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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



August 5, 2025

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: Seiji Isoyama, President and CEO
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 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, 2025 (April 1, 2025 - June 30, 2025)

(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, 2025	7,488	(46.7)	1,475	(21.5)	1,516	(20.3)	1,216	7.2
June 30, 2024	14,053	101.8	1,879	56.2	1,902	57.1	1,134	38.3

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

Three months ended June 30, 2024: 1,453 million yen [73.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	53.84	—
June 30, 2024	50.28	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	209,694	43,020	20.4
As of March 31, 2025	201,932	42,630	21.0

(Reference) Equity: As of June 30, 2025: 42,870 million yen

As of March 31, 2025: 42,489 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, 2025	—	17.00	—	36.00	53.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		28.00	—	28.00	56.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. 2nd quarter-end and year-end dividends for the fiscal year ended March 31, 2025 include a commemorative dividend of 2 yen each.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	34,800	(11.5)	5,700	0.9	5,600	0.3	3,700	163.94

(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, 2025:	25,952,374 shares
March 31, 2025:	25,952,374 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2025:	3,352,645 shares
March 31, 2025:	3,366,800 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2025:	22,586,487 shares
Three months ended June 30, 2024:	22,559,574 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).

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1. Overview of Operating Results, etc.

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

Operating results for the three months ended June 30, 2025 exceeded the initial plan, primarily due to the accumulation of operating assets, strong performance in the finance segment, and a decline in credit costs. This was achieved despite the absence of proceeds from large real estate sales recorded in the real estate segment during the same period of the previous fiscal year. Notably, profit attributable to owners of parent increased for the fourth consecutive quarter, setting a new record high for the three months ended June 30.

The Company posted net sales of 7,488 million yen (down 46.7% year on year), operating profit of 1,475 million yen (down 21.5% year on year), ordinary profit of 1,516 million yen (down 20.3% year on year), and profit attributable to owners of parent was 1,216 million yen (up 7.2% year on year).

Operating assets increased by 6,924 million yen to 197,269 million yen (up 3.6% from the end of the previous fiscal year), reflecting our ongoing efforts to replace assets with a focus on profitability and efficiency, from the perspective of sustainable growth for the Group.

One of the major topics during the period under review was the establishment of a new subsidiary that develops new business in renewable energy to support grid-scale batteries and the FIP system. As its first project, the Company is collaborating with a business partner to prepare for the launch of a grid-scale battery operation on the Group's premises.

The Company remains committed to expanding its business fields while steadily implementing the three basic strategies of "Establishing a solid revenue foundation," "Creating new business fields," and "Strengthening the management foundation" as set forth in the Group's medium-term management plan, "Co-creation 2027: Create the Future with the Power of Connection." Through these initiatives, the Company will continue to take on the challenges of achieving the Group's sustainable growth and addressing social issues through co-creation with local communities.

Operating results by business segment are as follows.

1) Leasing/Installment sales

Net sales decreased by 11.8% year on year to 5,174 million yen and operating profit decreased by 0.5% year on year to 514 million yen. This was mainly due to the absence of significant proceeds from the sale of leased properties recorded in the same period of the previous fiscal year, despite steady performance of new leasing contracts especially for commercial equipment. Operating assets as of June 30, 2025 were 101,427 million yen (up 0.6% from the end of the previous fiscal year).

2) Finance

Net sales increased by 27.9% year on year to 605 million yen and operating profit increased by 48.9% year on year to 426 million yen due to an increase in interest revenue from the accumulation of operating assets and an increase in fee income from financial services. Operating assets as of June 30, 2025 were 43,287 million yen (up 4.4% from the end of the previous fiscal year).

3) Real estate

Net sales decreased by 83.0% year on year to 1,230 million yen and operating profit decreased by 51.6% year on year to 521 million yen due to the absence of revenue from real estate sales recorded in the same period of the previous fiscal year. Operating assets as of June 30, 2025 were 47,484 million yen (up 11.3% from the end of the previous fiscal year).

4) Fee business

Net sales increased by 5.1% year on year to 172 million yen and operating profit increased by 5.5% year on year

to 98 million yen due to steady streams of automobile-related commissions and income from the insurance agency business.

5) Environmental solutions

Net sales increased by 5.8% year on year to 301 million yen and operating profit increased by 24.1% year on year to 83 million yen due to solid revenue from electricity sales. Operating assets as of June 30, 2025 were 5,070 million yen (down 6.2% 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 increased by 7,761 million yen or 3.8% from the end of the previous fiscal year to 209,694 million yen. This was mainly due to an increase of 3,552 million yen in real estate for sale, an increase of 1,829 million yen in accounts receivable - operating loans, an increase of 1,498 million yen in investment securities, and an increase of 762 million yen in installment receivables.

Total liabilities increased by 7,370 million yen or 4.6% from the end of the previous fiscal year to 166,673 million yen. This was mainly due to an increase of 9,733 million yen in borrowings and a decrease of 980 million yen in income taxes payable.

Total net assets increased by 390 million yen or 0.9% from the end of the previous fiscal year to 43,020 million yen. This was mainly due to an increase of 360 million yen in retained earnings.

(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, 2026, announced on May 8, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	4,907	5,574
Notes and accounts receivable - trade	65	89
Installment receivables	29,659	30,422
Lease receivables and investments in leases	64,399	64,314
Accounts receivable - operating loans	41,118	42,947
Accounts receivable - lease	320	306
Real estate for sale	9,389	12,941
Other	838	579
Allowance for doubtful accounts	(447)	(461)
Total current assets	150,252	156,714
Non-current assets		
Property, plant and equipment		
Assets for lease		
Real estate for rent, net	27,570	27,420
Other, net	7,572	7,494
Total assets for lease	35,142	34,915
Other operating assets	3,069	3,166
Own-used assets	552	560
Total property, plant and equipment	38,764	38,642
Intangible assets	506	479
Investments and other assets		
Investment securities	10,494	11,993
Other	1,913	1,864
Total investments and other assets	12,408	13,857
Total non-current assets	51,679	52,979
Total assets	201,932	209,694

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,768	2,567
Short-term borrowings	38,572	45,833
Current portion of bonds payable	500	500
Income taxes payable	1,209	229
Provisions	464	379
Other	4,933	5,084
Total current liabilities	49,448	54,594
Non-current liabilities		
Bonds payable	18,800	18,650
Long-term borrowings	79,646	82,118
Provisions	366	368
Retirement benefit liability	178	165
Asset retirement obligations	470	471
Other	10,392	10,303
Total non-current liabilities	109,854	112,078
Total liabilities	159,302	166,673
Net assets		
Shareholders' equity		
Share capital	2,933	2,933
Capital surplus	811	811
Retained earnings	39,332	39,692
Treasury shares	(1,266)	(1,260)
Total shareholders' equity	41,810	42,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	693
Total accumulated other comprehensive income	678	693
Non-controlling interests	140	150
Total net assets	42,630	43,020
Total liabilities and net assets	201,932	209,694

(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, 2024	For the three months ended June 30, 2025
Net sales	14,053	7,488
Cost of sales	11,436	5,273
Gross profit	2,616	2,215
Selling, general and administrative expenses	736	739
Operating profit	1,879	1,475
Non-operating income		
Dividend income	20	23
Gain on sale of investment securities	—	49
Foreign exchange gains	16	—
Other	8	4
Total non-operating income	45	77
Non-operating expenses		
Interest expenses	20	28
Other	2	8
Total non-operating expenses	23	36
Ordinary profit	1,902	1,516
Extraordinary income		
Gain on sales of real estate for rent	—	29
Total extraordinary income	—	29
Profit before income taxes	1,902	1,545
Income taxes - current	444	242
Income taxes - deferred	76	78
Total income taxes	521	320
Profit	1,380	1,225
Profit attributable to non-controlling interests	246	9
Profit attributable to owners of parent	1,134	1,216

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	1,380	1,225
Other comprehensive income		
Valuation difference on available-for-sale securities	72	14
Total other comprehensive income	72	14
Comprehensive income	1,453	1,240
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,207	1,230
Comprehensive income attributable to non-controlling interests	246	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 572 million yen and 1,176,400 shares, respectively, while those as of the end of the three months under review were 566 million yen and 1,162,200 shares, respectively.

(Segment information, etc.)

(Segment information)

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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	5,867	473	7,256	163	284	14,046
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	5,867	473	7,256	163	284	14,046
Segment profit (loss)	517	286	1,077	93	67	2,042

	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
Net sales				
Net sales to outside customers	6	14,053	—	14,053
Inter-segment net sales or transfers	—	—	—	—
Total	6	14,053	—	14,053
Segment profit (loss)	2	2,044	(164)	1,879

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

2. The negative 164 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, 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.

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months ended June 30, 2025. Depreciation (including amortization of intangible assets) for the three months ended June 30 is as follows.

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	284 million yen	300 million yen

3. Supplementary Information

Operating assets (Consolidated)

Name of segment		As of March 31, 2025		As of June 30, 2025	
		Year-end amount (Million yen)	Percentage (%)	1st quarter-end amount (Million yen)	Percentage (%)
Leasing/Installment sales	Finance leases	63,583	33.4	63,510	32.2
	Operating leases	7,572	4.0	7,494	3.8
	Total leases	71,155	37.4	71,005	36.0
	Installment sales	29,659	15.6	30,422	15.4
	Total leases and installment sales	100,815	53.0	101,427	51.4
Finance		41,458	21.8	43,287	21.9
Real estate	Operating leases	27,617	14.5	27,509	14.0
	Other	15,051	7.9	19,974	10.1
	Total real estate	42,668	22.4	47,484	24.1
Environmental solutions		5,403	2.8	5,070	2.6
Total		190,345	100.0	197,269	100.0