trust (BBT)") for its Directors and Audit & Supervisory Board Members (excluding Outside Directors and Outside Audit & Supervisory Board Members), and an incentive plan (the "Japanese employee stock ownership plan (J-ESOP)") that delivers the Company's shares to employees who have satisfied certain requirements (hereinafter, collectively referred to as the "Trust").

The Company's shares held by the Trust are presented as treasury shares under net assets in the quarterly consolidated balance sheets, and the book value and the number of these treasury shares as of the end of the previous fiscal year were 557 million yen and 1,140,200 shares, respectively, while those as of the end of the three months under review were 547 million yen and 1,115,600 shares, respectively.

(Segment information, etc.)

(Segment information)

I. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					
	Leasing/ Installment sales	Finance	Real estate	Fee business	Environmental solutions	Total
Net sales						
Net sales to outside customers	5,174	605	1,230	172	301	7,483
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	5,174	605	1,230	172	301	7,483
Segment profit (loss)	514	426	521	98	83	1,645

	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
Net sales				
Net sales to outside customers	5	7,488	–	7,488
Inter-segment net sales or transfers	–	–	–	–
Total	5	7,488	–	7,488
Segment profit (loss)	0	1,645	(170)	1,475

(Notes) 1. "Others" include business segments that are not included in reportable segments, including sale of goods.

2. The negative 170 million yen adjustment for segment profit (loss) represents corporate expenses unallocated to reportable segments consisting of general administrative expenses.

3. Segment profit (loss) was adjusted based on operating profit reported on the quarterly consolidated statements of income for the corresponding period.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II. For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					
	Leasing/ Installment sales	Finance	Real estate	Fee business	Environmental solutions	Total
Net sales						
Net sales to outside customers	6,189	746	2,453	162	297	9,849
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	6,189	746	2,453	162	297	9,849
Segment profit (loss)	587	467	1,233	97	78	2,464

	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
Net sales				
Net sales to outside customers	18	9,867	–	9,867
Inter-segment net sales or transfers	–	–	–	–
Total	18	9,867	–	9,867
Segment profit (loss)	7	2,472	(192)	2,279

(Notes) 1. "Others" include business segments that are not included in reportable segments, including sale of goods.
2. The negative 192 million yen adjustment for segment profit (loss) represents corporate expenses unallocated to reportable segments consisting of general administrative expenses.
3. Segment profit (loss) was adjusted based on operating profit reported on the quarterly consolidated statements of income for the corresponding period.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months ended June 30, 2026. Depreciation (including amortization of intangible assets) for the three months ended June 30 is as follows.

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	300 million yen	308 million yen

3. Supplementary Information

Operating assets (Consolidated)

Name of segment		As of March 31, 2026		As of June 30, 2026	
		Year-end amount (Million yen)	Percentage (%)	1st quarter-end amount (Million yen)	Percentage (%)
Leasing/Installment sales	Finance leases	64,902	31.6	64,215	31.0
	Operating leases	7,260	3.5	7,183	3.5
	Total leases	72,163	35.1	71,398	34.5
	Installment sales	33,580	16.3	34,925	16.8
	Total leases and installment sales	105,744	51.4	106,323	51.3
Finance		45,459	22.1	45,527	22.0
Real estate	Operating leases	28,392	13.8	28,300	13.7
	Other	20,748	10.1	21,631	10.4
	Total real estate	49,140	23.9	49,931	24.1
Environmental solutions		5,312	2.6	5,319	2.6
Total		205,656	100.0	207,102	100.0