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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



November 7, 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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 Phone: +81-92-431-2530
 Scheduled date of filing semi-annual securities report: November 10, 2025
 Scheduled date of commencing dividend payments: December 5, 2025
 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, 2025 (April 1, 2025 - September 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	15,521	(27.4)	2,845	(15.7)	2,866	(13.2)	2,095	2.2
September 30, 2024	21,365	30.5	3,374	26.8	3,303	25.1	2,050	14.0

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

Six months ended September 30, 2024: 2,276 million yen [22.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	92.76	—
September 30, 2024	90.89	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	218,441	44,024	20.1
As of March 31, 2025	201,932	42,630	21.0

(Reference) Equity: As of September 30, 2025: 43,871 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	—	28.00			
Fiscal year ending March 31, 2026 (Forecast)			—	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: Yes
Newly included: 1 company (KLI New Energy LLC)
Excluded: –
- (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, 2025: 25,952,374 shares
March 31, 2025: 25,952,374 shares
2) Total number of treasury shares at the end of the period:
September 30, 2025: 3,343,345 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):
Six months ended September 30, 2025: 22,593,449 shares
Six months ended September 30, 2024: 22,562,408 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, 2025, the Company recorded higher revenue and profit in all segments except the real estate segment. Profit attributable to owners of parent increased for the second consecutive interim period. In particular, the leasing/installment sales segment and the finance segment performed favorably, securing new contracts above the initial plan. This contributed to the accumulation of high-quality operating assets and growth in core earnings, laying a foundation for stable future revenue streams.

The Company posted net sales of 15,521 million yen (down 27.4% year on year), operating profit of 2,845 million yen (down 15.7% year on year), ordinary profit of 2,866 million yen (down 13.2% year on year), and profit attributable to owners of parent was 2,095 million yen (up 2.2% year on year).

Operating assets increased by 15,830 million yen to 206,175 million yen (up 8.3% 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.

During the period under review, the Company established a new subsidiary to strengthen its environment-related business with growth potential. The subsidiary develops new businesses in renewable energy to support grid-scale batteries and the FIP system. It is currently preparing to launch operations of its grid-scale battery power plant on the Group's premises.

Furthermore, the Company invested in a large-scale detached housing development project in Indonesia in collaboration with business partners, pursuing the expansion of its business fields and entry into new markets in Japan and abroad.

The Company remains committed to steadily implementing the basic strategies and various measures as set forth in the Group's medium-term management plan, "Co-creation 2027: Create the Future with the Power of Connection." By focusing on delivering high value-added, comprehensive financial services and solutions, the Company will continue to take on the challenges of contributing to addressing social issues and achieving the Group's sustainable growth.

Operating results by business segment are as follows.

1) Leasing/Installment sales

Net sales increased by 0.2% year on year to 10,858 million yen and operating profit increased by 5.0% year on year to 1,017 million yen. This was mainly due to steady performance of new leasing contracts, especially for commercial equipment and in environmental areas, including renewable energy. Operating assets as of September 30, 2025 were 103,165 million yen (up 2.3% from the end of the previous fiscal year).

2) Finance

Net sales increased by 15.0% year on year to 1,185 million yen and operating profit increased by 14.1% year on year to 738 million yen. This was mainly due to an increase in interest revenue from the steady accumulation of high-quality operating assets through the thorough implementation of profitability-focused sales strategies, and an increase in fee income from financial services. Operating assets as of September 30, 2025 were 48,982 million yen (up 18.1% from the end of the previous fiscal year).

3) Real estate

Net sales decreased by 70.7% year on year to 2,528 million yen and operating profit decreased by 37.6% year on year to 1,130 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 September 30, 2025 were 49,004 million yen (up 14.8% from the end of the previous fiscal year) mainly due to the acquisition of real estate for sale.

4) Fee business

Net sales increased by 3.5% year on year to 266 million yen and operating profit increased by 4.0% year on year to 142 million yen due to steady streams of automobile-related commissions and income from the insurance agency business.

5) Environmental solutions

Net sales increased by 12.1% year on year to 669 million yen and operating profit increased by 30.3% year on year to 191 million yen due to solid revenue from electricity sales and higher income from equity investments in environment-related areas. Operating assets as of September 30, 2025 were 5,023 million yen (down 7.0% 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 16,508 million yen or 8.2% from the end of the previous fiscal year to 218,441 million yen. This was mainly due to an increase of 7,504 million yen in accounts receivable - operating loans, an increase of 4,614 million yen in real estate for sale, an increase of 2,574 million yen in investment securities, and an increase of 2,304 million yen in installment receivables.

Total liabilities increased by 15,114 million yen or 9.5% from the end of the previous fiscal year to 174,416 million yen. This was mainly due to an increase of 10,401 million yen in borrowings and an increase of 6,000 million yen in commercial papers.

Total net assets increased by 1,394 million yen or 3.3% from the end of the previous fiscal year to 44,024 million yen. This was mainly due to an increase of 1,240 million yen in retained earnings.

(Status of Cash Flows)

Cash and cash equivalents at the end of the six months ended September 30, 2025 were 4,798 million yen, a decrease of 109 million yen from the end of the previous fiscal year.

1) Cash Flows from Operating Activities

Net cash used in operating activities was 13,582 million yen, compared with a cash outflow of 1,487 million yen for the six months ended September 30, 2024. This was mainly due to an increase in operating assets, including an increase of 7,527 million yen in accounts receivable - operating loans, an increase of 4,543 million yen in real estate for sale, and an increase of 2,238 million yen in installment receivables.

2) Cash Flows from Investing Activities

Net cash used in investing activities was 1,724 million yen, compared with a cash inflow of 6 million yen for the six months ended September 30, 2024. This was mainly due to 1,748 million yen in purchase of shares of subsidiaries and associates.

3) Cash Flows from Financing Activities

Net cash provided by financing activities was 15,198 million yen, compared with a cash inflow of 1,179 million yen for the six months ended September 30, 2024. This was mainly due to cash inflows, including net increase in long-term and short-term borrowings of 10,401 million yen and net increase in commercial papers of 6,000 million yen, despite cash outflows, including 854 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, 2026, announced on May 8, 2025.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	4,907	4,798
Notes and accounts receivable - trade	65	69
Installment receivables	29,659	31,964
Lease receivables and investments in leases	64,399	64,602
Accounts receivable - operating loans	41,118	48,622
Accounts receivable - lease	320	345
Real estate for sale	9,389	14,003
Other	838	638
Allowance for doubtful accounts	(447)	(514)
Total current assets	150,252	164,530
Non-current assets		
Property, plant and equipment		
Assets for lease		
Real estate for rent, net	27,570	27,346
Other, net	7,572	7,416
Total assets for lease	35,142	34,763
Other operating assets	3,069	3,084
Own-used assets	552	553
Total property, plant and equipment	38,764	38,401
Intangible assets	506	466
Investments and other assets		
Investment securities	10,494	13,069
Other	1,913	1,973
Total investments and other assets	12,408	15,043
Total non-current assets	51,679	53,910
Total assets	201,932	218,441

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,768	2,856
Short-term borrowings	38,572	43,708
Current portion of bonds payable	500	500
Commercial papers	–	6,000
Income taxes payable	1,209	770
Provisions	464	457
Other	4,933	4,953
Total current liabilities	49,448	59,246
Non-current liabilities		
Bonds payable	18,800	18,550
Long-term borrowings	79,646	84,912
Provisions	366	376
Retirement benefit liability	178	181
Asset retirement obligations	470	477
Other	10,392	10,672
Total non-current liabilities	109,854	115,170
Total liabilities	159,302	174,416
Net assets		
Shareholders' equity		
Share capital	2,933	2,933
Capital surplus	811	811
Retained earnings	39,332	40,572
Treasury shares	(1,266)	(1,256)
Total shareholders' equity	41,810	43,060
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	767
Foreign currency translation adjustment	–	42
Total accumulated other comprehensive income	678	810
Non-controlling interests	140	153
Total net assets	42,630	44,024
Total liabilities and net assets	201,932	218,441

(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, 2024	For the six months ended September 30, 2025
Net sales	21,365	15,521
Cost of sales	16,519	11,067
Gross profit	4,845	4,454
Selling, general and administrative expenses	1,470	1,608
Operating profit	3,374	2,845
Non-operating income		
Dividend income	29	33
Gain on sale of investment securities	–	49
Other	19	16
Total non-operating income	48	99
Non-operating expenses		
Interest expenses	42	59
Share of loss of entities accounted for using equity method	–	10
Bond issuance costs	58	–
Other	19	8
Total non-operating expenses	119	78
Ordinary profit	3,303	2,866
Extraordinary income		
Gain on sales of real estate for rent	–	29
Total extraordinary income	–	29
Profit before income taxes	3,303	2,896
Income taxes - current	1,004	798
Income taxes - deferred	(6)	(13)
Total income taxes	998	784
Profit	2,305	2,111
Profit attributable to non-controlling interests	254	16
Profit attributable to owners of parent	2,050	2,095

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	2,305	2,111
Other comprehensive income		
Valuation difference on available-for-sale securities	(29)	89
Share of other comprehensive income of entities accounted for using equity method	—	42
Total other comprehensive income	(29)	132
Comprehensive income	2,276	2,243
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,021	2,227
Comprehensive income attributable to non-controlling interests	254	16

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,303	2,896
Depreciation	566	602
Increase (decrease) in allowance for doubtful accounts	3	66
Increase (decrease) in provisions	11	12
Increase (decrease) in retirement benefit liability	18	3
Interest and dividend income	(31)	(36)
Capital costs and interest expenses	480	711
Bond issuance costs	58	—
Foreign exchange losses (gains)	10	0
Loss(gain) on sales of real estate for rent	—	(29)
Share of loss (profit) of entities accounted for using equity method	—	10
Loss (gain) on sale of investment securities	—	(49)
Decrease (increase) in installment receivables	(1,638)	(2,238)
Net decrease (increase) in lease receivables and investments in leases	(3,135)	(93)
Decrease (increase) in accounts receivable - operating loans	(1,862)	(7,527)
Decrease (increase) in real estate for sale	3,806	(4,543)
Proceeds from sale of assets for lease	—	84
Purchase of assets for lease	(417)	(2)
Purchase of other operating assets	(3)	(179)
Decrease (increase) in operational investment securities	(503)	(336)
Decrease (increase) in distressed receivables	13	12
Increase (decrease) in trade payables	213	(911)
Other, net	(917)	(120)
Subtotal	(24)	(11,667)
Interest and dividends received	31	36
Interest paid	(462)	(713)
Income taxes paid	(1,032)	(1,238)
Net cash provided by (used in) operating activities	(1,487)	(13,582)
Cash flows from investing activities		
Purchase of own-used assets	(65)	(31)
Purchase of intangible assets	(22)	(25)
Proceeds from sale and redemption of investment securities	93	80
Purchase of shares of subsidiaries and associates	—	(1,748)
Other, net	0	—
Net cash provided by (used in) investing activities	6	(1,724)

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,500)	5,185
Net increase (decrease) in commercial papers	–	6,000
Proceeds from long-term borrowings	17,880	21,814
Repayments of long-term borrowings	(21,357)	(16,597)
Proceeds from issuance of bonds	9,941	–
Redemption of bonds	(250)	(250)
Repayments to non-controlling shareholders	(22)	(6)
Repayments of lease liabilities	(93)	(95)
Dividends paid	(415)	(854)
Other, net	(4)	3
Net cash provided by (used in) financing activities	1,179	15,198
Effect of exchange rate change on cash and cash equivalents	(12)	(0)
Net increase (decrease) in cash and cash equivalents	(314)	(109)
Cash and cash equivalents at beginning of period	5,087	4,907
Cash and cash equivalents at end of period	4,772	4,798

(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)

(1) Significant changes in the scope of consolidation

During the six months under review, KLI New Energy LLC was newly established and included in the scope of consolidation.

(2) Significant changes in the scope of equity method

During the six months under review, 8JPR JV PTE. LTD. and STORAGE-OH Co., Ltd. were newly included in the scope of application of the equity method due to the Company's acquisition of their shares.

(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 572 million yen and 1,176,400 shares, respectively, while those as of the end of the six months under review were 562 million yen and 1,152,900 shares, respectively.

(Segment information, etc.)

(Segment information)

I. For the six months ended September 30, 2024 (from April 1, 2024 to September 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	10,836	1,030	8,631	257	597	21,353
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	10,836	1,030	8,631	257	597	21,353
Segment profit (loss)	969	647	1,811	136	146	3,711

	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	11	21,365	—	21,365
Inter-segment net sales or transfers	—	—	—	—
Total	11	21,365	—	21,365
Segment profit (loss)	(19)	3,692	(317)	3,374

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

2. The negative 317 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, 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.

3. Supplementary Information

Operating assets (Consolidated)

Name of segment		As of March 31, 2025		As of September 30, 2025	
		Year-end amount (Million yen)	Percentage (%)	Semi-annual-year-end amount (Million yen)	Percentage (%)
Leasing/Installment sales	Finance leases	63,583	33.4	63,784	30.9
	Operating leases	7,572	4.0	7,416	3.6
	Total leases	71,155	37.4	71,200	34.5
	Installment sales	29,659	15.6	31,964	15.5
	Total leases and installment sales	100,815	53.0	103,165	50.0
Finance		41,458	21.8	48,982	23.8
Real estate	Operating leases	27,617	14.5	27,432	13.3
	Other	15,051	7.9	21,571	10.5
	Total real estate	42,668	22.4	49,004	23.8
Environmental solutions		5,403	2.8	5,023	2.4
Total		190,345	100.0	206,175	100.0