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Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

November 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 filing semi-annual securities report: November 9, 2026
Scheduled date of commencing dividend payments: December 4, 2026
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2026 (April 1, 2026 - September 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	18,754	20.8	4,188	47.2	4,104	43.2	2,854	36.2
September 30, 2025	15,521	(27.4)	2,845	(15.7)	2,866	(13.2)	2,095	2.2

(Note) Comprehensive income: Six months ended September 30, 2026: 2,906 million yen [29.6%]
Six months ended September 30, 2025: 2,243 million yen [(1.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	125.98	–
September 30, 2025	92.76	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	225,539	47,732	21.1
As of March 31, 2026	219,586	45,498	20.6

(Reference) Equity: As of September 30, 2026: 47,570 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	–	31.00			
Fiscal year ending March 31, 2027 (Forecast)			–	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 semi-annual 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):

September 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:

September 30, 2026:	3,244,045 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):

Six months ended September 30, 2026:	22,660,498 shares
Six months ended September 30, 2025:	22,593,449 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)."

* Semi-annual financial results are exempt from review conducted by certified public accountants or an audit firm.

* 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).

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1. Overview of Operating Results, etc.

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

During the six months ended September 30, 2026, the leasing/installment sales segment and the finance segment continued to perform well, and stable recurring revenue grew. In addition, further progress was also made in generation of flow revenue such as gain on sales of real estate, brokerage fee revenue, and gain on investments in silent partnerships. As a result, all segments secured profit growth, and operating profit and ordinary profit hit record highs for a semi-annual consolidated accounting period.

The "2026 Kumamoto Earthquake," which occurred on July 28, 2026, damaged some of the real estate for rent and other properties owned by the Group. As a result, a loss on disaster of an estimated 310 million yen was recorded as an extraordinary loss for the six months ended September 30, 2026. We would like to express our deepest sympathy to those affected by the disaster. As a corporate group with roots in Kyushu, the Group will do its very best to achieve the earliest possible recovery and reconstruction of the region.

The Company posted net sales of 18,754 million yen (up 20.8% year on year), operating profit of 4,188 million yen (up 47.2% year on year), ordinary profit of 4,104 million yen (up 43.2% year on year), and profit attributable to owners of parent was 2,854 million yen (up 36.2% year on year).

Operating assets increased by 6,313 million yen to 211,970 million yen (up 3.1% from the end of the previous fiscal year), as a result of consistently pushing forward the rebalancing of the asset portfolio with a focus on profitability and efficiency toward sustainable growth for the Group.

The Group remains committed to maximizing results through its efforts to finish 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," now in its final year. At the same time, the Group strives for further sustainable growth and improvement of corporate value, while boldly taking on the challenge of businesses that contribute to addressing social issues.

Operating results by business segment are as follows.

1) Leasing/Installment sales

Net sales increased by 11.4% year on year to 12,100 million yen and operating profit increased by 11.2% year on year to 1,131 million yen. The main factors included growth in recurring revenue due to a steady increase in new contracts, especially for commercial equipment and civil engineering and construction machinery, and the recording of proceeds from the sale of leased properties. Operating assets as of September 30, 2026 were 108,600 million yen (up 2.7% from the end of the previous fiscal year).

2) Finance

Net sales increased by 49.4% year on year to 1,770 million yen and operating profit increased by 53.5% year on year to 1,133 million yen. This was mainly due to an increase in interest revenue resulting from both improved yields in light of higher market interest rates and an increase in the average balance during the period, as well as the recording of gain on investments in silent partnerships. Operating assets as of September 30, 2026 were 46,426 million yen (up 2.1% from the end of the previous fiscal year).

3) Real estate

Net sales increased by 52.2% year on year to 3,849 million yen and operating profit increased by 67.9% year on year to 1,898 million yen. This was due to steady real estate lease revenue reflecting high occupancy rates, as well as the recording of proceeds from the sale of real estate for sale and brokerage fee revenue. Operating assets as of September 30, 2026 were 51,168 million yen (up 4.1% from the end of the previous fiscal year).

4) Fee business

Net sales increased by 18.2% year on year to 315 million yen and operating profit increased by 32.1% year on year to 187 million yen due to steady streams of both automobile-related commissions and income from the insurance agency business.

5) Environmental solutions

Net sales increased by 3.1% year on year to 690 million yen and operating profit increased by 14.2% year on year to 218 million yen. This was mainly due to an increase in gain on investments in silent partnerships in environment-related areas, despite a decrease in revenue from electricity sales primarily caused by the impact of unfavorable weather and equipment failure. Operating assets as of September 30, 2026 were 5,775 million yen (up 8.7% 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 six months under review increased by 5,953 million yen or 2.7% from the end of the previous fiscal year to 225,539 million yen. This was mainly due to an increase of 2,648 million yen in installment receivables, an increase of 1,984 million yen in real estate for sale, and an increase of 909 million yen in accounts receivable - operating loans.

Total liabilities increased by 3,719 million yen or 2.1% from the end of the previous fiscal year to 177,806 million yen. This was mainly due to an increase of 2,515 million yen in borrowings and an increase of 1,500 million yen in commercial papers.

Total net assets increased by 2,234 million yen or 4.9% from the end of the previous fiscal year to 47,732 million yen. This was mainly due to an increase of 2,141 million yen in retained earnings.

(Status of Cash Flows)

Cash and cash equivalents at the end of the six months ended September 30, 2026 were 4,974 million yen, a decrease of 1,351 million yen from the end of the previous fiscal year.

1) Cash Flows from Operating Activities

Net cash used in operating activities was 5,010 million yen, compared with a cash outflow of 13,582 million yen for the six months ended September 30, 2025. This was mainly due to an increase in operating assets, including an increase of 2,545 million yen in installment receivables, an increase of 2,001 million yen in real estate for sale, and a decrease of 1,133 million yen in trade payables.

2) Cash Flows from Investing Activities

Net cash provided by investing activities was 726 million yen, compared with a cash outflow of 1,724 million yen for the six months ended September 30, 2025. This was mainly due to 648 million yen in proceeds from sale of shares of subsidiaries and associates.

3) Cash Flows from Financing Activities

Net cash provided by financing activities was 2,936 million yen, compared with a cash inflow of 15,198 million yen for the six months ended September 30, 2025. This was mainly due to cash inflows, including net increase in long-term and short-term borrowings of 2,515 million yen and net increase in commercial papers of 1,500 million yen, despite cash outflows, including 711 million yen in dividends paid and 250 million yen in redemption of bonds.

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

No changes have been made to the consolidated financial results forecast for the fiscal year ending March 31, 2027, announced on May 8, 2026.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	6,325	4,974
Notes and accounts receivable - trade	87	67
Installment receivables	33,580	36,228
Lease receivables and investments in leases	65,730	66,053
Accounts receivable - operating loans	45,102	46,012
Accounts receivable - lease	267	426
Real estate for sale	13,369	15,354
Other	647	1,624
Allowance for doubtful accounts	(516)	(492)
Total current assets	164,595	170,248
Non-current assets		
Property, plant and equipment		
Assets for lease		
Real estate for rent, net	28,312	28,346
Other, net	7,260	7,201
Total assets for lease	35,573	35,547
Other operating assets	3,101	3,309
Own-used assets	573	559
Total property, plant and equipment	39,248	39,415
Intangible assets	432	368
Investments and other assets		
Investment securities	13,293	13,202
Other	2,017	2,303
Total investments and other assets	15,310	15,506
Total non-current assets	54,990	55,290
Total assets	219,586	225,539

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,035	2,801
Short-term borrowings	42,861	53,512
Current portion of bonds payable	500	500
Commercial papers	4,500	6,000
Income taxes payable	999	1,518
Provisions	516	531
Other	5,567	5,384
Total current liabilities	58,981	70,248
Non-current liabilities		
Bonds payable	21,300	21,050
Long-term borrowings	82,156	74,020
Provisions	389	345
Retirement benefit liability	180	194
Asset retirement obligations	436	438
Other	10,643	11,509
Total non-current liabilities	115,106	107,558
Total liabilities	174,087	177,806
Net assets		
Shareholders' equity		
Share capital	2,933	2,933
Capital surplus	811	811
Retained earnings	41,740	43,882
Treasury shares	(1,250)	(1,190)
Total shareholders' equity	44,234	46,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	930	936
Foreign currency translation adjustment	171	197
Total accumulated other comprehensive income	1,101	1,134
Non-controlling interests	162	162
Total net assets	45,498	47,732
Total liabilities and net assets	219,586	225,539

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	15,521	18,754
Cost of sales	11,067	12,849
Gross profit	4,454	5,905
Selling, general and administrative expenses	1,608	1,717
Operating profit	2,845	4,188
Non-operating income		
Dividend income	33	36
Gain on sale of investment securities	49	–
Other	16	12
Total non-operating income	99	49
Non-operating expenses		
Interest expenses	59	87
Share of loss of entities accounted for using equity method	10	37
Other	8	9
Total non-operating expenses	78	133
Ordinary profit	2,866	4,104
Extraordinary income		
Gain on sale of investment securities	–	289
Gain on sales of real estate for rent	29	–
Gain on disposal of non-current assets	–	110
Total extraordinary income	29	399
Extraordinary losses		
Loss on disaster	–	310
Total extraordinary losses	–	310
Profit before income taxes	2,896	4,194
Income taxes - current	798	1,518
Income taxes - deferred	(13)	(198)
Total income taxes	784	1,319
Profit	2,111	2,874
Profit attributable to non-controlling interests	16	19
Profit attributable to owners of parent	2,095	2,854

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	2,111	2,874
Other comprehensive income		
Valuation difference on available-for-sale securities	89	6
Share of other comprehensive income of entities accounted for using equity method	42	25
Total other comprehensive income	132	32
Comprehensive income	2,243	2,906
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,227	2,887
Comprehensive income attributable to non-controlling interests	16	19

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,896	4,194
Depreciation	602	622
Increase (decrease) in allowance for doubtful accounts	66	(24)
Increase (decrease) in provisions	12	29
Increase (decrease) in retirement benefit liability	3	14
Interest and dividend income	(36)	(41)
Capital costs and interest expenses	711	979
Foreign exchange losses (gains)	0	3
Loss(gain) on sales of real estate for rent	(29)	–
Loss (gain) on disposal of non-current assets	–	(110)
Loss on disaster	–	310
Share of loss (profit) of entities accounted for using equity method	10	37
Loss (gain) on sale of investment securities	(49)	(289)
Decrease (increase) in installment receivables	(2,238)	(2,545)
Net decrease (increase) in lease receivables and investments in leases	(93)	(107)
Decrease (increase) in accounts receivable - operating loans	(7,527)	(909)
Decrease (increase) in real estate for sale	(4,543)	(2,001)
Decrease (increase) in operational investment securities	(336)	(410)
Decrease (increase) in distressed receivables	12	4
Increase (decrease) in trade payables	(911)	(1,133)
Proceeds from sale of assets for lease	84	–
Purchase of assets for lease	(2)	(309)
Proceeds from sale of other operating assets	–	112
Purchase of other operating assets	(179)	(374)
Other, net	(120)	(1,120)
Subtotal	(11,667)	(3,069)
Interest and dividends received	36	40
Interest paid	(713)	(981)
Income taxes paid	(1,238)	(999)
Net cash provided by (used in) operating activities	(13,582)	(5,010)
Cash flows from investing activities		
Purchase of own-used assets	(31)	(52)
Purchase of intangible assets	(25)	(10)
Proceeds from sale and redemption of investment securities	80	–
Purchase of shares of subsidiaries and associates	(1,748)	–
Proceeds from sale of shares of subsidiaries and associates	–	648
Proceeds from paid capital reduction of subsidiaries and associates	–	141
Net cash provided by (used in) investing activities	(1,724)	726

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,185	2,500
Net increase (decrease) in commercial papers	6,000	1,500
Proceeds from long-term borrowings	21,814	17,049
Repayments of long-term borrowings	(16,597)	(17,033)
Redemption of bonds	(250)	(250)
Repayments of lease liabilities	(95)	(97)
Dividends paid	(854)	(711)
Repayments to non-controlling shareholders	(6)	(2)
Other, net	3	(16)
Net cash provided by (used in) financing activities	15,198	2,936
Effect of exchange rate change on cash and cash equivalents	(0)	(3)
Net increase (decrease) in cash and cash equivalents	(109)	(1,351)
Cash and cash equivalents at beginning of period	4,907	6,325
Cash and cash equivalents at end of period	4,798	4,974

(4) Notes to Semi-annual 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.

(Changes in scope of consolidation or equity method)

During the six months under review, STORAGE-OH Co., Ltd., which was an equity method affiliate, was excluded from the scope of application of the equity method due to the Company's sale of all shares held.

(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 semi-annual 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 six months under review were 497 million yen and 1,053,600 shares, respectively.

(Segment information, etc.)

(Segment information)

I. For the six months ended September 30, 2025 (from April 1, 2025 to September 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	10,858	1,185	2,528	266	669	15,509
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	10,858	1,185	2,528	266	669	15,509
Segment profit (loss)	1,017	738	1,130	142	191	3,220

	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual consolidated statements of income (Note 3)
Net sales				
Net sales to outside customers	12	15,521	–	15,521
Inter-segment net sales or transfers	–	–	–	–
Total	12	15,521	–	15,521
Segment profit (loss)	(14)	3,206	(360)	2,845

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

2. The negative 360 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 semi-annual 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 six months ended September 30, 2026 (from April 1, 2026 to September 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	12,100	1,770	3,849	315	690	18,725
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	12,100	1,770	3,849	315	690	18,725
Segment profit (loss)	1,131	1,133	1,898	187	218	4,569

	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual consolidated statements of income (Note 3)
Net sales				
Net sales to outside customers	29	18,754	–	18,754
Inter-segment net sales or transfers	–	–	–	–
Total	29	18,754	–	18,754
Segment profit (loss)	3	4,572	(384)	4,188

(Notes) 1. "Others" include business segments that are not included in reportable segments, including sale of goods.
2. The negative 384 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 semi-annual consolidated statements of income for the corresponding period.

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

Not applicable.

3. Supplementary Information

Operating assets (Consolidated)

Name of segment		As of March 31, 2026		As of September 30, 2026	
		Year-end amount (Million yen)	Percentage (%)	Semi-annual-year-end amount (Million yen)	Percentage (%)
Leasing/Installment sales	Finance leases	64,902	31.6	65,170	30.7
	Operating leases	7,260	3.5	7,201	3.4
	Total leases	72,163	35.1	72,371	34.1
	Installment sales	33,580	16.3	36,228	17.1
	Total leases and installment sales	105,744	51.4	108,600	51.2
Finance		45,459	22.1	46,426	21.9
Real estate	Operating leases	28,392	13.8	28,420	13.4
	Other	20,748	10.1	22,747	10.8
	Total real estate	49,140	23.9	51,168	24.2
Environmental solutions		5,312	2.6	5,775	2.7
Total		205,656	100.0	211,970	100.0