A member of MUFG

Seed the Future.

JACCS

INTEGRATED REPORT

2026

For the Fiscal Year Ended March 31, 2026

Seed the Future.

JACCS

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Reference Guidelines

International Integrated Reporting Framework, IFRS Foundation
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, Ministry of Economy, Trade and Industry (METI)
Guidelines for Governance of Intellectual Property and Intangible Assets, Cabinet Office

Reporting Period

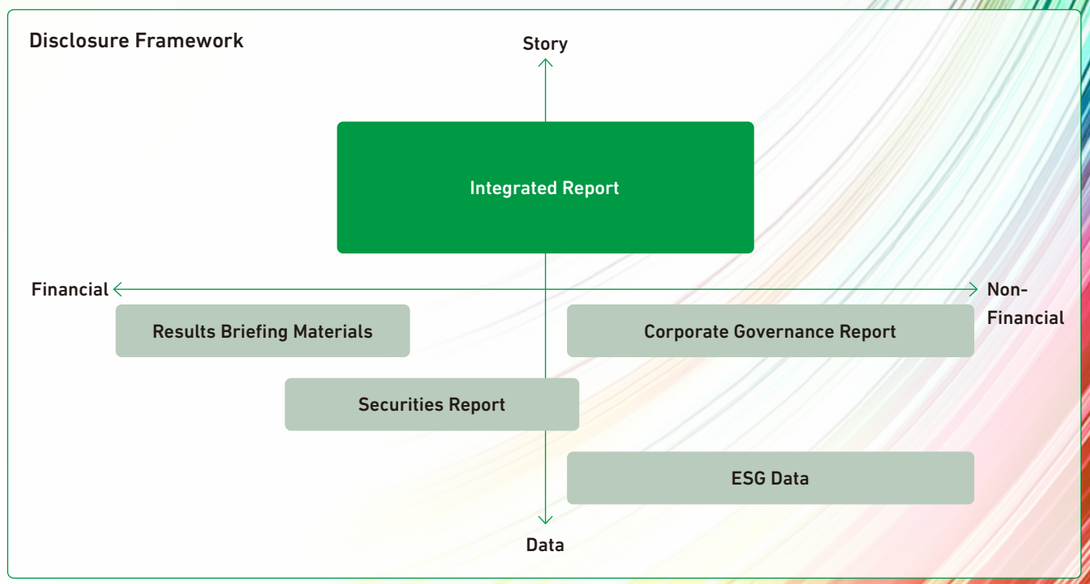
Fiscal 2025 (April 1, 2025–March 31, 2026)
A portion of the content of this report includes information about periods up to and including fiscal 2024 (April 1, 2024–March 31, 2025), and information about and activities planned for periods from fiscal 2026 (April 1, 2026–March 31, 2027) onward.

Scope of the Report

JACCS Co., Ltd., and its domestic and overseas Group companies

Forward-Looking Statements

The financial data and other business-related information in this report has been prepared to inform JACCS stakeholders about the business. Any forecasts regarding future performance contained in this report are based on estimates and the best judgments of the Company, without guarantee or security. Readers are advised not to make investment decisions based solely on the information contained in this report. All business and financial data relate to the consolidated operations of the Company, unless otherwise noted.



Investor Relations
https://www.jaccs.co.jp/en/corporate/ir/

Sustainability
https://www.jaccs.co.jp/en/corporate/sustainability/

Mission, Vision, and Values

Since its establishment in 1954, JACCS has sincerely striven to meet the needs of each customer's lifestyle based on its founding philosophy of "Trust is the basis for all." Through these consistent efforts, JACCS has built up confidence and trust with consumers and business partners.

This founding philosophy is shared among all officers and employees of the Group, and by applying it in practice we aim to contribute to affluent lifestyles for consumers and society's sustainable development.

MISSION

Our core values—including the Company's
raison d'être and mission—expressed in universal terms.
The mission is something the JACCS Group pursues unceasingly.

Management Principle

"JACCS contributes to the realization of a future inspired by dreams and an affluent society."

Since its founding, JACCS has supported consumers' rich and satisfying lifestyles,
and the fulfillment of their dreams.
In the future, too, this stance will remain unchanged. We want to continue helping consumers make purchases with peace of mind, and provide a shopping experience with even greater convenience and comfort.
Through consumer finance, we contribute to the affluence of our customers and the development of society.

Value Creation Process P20–

VISION

A medium- to long-term vision based on the mission, which describes a destination
or how the Company wants to evolve by a certain point in time.
The way the Company wants to look after a certain period of time.

Long-Term Vision

Establish JACCS' position as a leading brand among Asian consumer finance companies

Business Development in the ASEAN Region P11

VALUE

The values and principles for action prized by the Company and its employees,
as they work toward the realization of their mission and vision.

JACCS' Founding Philosophy

信為萬事本

The essence of JACCS' founding philosophy is expressed in these Chinese characters, which may be translated as, "Trust is the basis for all." Since JACCS' establishment, we have remained faithful to our founding philosophy—a strong belief that trust and reliability form the cornerstone of all our activities, taking precedence in our relationships with consumers and business partners.

Code of Conduct and Ethics

- We will conduct business activities in compliance with laws and regulations.
- We undertake business activities that value people highly.
- We carry out business activities in a manner that places a high value on trust.
- We maintain a fair and transparent corporate culture.
- We carry out business activities in accordance with the principle of social justice.
- We carry out business activities in a manner that thoroughly protects personal information.
- We carry out business activities while recognizing our corporate social responsibility.

Basic Policy on

Sustainability

Based on the management principle that "JACCS contributes to the realization of a future inspired by dreams and an affluent society," the JACCS Group contributes—through its business operations—to solutions to the challenges faced by society, while maintaining the confidence and trust of its stakeholders. Through these efforts, the Group aims to realize a sustainable society and raise its corporate value.

Sustainability Management P54

Message from the President

Within a drastically changing operating environment, JACCS will accelerate its transformation and move toward a trajectory of renewed growth.



Ryo Murakami
President and Representative Director

JACCS' Founding Philosophy—"Trust is the basis for all"

Fiscal 2026 marks my fifth year as president since my appointment in 2022. During this period, while the JACCS Group's operating environment has undergone drastic changes, the belief that forms the core of my management has remained consistent. This is embodied in the words of JACCS' Founding Philosophy—"Trust is the basis for all." Our stance, which places the highest value on sincerity and trust, has been passed down to us since JACCS' founding. Although I use these words in meetings and when addressing employees, this core value is not something that can be taught through words. Rather, it takes root naturally in each individual employee through their daily work—the relationship between manager and subordinate, and conversations with customers and member stores.

One of our outside directors commented to me, "JACCS really is a 'people' company. It goes beyond simply being a part of the corporate culture. The sincerity of the sales teams and the people in the credit screening departments is one of JACCS' most potent competitive advantages." This sincerity permeates JACCS' entire organization and manifests in all areas of our business operations—from sales functions, credit screening, and customer service right through to our credit management department, which deals with customers who have payments in arrears. In actual fact, in conversations with new employees I often hear such comments as, "I decided to join JACCS after being very impressed by the character of the regular employees and personnel department staff I spoke to during the recruitment process. Everyone listened to my questions sympathetically." Almost uniformly, mid-career recruits who have prior experience working at other companies mention that one of JACCS' distinctive features is its culture emphasizing sincerity. In an era where the advance of artificial intelligence (AI) and the shift to online-based services means that non-face-to-face transactions are becoming the default standard, it is my firm belief that we must fully utilize the value of JACCS' "people strength" as a core competence.

Review of Fiscal 2025 and Overhaul of the Three-Year Medium-Term Business Plan "Do next!"

Within our consolidated operating performance for fiscal 2025, operating revenue amounted to ¥192.3 billion, marking the 13th consecutive revenue increase. Ordinary income amounted to ¥20.2 billion, reflecting such factors as an increase in IT system-related expenses and other selling, general and administrative (SG&A) expenses, as well as higher financial expenses stemming from the rise in domestic fund-raising interest rates. Although this was a decrease in income compared with the previous fiscal year, the final result was slightly ahead of forecast.

Turning to the Three-Year Medium-Term Business Plan "Do next!"—which commenced in fiscal 2025—at the completion of the plan's initial year, we have decided to lower our quantitative targets for fiscal 2026—the second year of the plan. We also decided to withdraw the operating performance forecasts for fiscal 2027, the plan's final year. After analyzing operating performance for fiscal 2025, we arrived at the aforementioned decisions based on the manifestation of factors exceeding our assumptions that are likely to have a commensurate impact on operating performance from fiscal 2026 onward.

The most significant factor contributing to these decisions was changes in the interest-rate environment. Although movements in the Bank of Japan's policy interest rate were broadly in line with our assumptions, during the second half of the fiscal year under review the pace of the rise in long-term interest rates greatly exceeded our expectations. This led to downward pressure on the profitability of the credit business, which had until now benefited from the low-interest-rate environment to drive growth. A prime example of this growth was in auto loans. Other notable factors affecting performance in the fiscal year under review were cost increases relating to a change in the method of relocation for a data center and a delay in performance recovery at our operations in Indonesia. Owing to a large gap between our initial planning assumptions and actual conditions, we have lowered our quantitative targets for fiscal 2026, the medium-term business plan's second year. Furthermore, with regard to the plan's third year, we judged that rather than persisting with quantitative targets that would be difficult to achieve, we needed to pause and take stock of JACCS' current position and set out clearly our understanding of the situation. Based on this, we need to steadily implement measures aimed at rebuilding the medium-term plan. It was our judgment that such a management stance would provide greater clarity for stakeholders in the capital markets.

For the time being, we have withdrawn the quantitative targets set under the medium-term business plan. However, we are not revising the plan's core theme of achieving "transformation and renewed growth," or the three key strategies:

Message from the President

"Acceleration of growth strategies through cooperation and M&A with Mitsubishi UFJ Financial Group, Inc. (MUFG Group)"; "Promotion of fundamental business structural reform through a transition from quantity to quality"; and "Improvement of financial soundness and capital efficiency through advanced asset and liability management (ALM)." We are also retaining our fundamental dividend policy of emphasizing stable shareholder return and continuous dividends while maintaining a sound financial base.

Looking back over fiscal 2025, certain features of the Group's performance served to reaffirm JACCS' underlying strengths. Specifically, credit cost in the domestic business remained stable. Furthermore, housing loan revenue in the financing business—which the Company has pursued for over 50 years—underpins JACCS' operating performance. With regard to current operating conditions in which we are facing significant headwinds, rather than seeing this as a threat, I believe that we must grasp this as an opportunity to achieve a true transformation. Through such measures as optimization of our fee structure and a shift toward affiliated loans, we will move onto a firm trajectory of renewed growth by transitioning to a structure that generates revenue based on adaptation to the new positive interest-rate environment.



Promotion of Fundamental Business Structural Reform Through a Transition from Quantity to Quality

To overcome the challenges presented by the current environment, we will accelerate our transition from quantity to quality. As we work toward an improvement in profitability, to absorb the amount attributable to the increase in fundraising interest rates, in the credit business following on from 2024, we raised customer fee rates—the second such increase. We expect to see the effects of this action appear gradually in the near term. For our sales people, this was a bitter decision accompanying difficult negotiations with member stores with whom we have built up good relationships over many years. As someone who comes from a sales background, I am painfully aware of the anxiety this causes for our sales staff stemming from the possibility that fee increases may lead to a temporary loss of market share to our competitors and a resulting negative impact on the volume of new contracts. However, the reality is that in an environment where interest rates are positive, if we do not secure an appropriate level of profitability we cannot hope to achieve sustainable growth. Since our competitors are faced with the same financial macro-environment, by making this move at an early stage, I believe that we can take the lead in building a sound earnings structure for the industry as a whole. We have been able to obtain a certain level of understanding from our member stores regarding the fee increases, and we are working to raise the sophistication of our sales style so that member stores continue to choose JACCS for their customer financing needs. Specifically, we are emphasizing such aspects as the speed of credit screening and the high quality of our proposals. With regard to sales resources, through a reorganization and consolidation of our nationwide sales office network in the credit business, we have reallocated available sales personnel to growth fields and areas with high profitability, including housing-related fields and leasing. This resource realignment is already reaping better results than initially anticipated.

In the payments business too—in which credit card operations are the mainstay—we are pursuing structural reforms that focus on the twin objectives of rigorous cost reductions and profitability improvements. As well as raising the fees on installment payments and revolving payments, we have also carried out a retrenchment of co-branded cards with low activity rates. This has reduced the number of inactive cardholders by approximately 180,000 accounts, and enabled us to lower operating costs. In addition, we are focusing on lifting the volume of new contracts in high-margin installment payment products, including the SPLIE app-based payment service, and post-purchase installment-payment services.

In the overseas business, we anticipate that our operations in Indonesia will achieve profitability during fiscal 2027. In the newly entered Malaysia and Singapore markets, through steady progress in amortization of goodwill, we anticipate that these operations will contribute to profit.

Alongside measures to improve profitability, we are also pursuing a range of cost-reduction initiatives. From the second half of fiscal 2026, we will introduce a new automated calling system at the receivables collection center, and reorganize our control centers to enhance operational efficiency, with the aim of further reducing expenses related to doubtful accounts. In credit screening and customer centers beyond the receivables collection center, we will advance the utilization of AI and digital technologies to move operations in-house. Through such efforts, we will work to reduce expenses stemming from temporary staffing and outsourced services. Our efforts to digitize operations are already generating tangible results. The number of digital transformation (DX) leaders nurtured within the JACCS Group has grown to approximately 150, and a culture of using digital technology to solve operational challenges is taking root. In particular, in the use of generative AI, we will accelerate the shift to in-house operations and the optimization of operations in such areas as credit screening, customer and receivables collection centers. This will be managed by a newly established working group dedicated to AI- and digital-driven operational reform. We will also work to curb IT system-related expenses—within which data center relocation expenses are projected to rise—through an overhaul of our framework for managing IT system investments.

Through the implementation of such measures to improve profitability and reduce costs, ordinary income is expected to bottom out in fiscal 2026 and begin rising from fiscal 2027. By steadily executing a range of initiatives—while leveraging the favorable expansion of the operating revenue base in the financing business—we aim to realize consolidated ordinary income amounting to at least ¥30.0 billion in fiscal 2030.

Acceleration of Growth Strategies Through Cooperation and M&A with MUFG Group

Another major pillar supporting our renewed growth is our robust collaboration with the MUFG Group. We are currently striving to further deepen ties with various MUFG Group companies as part of MUFG's retail strategy. We have strengthened our partnership with MUFG Bank, Ltd., in the area of personal loan guarantees within the financing business, and are collaborating with Mitsubishi UFJ NICOS Co., Ltd., to expand the merchant network for SPLIE, our app-based payment service. In April 2026 we also began collaborating with Kanmu, Inc. on its factoring services. Furthermore, in the area of cybersecurity as well as in the utilization of AI and digital technologies, we are implementing upgrades to meet MUFG Group standards. We will also execute investments for the protection of highly sensitive customer data.

From the perspective of JACCS' profit growth, we are particularly looking forward to expanding our collaboration with the MUFG Group by participating in the "Emut ecosystem," which will begin full-scale operations from fiscal 2027. To date, JACCS has recognized such challenges as intensified competition driven by fees and promotional campaigns, and the one-off nature of customer contact points, which was a barrier to making composite proposals. However, through participation in the "Emut ecosystem," we hope to generate opportunities whereby customers are able to choose JACCS services based on their own initiative. By leveraging such existing infrastructure as MUFG Bank accounts and the MUFG Group's common ID system, as well as participating in the "Emut Points" program, what were previously one-off points of contact will evolve into consistent lines of contact with customers. Consequently, this will enable customers to utilize JACCS products across a diverse array of life events. We believe that full-fledged participation in the "Emut ecosystem" is a key initiative that will promote the evolution of JACCS' business model, and feed into medium- to long-term growth.

With regard to M&A, although we are not currently able to present any notable results, we are currently studying a range of potential transactions. We will continue to consider M&A opportunities that will lead to significant growth for JACCS in the future—using funds raised through the third-party allocation of new shares.

Please note that participation in the "Emut ecosystem" and M&A transactions aimed at accelerating future growth are not factored into the aforementioned ordinary income target for fiscal 2030. These will become additional factors contributing to profit growth.

Growth Strategies and Growth-Oriented Investment in the Domestic Business

In the domestic business, JACCS has identified the environmental field as a key area for growth. JACCS views contribution to environmental conservation through the provision of financial services as one of the Group's most important social responsibilities. Hence, the Company supports the adoption of household renewable energy systems—including solar power generation and storage batteries—by providing tailored credit products for such purchases. In fiscal 2025, JACCS reorganized its nationwide sales network and established a dedicated sales structure to more effectively facilitate entry into housing-related markets, including solar power and home renovations. In addition to steadily growing market share, JACCS launched "SmartReform," a web-based loan-application service designed for small-scale renovation and installation projects. Consequently, the volume of new contracts in the housing-related field increased by 10.8% compared with the previous fiscal year. In the housing-related field, although

Message from the President

fixed-interest-rate loans have traditionally dominated this sector, JACCS is now promoting variable-interest-rate loans to mitigate the risk of interest-rate rises, given that repayment periods are generally between 10 and 15 years. Within recent new contracts in the housing-related field, variable-rate products accounted for approximately 45% of transactions.

In September 2026, we entered into a capital and business alliance agreement with Solvvy Inc. Solvvy provides consulting services centering on businesses that use a recurring-revenue model within the housing sector. Within the housing-related field, we aim to expand transaction volume by enhancing customer convenience and improving operational efficiency for our member stores. Simultaneously, we plan to jointly develop such products as extended warranty services, thereby creating new revenue streams.

In the environmental field, we increased the number of dedicated sales staff for automotive-related products. As a result, in fiscal 2025, the volume of new contracts for auto leases provided to individuals increased by 20.8% compared with the previous fiscal year. Domestically, the shift toward electric vehicles (EVs) has not progressed as rapidly as initially anticipated, with demand shifting toward hybrid vehicles (HVs), including among imported car models. Consequently, our policy is to contribute to a decarbonized society by providing financing for eco-friendly vehicles, including HVs, for which there is a strong level of actual demand among customers.

With regard to one other growth field in the domestic business, rent guarantees within the payments business, we strengthened collaboration with an IT system vendor to offer a product that realizes a high level of convenience for both member stores and customers. As a result, in fiscal 2025, the volume of new contracts and operating revenue recorded robust growth. In personal loan guarantees for financial institutions within the financing business, in addition to the strengthening of our partnership with MUFG Bank that I previously mentioned, we have continued to increase our share of business at regional banks. As a result, despite facing a rising interest-rate environment, we were able to steadily build up the balance of guarantees, which rose 9.8% compared with the previous fiscal year. The stable recurring revenues generated by housing loan guarantees serve as a crucial base during the period in which we complete structural reforms centering on the credit business and return to a growth trajectory.

Rebuilding the Overseas Business and Working Toward Steady Growth

Within the overseas business, in Indonesia during fiscal 2025, owing to regulatory changes implemented by the local authorities, limits were placed on the handling of high-return products. This had a significant impact and has meant that a recovery in JACCS' operating performance has been delayed by approximately one year compared with our initial expectations. Despite this, our Indonesia operations are pushing ahead with steady improvements to the business. Specifically, we have ceased handling low-profitability auto loans, and are now focusing on motorcycle loans. Additionally, we have taken decisive action to implement rigorous cost reductions. As a result, losses in the most recent period shrunk, and since the start of 2026, on a monthly basis there have been some months in which the business achieved profitability. Consequently, the target of reaching profitability in fiscal 2027 is a realistic prospect.

In Malaysia and Singapore—JACCS' newest market entries—with our principal focus on auto loans, we are developing a new strategy that differs from the countries we have previously entered. Underpinned by this strategy, we will work to significantly enhance the stability of our overseas business portfolio. Through a strategic partnership with the CARSOME Group—a major used-car sales platform based in Malaysia—we are building a business model that directly captures demand for financing generated within the CARSOME ecosystem. In fiscal 2025, we acquired a 49% equity stake in the financial subsidiary of Singapore's CAR TIMES AUTO MOBILE—the latter being a member of the CARSOME Group. We anticipate contributions to our consolidated earnings through equity-method investment gain, starting in fiscal 2027 and 2029, for Malaysia and Singapore, respectively.

In the overseas business, we are strengthening governance not only through the International Business Department, but also based on collaboration with an array of departments at the JACCS Group parent. These include finance, accounting, legal, IT systems, and audit. In conjunction with the reduction in loss in Indonesia, we expect the overseas business as a whole to recover to break-even level by the close of fiscal 2026.

Maintenance of Financial Soundness and Improvement of Capital Efficiency Through Advanced ALM

With regard to our financial strategy, we are working to strengthen asset control, and in fiscal 2025, in the credit business the shift toward affiliated loans progressed largely according to plan. In the area of on-balance-sheet securitization of receivables, we executed a transaction involving variable-interest-rate receivables for the first time. However, we shelved plans to execute off-balance-sheet securitization of receivables owing to the higher-than-anticipated rise in interest rates.

Reduction of interest-bearing debt was limited to approximately ¥50.0 billion. This outcome partly reflected the volume of new contracts in the parent-company credit business exceeding initial targets under the current medium-term business plan. Looking ahead, we aim to further reduce interest-bearing debt from fiscal 2026, onward by working toward the expansion of securitization of receivables. Specifically, we will cultivate new investors as well as pursue the development of related information systems.

In the capital markets, JACCS' price-to-book (P/B) ratio has remained substantially



below 1.0x. As management, we take this harsh appraisal extremely seriously.

First and foremost, we recognize that restoring return on equity (ROE) to a level of 8% or higher at an early stage is an urgent priority for breaking out of the current situation. Fiscal 2026 is projected to become the third consecutive fiscal year of declining income—starkly illustrating the very challenging environment we face. However, the aforementioned fiscal year will mark the low point, as we have already begun executing a range of initiatives aimed at putting JACCS on a path to recovery.

On shareholder return, we remain committed to our policy of maintaining an annual dividend of at least ¥200 per share throughout the period of the current medium-term business plan. Our decision to maintain the dividend despite a projected decline in earnings reflects the utmost importance we place on the relationship of trust we have built with shareholders. While we deeply regret our inability to meet the expectations of the capital markets, we are committed to steadily implementing the measures I have outlined, as we strive toward a recovery in the Group's operating performance. Specifically, we aim to return to consolidated ordinary income of ¥30.0 billion or more in fiscal 2030. Furthermore, we will work to realize this goal at the earliest possible time through growth investments—including M&A—and by enhancing our profitability through participation in the "Emut ecosystem."

Human Capital Management

It is JACCS employees who turn these plans into reality, and as I mentioned at the beginning of this message, each individual employee embodies JACCS' Founding Philosophy—"Trust is the basis for all." I believe that creating an environment in which employees are physically and mentally healthy, and find fulfillment in their work, is an essential prerequisite for enhancing corporate value over the medium- to long-term. Hence, I am strongly committed to the practice of health and productivity management. The Health Management Promotion Office—within the Human Resources Department—has a qualified occupational health nurse as a permanent member of staff. In addition, we recently introduced a "Team Support Allowance" for employees who help cover the duties of a colleague on maternity or childcare leave. One of the objectives of this program is to eliminate the reluctance to take leave, which often stems from concern over one's team. The program also fosters a culture of mutual support by providing enhanced compensation to those who step in to handle the workload. While JACCS has received a high level of external recognition—including being selected as a company that achieves excellence in health and productivity management—what truly matters is whether these efforts actually make the workplace more comfortable for employees. As attested by steadily rising employee engagement scores, I believe we are achieving tangible results and positive evaluation.

To Our Stakeholders

I view the current business environment—characterized by the shift to an economy with positive interest rates and a trend of rapidly rising rates—as a prime opportunity to break away from our dependency on the previous low-interest-rate model and transform into a structure capable of generating robust earnings. By executing the initiatives outlined above as we strive toward a recovery in our operating performance, the entire JACCS Group will work in unison to overcome the challenges of the current situation. In doing so, we aim to further strengthen the relationship of trust we have built with our stakeholders. In these endeavors, we look forward to your continued support as we rise to meet the challenges of transformation and renewed growth.

Strengths of the JACCS Group

Solid Business Base in Japan

Stable source of earnings

- Balance of deferred installment income **¥246.5 billion**
- Balance of guarantees
  - Housing loan guarantees **¥3,246.2 billion**
  - Personal loan guarantees for financial institutions **¥769.3 billion**

The Company has secured a stable earnings source through the long-term build-up of its receivables portfolio. Even in the event of a temporary fall in the volume of new contracts, it is still possible for the Company to record stable operating revenue based on such income streams as reversal in the balance of deferred installment income and guarantee fees generated from the balance of guarantees.

Dominant share of the imported-vehicle loan market

- Partner brands **More than 20**

JACCS maintains alliances with the majority of brands of imported vehicles sold in Japan. We not only offer a range of financing options but also provide comprehensive marketing backup, including sales strategy planning in cooperation with importers, and sales support for dealers. Through these relationships we contribute to growth in the number of vehicles sold.

Accumulated know-how in the market for studio condominiums purchased for investment purposes

- History of the housing loan business **Over 50 years**

JACCS entered the market during its initial phase, and has accumulated know-how in customer credit screening, property valuation, and member store management. We have built a solid network with real estate sales companies and financial institutions, making it possible to record stable and efficient operating revenues.

High-quality customer support system

We strive to improve the quality of our customer support system in order to appropriately and expeditiously resolve customers' questions and problems, and to earn their trust and confidence. As a result, we have received the highest rating from an international rating agency in the customer support industry.

3 Stars Quality Service
HDI-Japan 2026

In the Quality Rating (Center Evaluation) section of the HDI Benchmarking program, JACCS received the highest ranking of "three stars" for the sixth consecutive year in the telephone division, and for the third consecutive year in the email and chat division.

Diverse payment menu

JACCS provides a one-stop payment menu to member stores necessary for the provision of goods and services to customers. We contribute to sales expansion by member stores through a diverse payment menu that caters to a broad variety of price ranges.



Business Development in the ASEAN Region

Since 2010, JACCS has progressively entered markets in countries in the ASEAN region, where high economic growth is forecast. In 2025, JACCS commenced collaboration with CARSOME Group, which operates a used-car e-commerce platform. JACCS is leveraging the know-how it has cultivated in Japan in the sales finance business, and is contributing to economic development in the ASEAN region.

Cambodia

JACCS MICROFINANCE (CAMBODIA) PLC.
Entered the market in 2017
Equity stake: 100%
Balance of operating receivables
¥18.0 billion

Malaysia

Carsome Capital Sdn.Bhd.
Entered the market in 2025
Equity stake: 49%
Balance of operating receivables
¥11.2 billion

Singapore

CAR TIMES CAPITAL PTE. LTD.
Entered the market in 2026
Equity stake: 49%

Vietnam

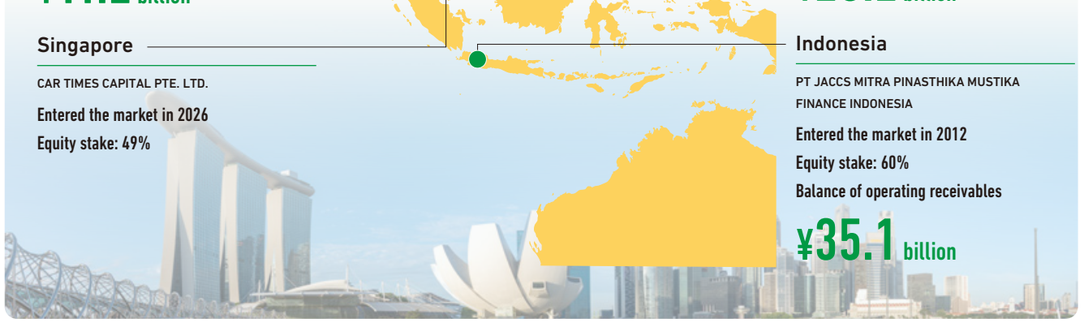
JACCS International Vietnam Finance Co.,Ltd.
Entered the market in 2010
Equity stake: 100%
Balance of operating receivables
¥26.4 billion

Philippines

JACCS FINANCE PHILIPPINES CORPORATION
Entered the market in 2016
Equity stake: 65%
Balance of operating receivables
¥23.2 billion

Indonesia

PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA
Entered the market in 2012
Equity stake: 60%
Balance of operating receivables
¥35.1 billion



Cooperation with the MUFG Group

Generation of further synergies through acceleration of integrated group management

- Further growth of the "Net DE Loan" business operated in collaboration with MUFG Bank, Ltd.
- Generate business synergies through strengthened relationships with companies in the MUFG Group
- Aim to maximize lifetime value (LTV), and study participation in the "emut" financial ecosystem"

Credit enhancement by the MUFG Group

Credit ratings R&I Long-term: A+ Short-term: a-1 JCR Long-term: A+ Short-term: J-1

JACCS maintains a high credit rating, underpinned not only by a strong appraisal of the Company's business base, but also by its membership of the MUFG Group, which complements confidence in JACCS.

Stable fundraising capabilities

- Stable fundraising from MUFG Bank—the Group's principal financing bank
- Fundraising through securitization of receivables, centering on cooperation with Mitsubishi UFJ Trust and Banking Corporation

Steady and Sound Management

Portfolio of high-quality, small-lot credit receivables

- Aggregate balance of operating receivables (Non-consolidated) **¥8,206.4 billion**
- Ratio of receivables in arrears (Non-consolidated) **0.43%**
- Ratio of write-off of doubtful accounts (Non-consolidated) **0.23%**

Although the aggregate balance of operating receivables has increased continuously, the ratio of receivables in arrears and the ratio of write-off of doubtful accounts have remained at low levels, reflecting JACCS' appropriate customer credit screening and receivables management system. In addition, since nearly all of JACCS' receivables portfolio comprises small-lot credit extended to individuals, risk is distributed.

Human resources and corporate culture characterized by sincerity

Percentage of employees (non-consolidated basis) who are proud to work at JACCS:
89.6%*1

New-graduate employees: retention ratio after three years (non-consolidated basis):
92.3%*2

Under a corporate culture that prioritizes confidence and trust, a large number of JACCS employees take great pride in their work. We also maintain a high retention rate for employees that join as new graduates, reflecting a deeply rooted culture of mutual respect and support. The sincerity that has been passed down from one generation of employees to the next has become the solid foundation from which we work to create new value.

*1 In the FY2025 employee engagement survey, the percentage of employees who chose either "agree" or "agree to some extent" in relation to the statement, "I'm proud to work for this company"
*2 Percentage of new-graduate employees who joined in FY2023 that were still at the Company at the end of FY2025

Services that Leverage JACCS' Strengths

The Value JACCS Provides in the Imported-Vehicle Loan Market

JACCS doesn't simply provide auto loans as a payment method, but rather develops a finance strategy tailored to the needs of each brand by building partnerships with importers and dealers. By leveraging its accumulated know-how, JACCS helps drive growth in the number of vehicles sold.



1 Competitive advantage

Support system underpins sales growth

We assign dedicated sales staff to each brand to support the nationwide dealer network through such activities as marketing-program execution support, reviews of vehicle-finance results, and training programs. We also provide database and analysis tools relating to vehicle-finance customers.

A specialist screening center focusing on imported-vehicle finance handles credit screening operations. Staff provide rapid and flexible service based on their extensive knowledge, including in processing high-value loan applications. JACCS' sales and credit screening functions work in close collaboration to help each brand drive sales growth.

2 Competitive advantage

Comprehensive finance menu

To meet a diverse range of customer needs, we offer a full array of finance options, including flexible repayment, deferred payment, and lease plans. The finance product lineup is designed and provided in accordance with each importer's strategy.

For dealers, we provide fundraising support in such areas as short-term financing of inventory purchased from importers, enabling dealers to expand their funding alternatives. Conversely, inventory financing from JACCS means that importers are able to conduct smooth delivery of vehicles to dealers.

3 Competitive advantage

Extensive achievements and financial soundness

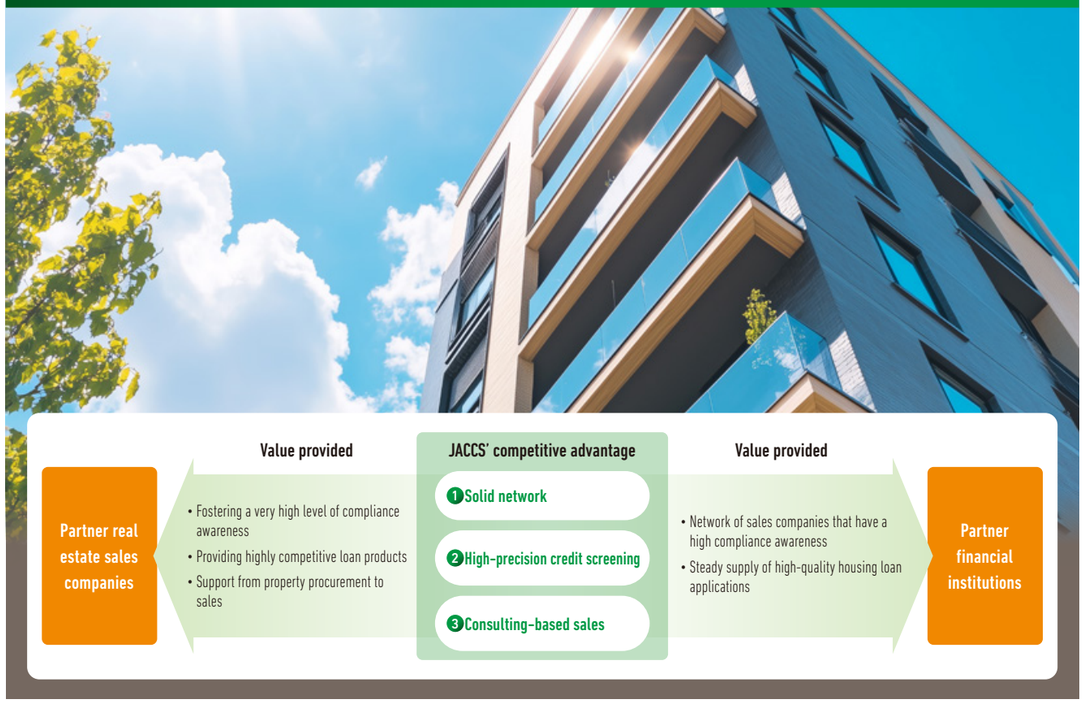
JACCS partners with over 20 imported-vehicle brands. While importers typically review their finance partners every one to three years, JACCS has expanded its network through contract renewals and new partnerships, driven by a strong track record and proven performance.

By catering to a broad range of vehicle models and price points while responding to changing market needs, JACCS has accumulated unique expertise in imported-vehicle finance.

Importers are the Japanese marketing arms of global automobile brands. From this perspective, importers appraise JACCS highly not only for its sound business base but also for its status as a member of the MUFG Group, Japan's leading financial conglomerate.

The Value JACCS Provides in the Market for Studio Condominiums Purchased for Investment Purposes

Going beyond the position of a guarantee provider, JACCS fulfills the function of a hub—connecting the condominium sales company with the lending institution. JACCS provides total support to the sales company by utilizing its accumulated know-how.



1 Competitive advantage

Solid network

When Japan's "bubble economy" collapsed in the early 1990s, many of JACCS' competitors withdrew from the guarantees market. In this environment, JACCS maintained its relationships with real estate sales companies and weathered the crisis together with them. We have built strong networks with sales company partners who share our policy of making compliance the highest priority and fostering mutually beneficial relationships.

We have also established robust relationships with financial institutions, enabling us to provide highly competitive loan products to our sales partners. While acting as a guarantee provider, JACCS plays a pivotal role in connecting high-quality business opportunities between sales partners and financial institutions.

2 Competitive advantage

High-precision credit screening

We have specialized in studio condominiums purchased for investment purposes within major urban areas (Tokyo, Nagoya, Osaka, and Fukuoka), and have accumulated proprietary credit screening expertise. Leveraging this know-how, we conduct credit screening based on such factors as location, layout, and property grade to mitigate vacancy risks that could lead to payment defaults. We also maintain strict oversight of sales companies, placing a strong emphasis on their sales methods and customer management systems. As a result, even as the balance of guarantees grows, the rate of receivables in arrears remains low, enabling us to generate stable profits.

3 Competitive advantage

Consulting-based sales

We also leverage our accumulated know-how in our sales operations. JACCS provides consultation and support to sales companies—from property planning and purchasing, through to sales. For example, based on our experience, we provide advice on what kind of properties can reduce vacancy risk and maintain liquidity. We also provide information on compliance.

One of JACCS' key strengths—in addition to credit screening—unmatched by our competitors is our ability to provide total support, from property purchasing to sales, in addition to screening.

Main Recurring Revenue Business Model

JACCS' profit structure is based on what is usually referred to as a recurring revenue business model. Typically, operating revenue comprises such items as charges and guarantee fees on balances outstanding, which are based on past contracts. Consequently, it is possible to maintain stable operating revenue even when the volume of new contracts experiences a short-term decrease due to economic fluctuations.

Illustration of Credit Business Revenue

Business summary
Member stores offer products and services to consumers, and JACCS advances payment to the member stores on behalf of the consumers. The consumers then pay the price to JACCS in installments, and fees are incurred.

Revenue model
The fees paid by a consumer are not recorded as a lump sum but are deferred according to the number of payments. After that, the fees are recorded as revenue as they become due.

* The full amount of the fees paid by a member store is recorded as revenue in a lump sum without deferral.

Focus
Installment payments are often for high-priced items (remodeling fees, automobiles, etc.) with the number of payments* stretching over a long period of time. Therefore, when the consumer pays installment payment fees, the profit is deferred over a long period of time and is therefore stable.

Illustration of Payments Business Revenue (Installment and revolving payments)

Business summary
JACCS cardholders specify installment or revolving payments when using their credit cards. Each month, cardholders pay JACCS the principal and fees according to the number of installments or the revolving balance.

Revenue model
Every month, JACCS receives fees from cardholders based on the balance of installment or revolving payments and records it as revenue.

Focus
As the use of installment and revolving payments increases and the balance stabilizes or increases, stable earnings can be expected over the long term.

Illustration of Payments Business Revenue (Rent guarantees)

Business summary
In partnership with property management companies and others, JACCS provides guarantees for the rent paid by tenants of rental properties to the property management companies. JACCS makes advance payments of rent to the property management companies on behalf of the tenants and then collects the rent from the tenants.

Revenue model
The initial guarantee service fee and monthly administrative fees based on the amount of the guarantee and incidental services are recorded as revenue.

Focus
Since the guarantee is for rent, stable earnings can be expected every month once a partnership with a property management company is initiated.

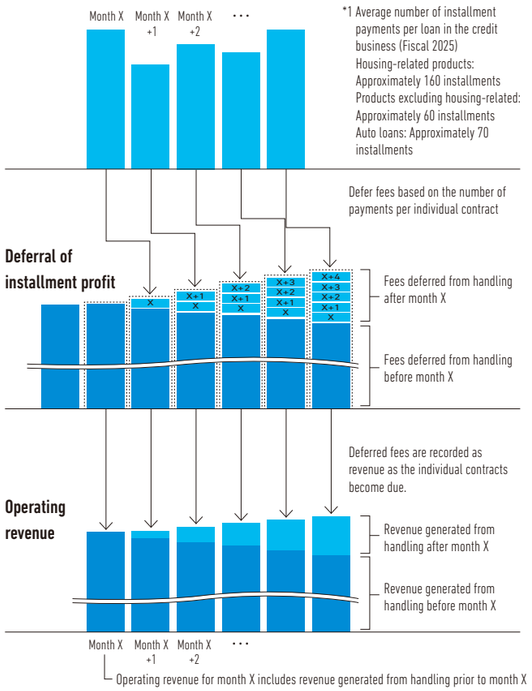
Illustration of Financing Business Revenue (Housing loan guarantees, Personal loan guarantees)

Business summary
Financial institutions lend to consumers, and JACCS guarantees the loan contracts. If a consumer fails to repay the financial institution, JACCS makes payments in subrogation to the financial institution on behalf of the consumer.

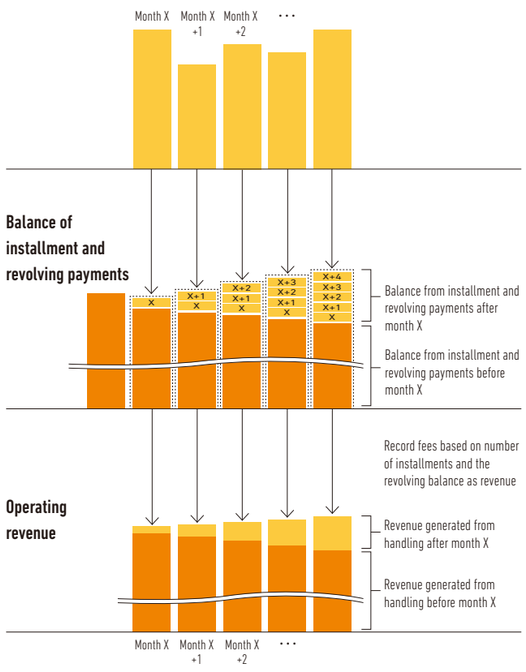
Revenue model
Every month, JACCS receives guarantee fees from the financial institution based on the guarantee balance and records it as revenue.

Focus
Many of the guarantees cover high-amount loans for the purchase of automobiles and real estate, and the repayment period is long. Therefore, stable earnings can be expected over a long period of time.

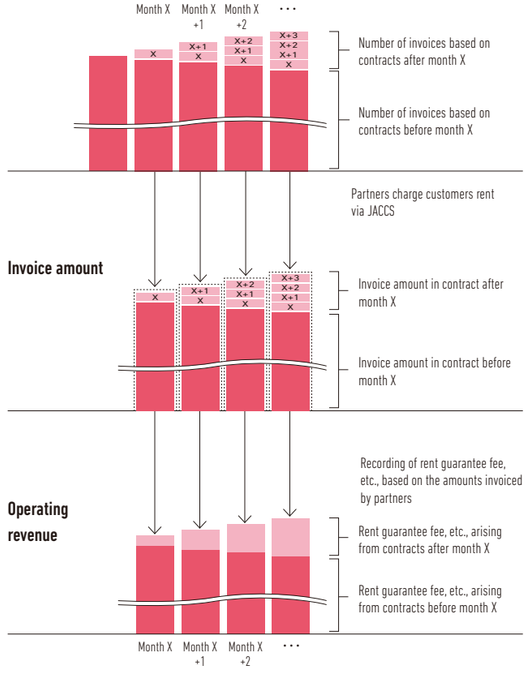
Total amount of fees paid by consumers for new transactions each month



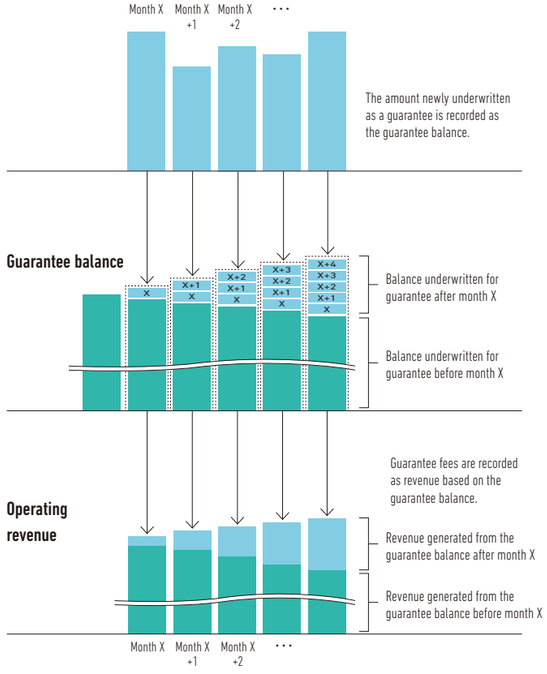
Total amount of card usage by installment and revolving payments each month



Number of invoices

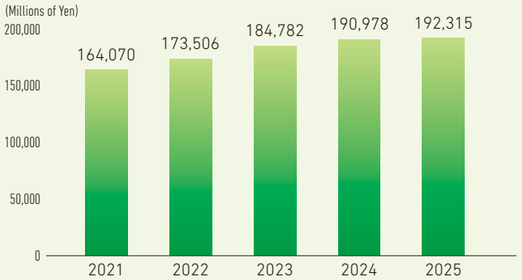


Amount of newly underwritten guarantee



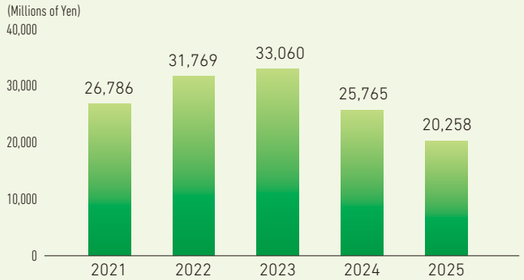
Financial and Non-Financial Highlights

Total Operating Revenue



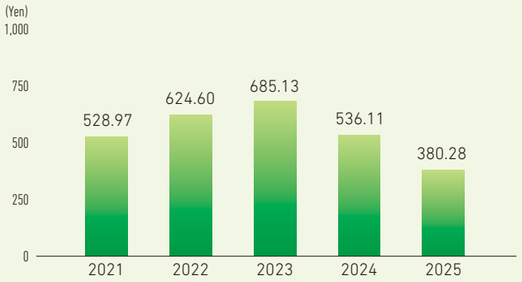
Total operating revenue increased 0.7% compared with the previous fiscal year, marking the 13th consecutive year of growth. Despite a decrease in financial revenue attributable to the securitization of receivables, the overall increase was underpinned by a reversal in the balance of deferred installment income and the build-up in the balance of credit guarantees.

Ordinary Income



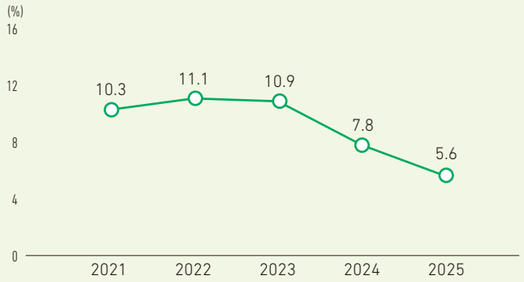
Ordinary income declined 21.4% compared with the previous fiscal year, despite a decrease in expenses related to doubtful accounts reflecting an improvement in the quality of the receivables portfolio in the overseas business. The main factors contributing to the fall in ordinary income were a rise in fundraising interest rates in the domestic business and an increase in financial expenses driven by growth in demand for funds.

Net Income per Share–Basic



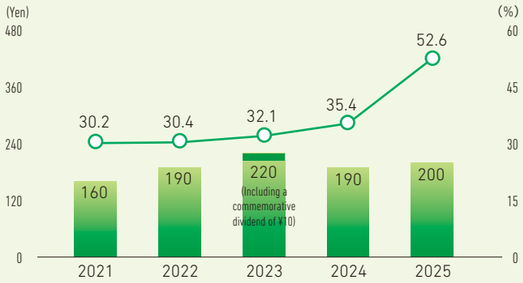
Net income per share–basic decreased ¥155.83 compared with the previous fiscal year.

ROE



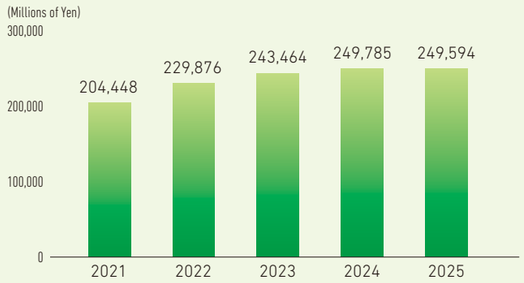
ROE decreased 2.2 percentage points compared with the previous fiscal year.

Cash Dividends per Share and Dividend Payout Ratio



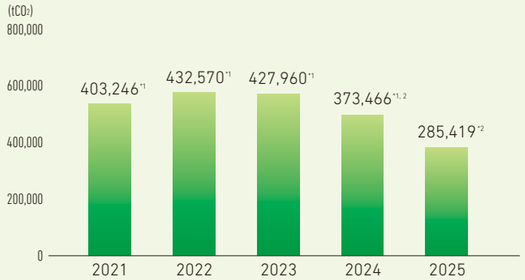
Cash dividends per share increased ¥10.00 compared with the previous fiscal year, and the dividend payout ratio increased 17.2 percentage points compared with the previous fiscal year.

Balance of Deferred Installment Income



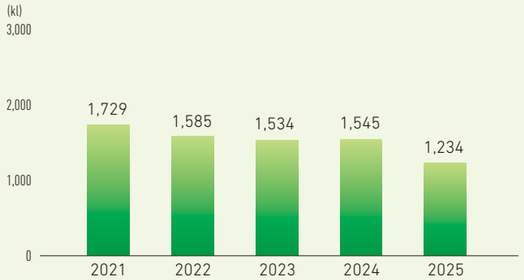
Although the balance of deferred installment income declined slightly compared with the previous fiscal year, it continued to contribute to an increase in operating revenue as a stable income base.

Total GHG Emissions (Scope 1 + Scope 2 + Scope 3)



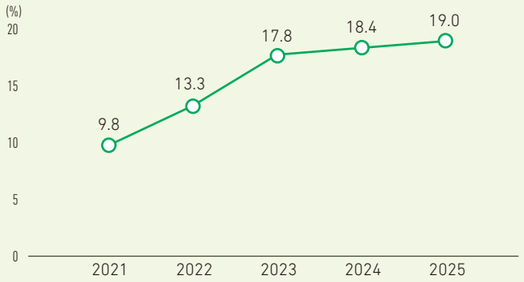
Greenhouse gas (GHG) emissions decreased 23.6% compared with the previous fiscal year.

Energy Consumption*3



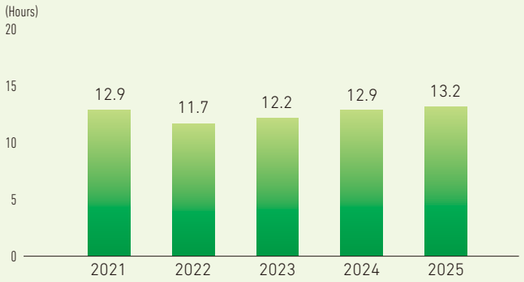
Energy consumption decreased 20.1% compared with the previous fiscal year.

Ratio of Female Employees Among All Section Manager or Higher Positions*4, 5



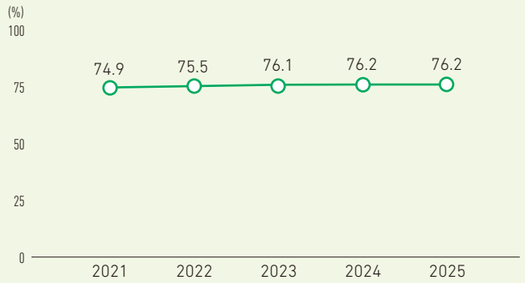
The Company sets a target for the ratio of female employees among all managers (section manager or higher). In addition to training programs, the Company proactively works to promote female employees. The ratio of female employees among all managers increased 0.6 percentage point compared with the previous fiscal year.

Employees' Average Monthly Overtime Hours*4, 6



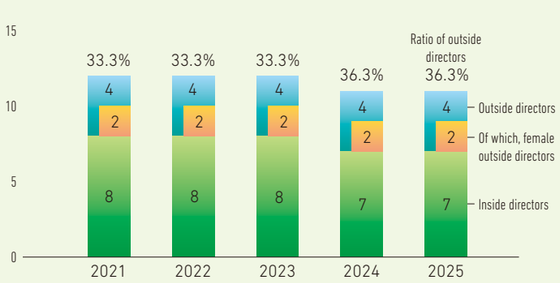
The average overtime hours per month increased 2.3% compared with the previous fiscal year.

Average Utilization Ratio of Annual Paid Leave Granted*4



The average utilization ratio of annual paid leave granted remained at a similar level to the previous fiscal year.

Composition of the Board of Directors*4



There was no change from the previous fiscal year in the number of directors or the composition of the Board of Directors.

*1 Owing to a change in the calculation method, the results of past fiscal years have been revised.
*2 The Company has obtained third-party guarantees regarding actual CO_2 emissions.
*3 JACCS Co., Ltd., and its domestic subsidiaries
*4 Non-consolidated basis
*5 The ratio of female managers with a rank of section manager or higher, as of April 1 following the end of each fiscal year
*6 Includes hours exceeding the Company's prescribed working hours, which are within the statutory working hours

A Journey of Value Creation

The JACCS Group's journey has been one of ceaseless challenge to enhance convenience for consumers. This has been underpinned at the foundations of all our businesses by JACCS' founding philosophy, "Trust is the basis for all."



Hakodate: The place of JACCS' founding. To this day, the Group still contributes to the city's development as a member of the local community.



Head office, Ebisu Neonato

2010 Overseas Business

Starting with an entry into Vietnam, expanding business across ASEAN countries

2010 Entered the Vietnam market
2012 Entered the Indonesia market
2016 Entered the Philippines market
2017 Entered the Cambodia market
2025 Entered the Malaysia market
2026 Entered the Singapore market

Total Operating Revenue
¥192.3 billion

2024
Launch of SPLIE, an app-based payment service that allows consumers to choose installment payments and is fully manageable via smartphone

Cash Dividends per Share
¥200

1970 Payments Business

Issuance of credit cards



JACCS' internationally accepted credit cards

1989
Began issuing internationally accepted credit cards, JACCS MasterCard and JACCS Visa Card

1991
Began issuing JACCS JCB Card

2017
Commenced acquiring operations for MasterCard and Visa merchants

2023
Released House Pay

1959 Financing Business

Began a credit guarantee service for financial institutions, the first service of its type in the industry

1972
Began housing loan operations

2019
Acquired the credit guarantee business of JCB Co., Ltd.



Head office building during the Kitanihon Sinyohanbai Co., Ltd., era (originally the site of the Hakodate Branch of the former Dai-Ichi Bank)

1954 Credit Business

Began monthly installment credit service for use at department stores based on the issuance of installment shopping coupons to members who have joined through their workplace

1969
In collaboration with large manufacturers, began providing a full-fledged shopping credit service

1976
Commenced handling auto loans

2008
Took over the shopping credit business of Mitsubishi UFJ NICOS Co., Ltd.

2006
Developed WeBBy mobile, the industry's first fully mobile phone-based shopping credit system

2014
Entered the deferred-payment settlement services market

(CY) 1954 1960 1970 1976 1980 1990 2000 2010 2020

| | | |

Value Creation Process

In response to a broad range of social and environmental challenges, including technological innovation, the diversification of values, and climate change, the JACCS Group manages its capital appropriately and efficiently. In doing so, the Group contributes to the realization of a sustainable society through value creation based on its products and services, and through efforts to protect the environment.

Operating environment / Challenges

- Declining birthrate and aging population
- Transitioning to "an economy with positive interest rates"
- Expansion of e-commerce market
- Progress of cashless society
- Economic growth in the ASEAN region
- Spread of decarbonization-related products and services
- Climate change
- Natural disasters
- Pandemic
- Diversification of values and lifestyles
- Technological innovation in such fields as IT, AI, and DX

Input

Core Management Capital

- **Financial capital**
- **Intellectual capital**
- **Human capital**
- **Social and relationship capital**
- **Natural capital**

Business Activities

Management Principle

"JACCS contributes to the realization of a future inspired by dreams and an affluent society."

Advancing the Quality of Corporate Governance P70–, Risk Management P80–

Message from the President P04–
Progress on the Three-Year Medium-Term Business Plan "Do next!" P34–

Corporate Governance and Risk Management

Management Strategy and Resource Allocation

Strengths of the JACCS Group

- Solid business base in Japan
- Business development in the ASEAN region
- Steady and sound management
- A member of MUFG

Strengths of the JACCS Group P10-
Services that Leverage JACCS' Strengths P12-

Opportunities and Risks

Major Risks P38–

Creation and Provision of Services

Business Strategy P46–

Sustainability Management

Materiality		
Providing safe, secure and familiar services that offer a high level of convenience	Pursue management under which people are respected, and diverse human resources are able to grow and play an active role	
Contribute to the development of prosperous local areas and communities in Japan and the ASEAN region	Strengthen and practice corporate governance that contributes to sustainable growth	Promote initiatives that contribute to environmental conservation

Sustainability Management P54–, JACCS Group's Areas of Materiality P24, Specific Grounds for Areas of Materiality P25, Materiality and Sustainability Goals and Performance P26–

Output

ROE 5.6% **Dividend yield 5.0%***

* Calculated based on the closing price on the final trading day of fiscal 2025

GHG emissions reduction rate (48.5%)

(Compared with fiscal 2019)

Ratio of female managers 19.0%

Credit Business

- Provides payment methods tailored to customers' lifestyles
- Sales promotion support for member stores
- Contributes to a decarbonized society through loans and leases for such items as solar power systems, home renovations, and EVs

Payments Business

- Issuing co-branded cards with companies in a wide range of industries
- Contributes to the shift to cashless payments by offering diverse payment methods
- Contributes to the uptake of payment methods that offer a high level of security
- Contributes to society and local communities through credit card transactions

Financing Business

- Supports asset formation by customers through real estate investment
- Supports the retail operations of partner financial institutions
- Contributes to a decarbonized society through guarantee operations for EV loans and home renovation loans, etc., by partner financial institutions

Overseas Business

- Contributes to the economic development of countries in the ASEAN region through the provision of consumer finance
- Provides safe and secure payment services through strengthened security

Promote paperless operations throughout all businesses

Outcome

Stakeholders

- Customers / Member stores
- Shareholders / Investors
- Employees
- Local communities

Value Provided to Stakeholders P30-
Value Creation Through Partnerships P50-

Impact

- Rich and fulfilling lives of consumers
- Convenient, user-friendly, safe, and secure payment functions
- Revitalization of consumption
- Reduction of environmental burden and conservation of resources
- Healthy and stimulating work environment

Realize sustainable growth

The Source of JACCS' Value Creation: Main Types of Management Capital P22-

Resolve social issues, develop a sustainable society

The Source of JACCS' Value Creation: Main Types of Management Capital

Five types of management capital held by the JACCS Group are the source of JACCS' value creation. In particular, with regard to financial capital, the balance of deferred installment income is a stable source of revenue. In addition, JACCS' status as a member of the MUFG Group underpins the high level of creditworthiness enjoyed by the Group.

Financial capital

Related areas of materiality
Providing safe, secure and familiar services that offer a high level of convenience

JACCS will work to solidify its financial base while utilizing diversified fundraising methods to maintain stability. We will also strive to secure the balance of deferred installment income and the balance of credit guarantees, which comprise key earnings sources. By doing so, JACCS will obtain the financial capital necessary to support its sustainable growth. In addition, underpinned by enterprise risk management (ERM), we are deploying business portfolio management based on maintaining a balance between earnings, risk and capital, as we work to transition management from a quantity to a quality orientation. We will continue to strengthen asset control and strive to maintain and improve financial soundness.

In September 2025, JACCS issued new shares via a third-party allocation to MUFG Bank, Ltd. The funds raised will be used for growth investments, accelerating the growth of the JACCS Group.

Total assets (Consolidated)
¥3,752.4 billion

Balance of deferred installment income (Consolidated)
¥249.5 billion

Balance of credit guarantees (Consolidated)
¥4,872.2 billion

Commitment lines of credit (Total at domestic financial institutions)
¥130.0 billion

Credit ratings
R&I **A+** JCR **A+**

Intellectual capital

Related areas of materiality
Providing safe, secure and familiar services that offer a high level of convenience

While always adapting to the needs of changing times, JACCS prizes the values expressed in its founding principle, "Trust is the basis for all," and provides financial services while building close relationships with its member stores. These win–win relationships with member stores have been a key source of JACCS' competitiveness, enabling the Group to continue on a successful path for over 70 years. The credit screening and receivables management expertise accumulated by JACCS over many decades is a form of capital held by the Group, which functions as a lifeline supporting the Group's business. Based on this know-how, JACCS strives to maintain a low ratio of receivables in arrears. Within the Group's credit screening functions, we are working to improve the accuracy of screening by promoting a transition to web-based operations and automation, while also pursuing convenience for customers and member stores.
Our customer service functions, which serve as the point of contact with customers, are working to improve the quality of service.

P10
JACCS' unique strengths

Ratio of receivables in arrears (Non-consolidated)
0.43%

P10
Customer-contact service quality
Received the highest quality rating in
six consecutive years

Human capital

Related areas of materiality
Pursue management under which people are respected, and diverse human resources are able to grow and play an active role

JACCS' founding philosophy has been passed down through generations as the Company's DNA, and each employee embraces JACCS' Management Principle as a fundamental value. This has given birth to JACCS' unique character. Extending from this, the diverse experiences and knowledge of our employees comprise one of JACCS' most important strengths. We are committed to improving employee engagement so that all employees can maximize their abilities and feel comfortable and fulfilled in their work. We also recognize that the physical and mental well-being of our employees is a crucial element in executing our business strategies. Hence, we are focusing significant energy on promoting health and productivity management.

P65
Improvement of employee engagement

P66
Recognized as a high-quality health and productivity management organization
Certified in **nine** consecutive years

Strengthened internal training (Cumulative number of participants)
1,428 persons

Average length of service
15 years

Social and relationship capital

Related areas of materiality
Contribute to the development of prosperous local areas and communities in Japan and the ASEAN region
Strengthen and practice corporate governance that contributes to sustainable growth

Leveraging our sales offices located throughout Japan and our network in the ASEAN region, we strive to expand our member store network and customer base while providing a diverse range of financial services. Since JACCS' founding, we have consistently operated our business on the basis of confidence and trust, and we aim to enhance corporate value by strengthening our collaboration with the MUFG Group. Furthermore, we work to address social issues through dialogue with our stakeholders and social contribution activities, thereby contributing to the development of a sustainable society.

Number of business locations in Japan
50 business locations
(Including housing branches and guarantee branches)

Group network in the ASEAN region
Six countries
(Vietnam / Indonesia / Philippines / Cambodia / Malaysia / Singapore)

Number of credit card members (Non-consolidated)
5.45 million cardholders

P61
Social contribution activities

Natural capital

Related areas of materiality
Promote initiatives that contribute to environmental conservation

We are committed to reducing environmental burden through our business activities, while promoting sustainability management. As part of these efforts, the Group promotes environment-friendly initiatives, including reduction of the volume of paper used in our offices, promotion of web-based credit card statements, and conversion of credit-screening workflows to digital formats. The Group is also working to protect biodiversity by participating in volunteer tree-planting activities on municipal land in the Kamuishiriyama area of Tobetsu Town, Hokkaido. In working toward the realization of a sustainable society, the Company has set targets for reduction in GHG emissions. Taking fiscal 2019 as the base year, by fiscal 2030 the Company aims to reduce emissions by 50% under Scope 1 and 2, and 30% under Scope 3. By fiscal 2050, the Company aims to achieve net-zero emissions under Scope 1, 2, and 3.

Energy usage
36.1% reduction (Compared with fiscal 2019)

P58
GHG emissions

JACCS Group's Areas of Materiality

In conjunction with the formulation of the medium-term business plan that would commence in fiscal 2025, the JACCS Group carried out a revision of its areas of materiality. The purpose of this revision was to clarify issues that needed to be addressed, based on such factors as changes in the Group's operating environment, sustainability initiatives, and progress thereof.

A materiality map was used to identify items that are important to both the JACCS Group and its stakeholders.

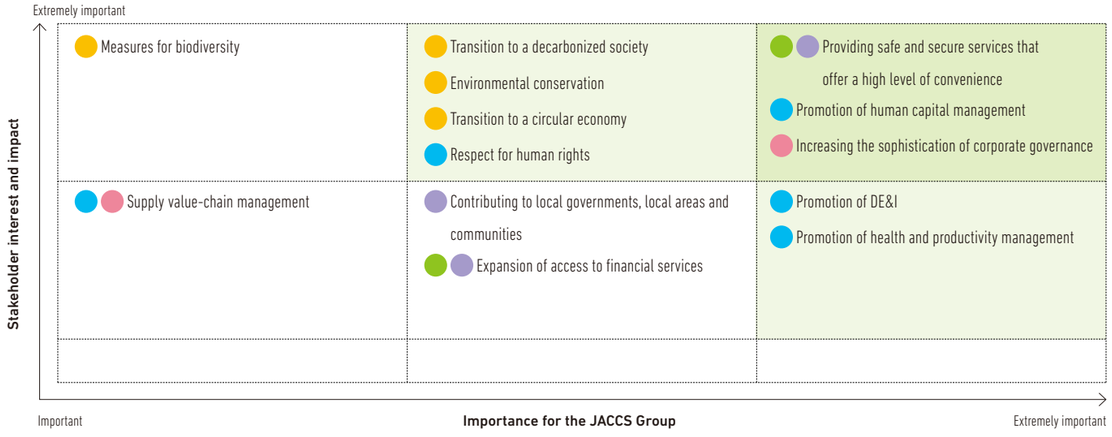
In addition, while hearing the opinions of such stakeholders as outside directors, institutional investors, and employees, the Sustainability Committee conducted a series of discussions to reflect such factors as values important to the Group (trust and reliability, people as capital) and important matters affecting the business (solving social issues, mutual growth in the ASEAN region). Based on this process, the Board of Directors passed a resolution to adopt the revised areas of materiality.

Revision Process for Areas of Materiality

Step 1	Internal review of KPI progress	• Ascertain KPI progress at the Sustainability Council*
Step 2	External environment	• Utilization of generative AI • Changes in working styles
Step 3	Analysis of the Group's internal situation	• Ordering of initiative items based on ISO 26000
Step 4	Materiality map	• Ordering based on the respective degree of importance for stakeholders and the JACCS Group
Step 5	Revision of areas of materiality	• Examination of validity through interviews with stakeholders (outside directors, employees, etc.) • Discussions in the Sustainability Committee, resolution passed by the Board of Directors

* An internal council comprising department general managers under the jurisdiction of the headquarters, which discusses sustainability-related initiatives (meets twice yearly)

Materiality Map



For further details on our areas of materiality, please refer to the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/materiality/

Specific Grounds for Areas of Materiality

Areas of materiality	Specific grounds	Relationship to SDGs
Providing safe, secure and familiar services that offer a high level of convenience	For the JACCS Group—whose operations center on consumer credit—the task of "providing safe, secure and familiar services that offer a high level of convenience" is positioned as its highest priority, lying at the core of its business. JACCS' founding philosophy, "Trust is the basis for all," carries the meaning on which many things stand—including the Group's business—based on the trust and confidence JACCS has built with its customers and business partners. Consequently, we believe that building familiar payment services that customers and partners can use safely and securely is JACCS' duty. The word "familiar" incorporates the desire that our payment services are smooth and that our financial services will become something that is close to our customers. By continuously pursuing "services that offer a high level of convenience," we are able to meet the always-evolving needs of customers, and this contributes to the realization of a sustainable, affluent society.	
Pursue management under which people are respected, and diverse human resources are able to grow and play an active role	The JACCS Group has positioned human capital management as one of the foundations of its management within the medium-term business plan that commenced in fiscal 2025. In addition to highly valuing people as the mainstay of its business, JACCS proactively invests in people, and strives to create an environment in which people can demonstrate their full potential. What we mean by "people are respected" is that we aim to create the conditions in which all stakeholders—including officers, employees and business partners—are respected. "Pursue management under which people play an active role" expresses our commitment to building an environment where officers and employees are able to flourish even more than is possible now.	
Contribute to the development of prosperous local areas and communities in Japan and the ASEAN region	Our management principle states: "JACCS contributes to the realization of an affluent society." In working toward this goal, by providing a diverse array of services together with our partners, we contribute to affluence in the JACCS Group's area of operations—Japan and the ASEAN region.	
Strengthen and practice corporate governance that contributes to sustainable growth	As well as striving to enhance the soundness and transparency of management, we are working to strengthen management control systems and audit functions. The Company pursues corporate activities that comply with social justice. Through such measures as enhancing the sophistication of risk management and strengthening the functions of the Board of Directors, the Company aims to ensure appropriate capital, profit and risk control as well as management decision-making. Furthermore, to support sustainable growth, we will continuously work to strengthen corporate governance.	
Promote initiatives that contribute to environmental conservation	All of our business activities are only possible thanks to the bounty of the natural environment. We recognize that addressing environmental issues is a common task for all of humanity. To protect the earth's rich natural resources and pass them on to the next generation, we will work to address climate change and reduce environmental burden.	

Materiality and Sustainability Goals and Performance

Materiality	Main initiatives	Initiatives in fiscal 2025		Indicators	Fiscal 2025 Targets	Fiscal 2025 Results	Fiscal 2027 targets	Social value to be realized	Relationship with the SDGs
Providing safe, secure and familiar services that offer a high level of convenience	Service that responds to the trust placed in JACCS by customers and member stores	Improvement of customer service quality		HDI-Japan Benchmark/Assessment	3 Stars	3 Stars	3 Stars	• We will provide services that live up to the trust and confidence of our customers and member stores through improved customer-contact service quality and advanced security systems. • We will respond to diverse payment needs and promote the transition to a cashless society.	
		Automation of credit screening clerical operations		Automatic response rate	31%	33.0%	50%		
	Raising the sophistication of information security	PCIDSS: Ver. 4.0 readiness		Acquisition of certification under the Payment Card Industry Data Security Standard (PCIDSS)	Renewal of Ver 4.0-compliant certification	Renewal of Ver 4.0-compliant certification	Renewal of Ver 4.0-compliant certification		
		Overhaul of rules for the fraudulent-use detection system		Ratio of detection of fraudulent credit card transactions	70%	71.3%	70%		
	Promoting cashless payments	Promoting the introduction of credit terminals		Volume of new contracts for acquiring operations and code-based payments	¥791.4 billion	¥901.0 billion	¥803.2 billion*		
Pursue management under which people are respected, and diverse human resources are able to grow and play an active role	Promoting DE&I	Implementation of support for employees aiming to balance work with childcare or nursing care		Female managers as a percentage of all managers (section manager or higher)	21%	19%	25%	• We will foster a corporate culture that respects and acknowledges diverse values, perspectives, and human rights, and create an environment where employees can thrive.	
	Development of human resources	Program to develop human resources that possess advanced digital skills		Number of people certified under the advanced digital skills program (total number)	450 persons	353 persons	550 persons		
	Respecting human rights	Implementation of human rights due diligence		Continuation of human rights due diligence	—	—	—		
	Promoting health and productivity management	Continuing to promote the JACCS Work–Life Balance Promotion (JWP) initiative		Employees' average monthly overtime hours	Less than 12 hours	13.2 hours	Less than 12 hours		
Contribute to the development of prosperous local areas and communities in Japan and the ASEAN region	Providing financial services as infrastructure to support local communities and livelihoods	Housing	Promotion of variable interest rate loans / home renovation credit	Volume of new contracts for home renovation loans	¥176.6 billion	¥192.4 billion	¥144.8 billion*	• JACCS contributes to the realization of affluent living in accordance with customers' lifestyles, and the development of local economies.	
		Education	Expansion of non-face-to-face web applications	Volume of new contracts for educational loans	¥30.5 billion	¥23.5 billion	¥27.9 billion*		
		Health	Promotion of the unrestricted medical care field through paperless contracts	Volume of new contracts for dental loans	¥13.0 billion	¥14.7 billion	¥13.7 billion*		
		Overseas	Building a stable foundation in the overseas business	Volume of new contracts in the overseas business	¥70.4 billion	¥56.5 billion	¥53.1 billion*		
		Asset management	Securing high-quality properties (areas, properties)	Balance of loans for studio condominiums purchased for investment purposes	¥3,222.8 billion	¥3,284.3 billion	¥3,542.3 billion*		
	Undertaking social contribution activities	Making donations		Donation amount	¥35.0 million	¥47.43 million	¥55.0 million		
Strengthen and practice corporate governance that contributes to sustainable growth	Strengthening risk management	Overhaul of the operation of risk assessments		Competent application of the management cycle	—	—	–	• We will conduct sustainable business activities by managing risks and complying with laws and regulations.	
		Appropriate identification and investigation of suspicious transactions		Establishment of anti-money-laundering (AML) management system	—	—	—		
	Continuation of compliance	Ongoing education and training programs		Ongoing execution of education and training programs	—	—	—		
Promote initiatives that contribute to environmental conservation	Contribute to the realization of decarbonization through financial services	Promote loans for environmental products (solar power generation equipment, storage batteries, EcoCute hot water supply system)		Volume of new contracts for environmental product loans	¥85.4 billion	¥90.4 billion	¥66.0 billion*	• We will contribute to the realization of a decarbonized society by promoting decarbonization products and EVs. • While reducing the use of resources and energy, we will promote the utilization of renewable energy and contribute to reducing environmental impact.	
		Loans with interest rates specific to EVs and PHVs		Volume of new contracts for clean-energy vehicle (CEV) loans	¥52.0 billion	¥68.2 billion	¥60.3 billion*		
		Use of sustainable finance		Amount of sustainability finance to be executed under the three-year medium-term business plan	¥30.0 billion	¥91.7 billion	¥120.0 billion		
	Measures to reduce environmental burden	Buildings where JACCS is a tenant, which have yet to adopt renewable energy: Negotiations for adoption		Percentage of GHG emission reduction (Scope 1+2) (compared with fiscal 2019)	(25%)	(48.5%)	(35%)		
		Transition to paperless operations through the promotion of digitization		Volume of copier paper purchased (compared with fiscal 2021)	(26.5%)	(32.9%)	(33.5%)		
		Adoption of environment-friendly Company vehicles		Ratio of environment-friendly vehicles within the Company's vehicle fleet	65.5%	59.8%	100%		
	Contributing to a circular society	Promotion of auto leasing		Number of vehicles held	63,000 vehicles	61,806 vehicles	74,000 vehicles		

* This item is presented within the targets for fiscal 2026 owing to the withdrawal of quantitative targets for fiscal 2027 accompanying the overhaul of the three-year medium-term business plan "Do next!" (The targets and actual results shown are based on the principal.)

Enhancing Corporate Value Through Non-Financial Activities

Although the non-financial activities being pursued by JACCS do not directly appear in the financial indicators, we believe that such activities contribute to performance improvement over the medium- to long-term, as well as to raising the Group's level of competitiveness. Specific initiatives in the area of non-financial activities promote improvement in ROE, reduction in cost of capital, and bolster growth expectations. Hence, such initiatives lead to enhancement of corporate value.

Details of Initiatives



- Expanding financial services that respond to diverse needs
- Providing financial services as infrastructure to support local communities and livelihoods
- Promoting cashless payments



- Enhancing employee engagement
- Promoting the advancement of women
- Cultivating human resources with advanced digital skills and next-generation management talent
- Promoting health and productivity management



- Building digital contact points through smartphone apps and the web
- Raising the sophistication of decision-making by applying data-driven techniques
- Promoting the digitization of business operations



- Implementing highly effective enterprise risk management (ERM)
- Raising the sophistication of information security
- Raising the sophistication of the compliance system



- Reducing GHG emissions
- Utilization of renewable energy (changeover of electricity supply contracts)
- Obtaining environmental value through virtual power purchase agreements (PPA)
- Promoting the transition of the corporate vehicle fleet to environment-friendly cars



- Implementation of educational support for children and youth from low-income families
- Continuation of material support for community meal programs for children
- Implementation of forest conservation activities

Non-Financial Value

- Brand value enhancement
- Establishment of customer base
- New value generation

- Securing human resources
- Strengthening of management base

- Productivity improvement
- Strengthening of management base

- Risk reduction
- Strengthening of management base

- Environmental impact reduction
- Resolving social issues

- Strengthening coexistence with local communities
- Brand value enhancement

ROE improvement

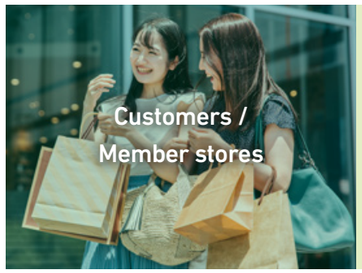
Cost of capital reduction

Growth expectation increase

Corporate value enhancement

Value Provided to Stakeholders

The JACCS Group recognizes the importance of communication activities with stakeholders within its business activities, as well as the importance of meeting stakeholder expectations. Opinions and feedback received through our communication activities are reported regularly at the Management Committee and Board of Directors. By using such feedback as reference in our business activities and capital policy, we aim to enhance corporate value.

	Expectations and interest from stakeholders	Communication channels	Results / Impact	Related types of capital	Related areas of materiality
	● Providing high-quality services ● Appropriate information provision ● Sincere response and support ● Response to climate change, environmental initiatives	● Point of contact for inquiries ● Domestic sales office network directly supporting member stores	● Problem-solving ● Improving satisfaction	● Intellectual capital ● Human capital ● Social and relationship capital ● Natural capital	Providing safe, secure and familiar services that offer a high level of convenience
	● Enhancing corporate value ● Stable shareholder return ● Timely and appropriate information disclosure ● Engaging in dialogue ● Environmental, social, and corporate governance (ESG) activities	● General Meeting of Shareholders ● Results briefings (Institutional investors) ● One-on-one meetings (Institutional investors) P76 ● Website ● Seminars (Individual investors)	● Promoting understanding of the Company ● Enhancing the quality of management	● Financial capital	Strengthen and practice corporate governance that contributes to sustainable growth
	● Developing and utilizing human resources ● Promoting the full participation of female employees ● Respecting diversity and human rights ● Improving the working environment	● Regular interviews ● Training programs by organizational tier and theme ● Engagement survey ● Establishment of a consultation hotline ● Internal newsletter, internal portal website	● Raising the level of engagement ● Increasing the number of women managers ● Participation of diverse human resources ● Curbing the personnel turnover rate	● Human capital ● Intellectual capital	Pursue management under which people are respected, and diverse human resources are able to grow and play an active role
	● Response to climate change, environmental initiatives ● Social contribution activities	● Volunteer activities ● In-house sales events of goods made by people with disabilities in local daycare facilities ● Various support activities (nationwide Kodomo Shokudo (community meal programs for children), Hakodate Marathon, Japan Para-Volleyball Association, etc.)	● Realization of a sustainable society ● Revitalization of local communities	● Social and relationship capital ● Natural capital	Contribute to the development of prosperous local areas and communities in Japan and the ASEAN region Promote initiatives that contribute to environmental conservation

Growth Trajectory and Medium-Term Business Plan

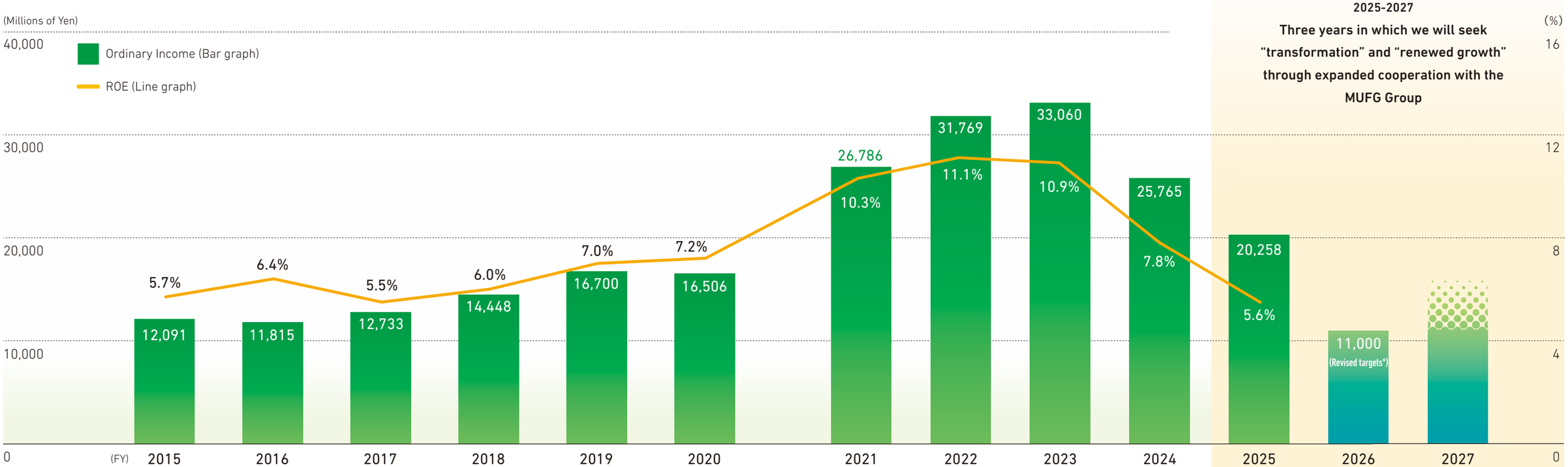
The JACCS Group has worked to expand its business by placing trust and credibility first. Over the past decade, we have continued to work closely with consumers and member stores, placing value on our desire to help people enrich their lives.

Although the Group's operating environment continues to be affected by significant uncertainty—including such factors as rising interest rates in Japan and the situation in the Middle East—JACCS is executing its 15th Medium-Term Business Plan "Do next!" as it aims for renewed growth.

15th Medium-Term Business Plan "Do next!"

Donext!

2025-2027
Three years in which we will seek "transformation" and "renewed growth" through expanded cooperation with the MUFG Group



* In May 2026, the Company overhauled its medium-term business plan, revised quantitative targets for fiscal 2026, and withdrew quantitative targets for fiscal 2027. For details, please refer to page 34, "Progress on the Three-Year Medium-Term Business Plan 'Do next!'."

	12th Medium-Term Business Plan "ACT-Σ" 2015–2017	13th Medium-Term Business Plan "RAISE 2020" 2018–2020	Strategy Covering Single Fiscal Year 2021	14th Medium-Term Business Plan "MOVE 70" 2022–2024
Key Policies	• Expansion of JACCS' earnings base through Group synergies • The pursuit of innovativeness through strategic utilization of the Group's resources • The practice of advanced corporate social responsibility (CSR)	• Pursue sustainable growth in domestic business • Accelerate growth in overseas business • Enhance productivity while strengthening the Group's platform for growth	Domestic Business: Pursue sustainable growth in the Group's core businesses and further productivity improvements Overseas Business: Expand the business base, and promote business structural reforms to lay the groundwork for growth	How the Group should look in three years' time • Enhance earnings base in the domestic business that leverages the Group's strengths • Establish earnings base in the overseas business capable of driving future growth • Strengthen management structure to accelerate growth in the domestic and overseas businesses • Promote ESG management
Achievements and Challenges	We implemented a management strategy focused on Group synergies and innovation to improve profitability. We also expanded into the Philippines and Cambodia, and made our local subsidiary in Indonesia a consolidated subsidiary to accelerate the expansion of our overseas business. We strengthened our management structure by expanding the top line and promoting cost structure reforms.	The domestic business expanded, mainly in the credit business and financing business. We also focused on expanding our payments business, including acquiring operations and code-based payments, to strengthen our earnings base, which forms the foundation for Group management. In the overseas business, structural reforms aimed at profit growth progressed in each country, and we made a local subsidiary in the Philippines a consolidated subsidiary to further expand the business.	The medium-term business plan was postponed for one year due to uncertainty over the impact of the spread of COVID-19 on the business environment of the JACCS Group. We continued to implement the various strategies we had been working on to lay the foundation and prepared for accelerating growth. We also worked to solve the issues of the JACCS Group that had emerged and gave momentum to the next medium-term business plan.	Owing to such factors as a rise in the domestic policy interest rate and a slump in the overseas business, operating performance in fiscal 2024 was substantially below the initial targets. In the domestic business, we raised interest rates and launched a new payment service. We worked to strengthen asset control as we recognized the likelihood of further interest rate hikes. In the overseas business, we implemented such measures as operational improvements utilizing digital technologies. We worked to enhance profitability through the control of risk of receivables falling into arrears, and the transition to a high-yield portfolio.

Progress on the Three-Year Medium-Term Business Plan “Do next!”

In aiming for renewed growth, the JACCS Group launched the three-year medium-term business plan “Do next!” in fiscal 2025. Accompanying the plan, based on the JACCS Group’s operating environment and its recognition of challenges, the Company entered into a new capital and business alliance agreement with MUFG Bank, Ltd. The JACCS Group is steadily implementing the key strategies promoted under the medium-term business plan, as it works to realize renewed growth and enhanced corporate value.

Theme Three years in which we will seek “transformation” and “renewed growth” through expanded collaboration with the MUFG Group

Growth Strategy

Focus strategies
- Growth and expansion of environment-friendly categories
- Growth and expansion of the guarantees field
- Grow and expand the overseas business

Direction of development with the MUFG Group
- Joint development of new businesses utilizing the digital financial services of the MUFG Group, and expansion of investment and M&A
- Creation of cross-selling that combines the customer base and business partners (member stores, etc.) of the MUFG Group
- Growth and expansion of the overseas business utilizing the global network of the MUFG Group

Business Restructuring

Focus strategies
- Reallocate management resources to growth and focus areas and rebuild the office network
- Structural reform of the credit card business
- Reorganize the center-system organization and promote cost structural reforms

Direction of development with the MUFG Group
- Rebuild the system infrastructure that supports the growth strategy
- Joint development of credit screening models utilizing AI and strengthening of security measures
- Increase in productivity and operational efficiency through sharing of operational know-how and promotion of digitization

ERM
Control the balance of earnings, capital, and risk

Financial Strategy

Focus strategies
- Strengthen asset control
- Expand alliance partner loans with MUFG Group

Direction of development with the MUFG Group
- Stabilization of financing
- Strengthening of financial base (equity ratio and credit rating)

Strengthen the management structure to support the above strategies

Sustainability management

Sustainability Management P54–

Human capital management
- Strengthen personnel exchanges with MUFG Group

Respecting Diversity and Human Rights P62–
Message from the Officer in Charge of Personnel P52–

DX strategies
- Share know-how related to DX

DX Initiatives P43

Progress on the Growth Strategy

Growth and Expansion of Environment-Friendly Categories

Housing related (renovation, etc.)

Progress in entry into housing-related market
- Through such initiatives as strengthening of the sales structure and implementation of finance training, JACCS’ market share is steadily expanding.

(Billions of Yen)	FY2024	FY2025	YoY change
Volume of new contracts for Housing related	212.3	235.2	10.8%

Auto related

Enhanced competitiveness through strengthened IT systems
- We aim to enhance convenience through such initiatives as linkage to the customer management system and improvements to web-based application functions.

(Billions of Yen)	FY2024	FY2025	YoY change
Volume of new contracts for auto loans	954.0	984.7	3.2%
Volume of new contracts for auto leasing (within auto loans)	70.0	84.5	20.8%

Growth and Expansion of the Guarantees Field

Rent guarantees

Strengthening of collaboration with system vendors
- JACCS implemented application programming interface (API) collaboration between its rent-guarantee system and the system of an industry major, and continued to expand the number of alliance partners, with convenience as a key selling point.

(Billions of Yen)	FY2024	FY2025	YoY change
Revenues from rent guarantees	3.6	3.8	5.0%

Personal loan guarantees for banks

Steady expansion of the balance of guarantees
- JACCS strengthened its cooperation with MUFG Bank, and made progress in entry into the regional bank market.

(Billions of Yen)	FY2024	FY2025	YoY change
Balance of guarantees for personal loan guarantees for banks	700.9	769.3	9.8%

Grow and Expand the Overseas Business

Vietnam
We aim to maintain a stable ratio of receivables in arrears, curb expenses and achieve profitability.

Indonesia
Through careful product selection and cost reductions, we anticipate moving into profitability from fiscal 2027.

Cambodia
As profitability rises, we will continue to pay close attention to the impacts of border conflicts.

Philippines
We will continue to pursue management that focuses on profitability.

Steady expansion of collaboration with the CARSOME Group

	CARSOME Capital (Malaysia)	CAR TIMES CAPITAL (Singapore)
Company name		
Investment amount	Approx. ¥3.5 billion	Approx. ¥1.5 billion

CARSOME’s competitive advantages	A highly competitive ecosystem	Stable flow of loan contracts	Low risk of bad debts
JACCS’ value proposition	Expertise in retail financing	The credibility of the MUFG Group	Relationships with Japanese banks

Overhaul of Quantitative Targets

Owing to a range of factors, we anticipate a divergence between the previously formulated quantitative targets and our current outlook for the second year of the plan onward. Such factors include cost increases and a delay in performance recovery at the Group’s operations in Indonesia. The most noteworthy cost increases include higher financial expenses, reflecting a rise in fundraising interest rates, and an increase in IT system-related expenses accompanying a change in data center relocation method. In light of these circumstances, in May 2026 we announced a revision to the quantitative targets for fiscal 2026, and the withdrawal of the quantitative targets for fiscal 2027, the final year of the medium-term business plan. The Company’s dividend policy remains unchanged from the content outlined in the medium-term business plan. Hence, there is no change to the basic policy, which prioritizes the provision of stable and continuous dividends to shareholders while maintaining financial soundness.

By accelerating the three key strategies promoted in the medium-term business plan and collaboration with the MUFG Group, and by implementing measures to address challenges and carrying out structural reforms in each business, we aim to realize an early recovery in operating performance and an improvement in corporate value over the medium- to long term.

(FY)	2025	2026		2027	
(Billions of Yen)	Results	Original plan	Revised plan	Original plan	Withdrawal of targets shown on the left
Revenues	192.3	199.0	192.5	204.5	
Ordinary income	20.2	25.0	11.0	31.0	
Net income attributable to owners of the parent	15.3	18.0	10.0	23.0	

Dividend Policy **Hold firm** The cash dividend amount in each fiscal year is based on an approximate benchmark indicated by the higher of the following: (1) dividend payout ratio of 40%; or (2) DOE of 3%. The dividend per share will provide a stable profit return of more than 200 yen.

Reasons for the revision and its impact on future business performance

Domestic: Internal factors	JACCS will raise the interest fees charged in the credit business in accordance with rises in interest rates.
Overseas: Internal factors	Owing to a transition in business strategy, there was a lag in operating performance recovery at the Company’s Indonesian affiliate.
Impact on business performance	**Downturn in revenues** In the domestic credit business, we forecast a substantial decrease in the volume of new contracts owing to the raising of interest fees charged. Accompanying this, we anticipate downward impact on revenues.
Domestic: External factors	Owing to steep increases in wages and commodity prices, the cost of IT system development and operation increased.
Domestic: Internal factors	The Company changed the relocation method for its data center, which led to the appropriation of expenses ahead of schedule.
Impact on business performance	**Rise in SG&A expenses (IT system development expenses)** Fiscal 2026 data center relocation-related expenses: Approximately ¥2.7 billion.
Domestic: External factors	Although the policy interest rate trended within our assumption range, long-term interest rates rose to a level higher than our assumption. Reviewing the interest rate scenario during the medium-term business plan period.
Domestic: Internal factors	Although the Company proceeded with its shift to affiliated loans, the balance of interest-bearing debt did not decline to the extent anticipated, owing to a build-up in the balance of operating receivables.
Impact on business performance	**Financial expenses higher than anticipated**

Key actions going forward

Profitability improvement

Additional increase in interest rates in the credit business
- The Company had already commenced this process, and increases were progressively applied during fiscal 2025.

*With regard to installment payment fees, since the Company records revenues in accordance with the payment period, we expect the effect of interest increases to begin to gradually appear.

Raising of various fees on credit cards

Installment payments	Effective annual interest rate: 15.0%→18.0%
Revolving payments	Effective annual interest rate: 16.8%→18.0%

Upward effect on operating revenue in fiscal 2026: Approximately ¥1.0 billion

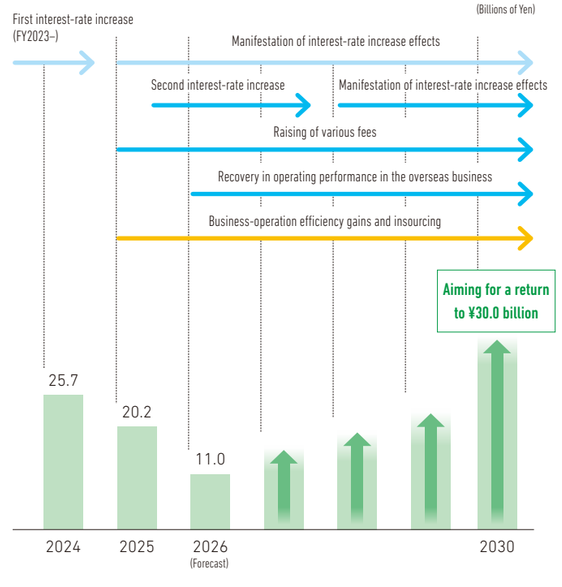
- Increases have been applied from the May 2026 billing period.
- We will also continue to review possible increases in other fees.

Recovery in operating performance in the overseas business
- Recovery in operating performance at JACCS’ Indonesian affiliate (we expect to achieve profitability in fiscal 2027)
- Profit contributions from newly entered markets (Malaysia, Singapore)

Cost reduction

Business-operation efficiency gains and insourcing through leveraging of IT and digital technologies
- Renewal of auto-calling system and expansion of business locations at which the system is deployed.
  →We aim to realize business-operation efficiency gains through the reorganization of the business network, and curb expenses related to doubtful accounts.
- Through expanded utilization of IT and digital technologies, as well as through insourcing, we will work to reduce temporary workers and outsourcing expenses.
- By strengthening the management system for IT investments, we will work to curb IT system expenses.

Illustration of expected increase in Ordinary Income



Message from the Officer in Charge of Corporate Planning

We will accelerate synergies with the MUFG Group, and carve out new businesses by leveraging our unique member-store network and customer base.



Shingo Asakawa
Senior Executive Officer
Supervisor of Corporate Planning

Role as Officer in Charge of Corporate Planning

It has been one year since I was appointed as officer in charge of corporate planning. Looking back, I commenced my new role shortly after the announcement of the capital and business alliance between JACCS and MUFG Bank, Ltd., and this has meant that much of my energy over the past year has been focused on driving collaboration with the MUFG Group. We launched the "Do next!" three-year, medium-term business plan in April 2025. The plan adopts the core theme of achieving "transformation and renewed growth" through expanded collaboration with the MUFG Group. To advance this key strategy, I have worked closely with each business function, and have been involved at all stages of specific projects, from the initial planning phase through to execution.

In broad terms, we are pursuing two major policies. The first is to generate inorganic growth through investments funded by the ¥38.8 billion raised via the third-party allocation of new shares to MUFG Bank, Ltd. The second is to vigorously implement structural reforms oriented toward renewed growth.

In the area of structural reform, as vice-chair of the Cost-Structure Reform Promotion Committee—co-chaired by the President and Senior Managing Director—I have supervised progress for all projects and overseen the evaluation of initiatives. We established eight working groups to assess the feasibility of various measures and are currently implementing them. We are already seeing results from the first fiscal year of implementation. Specific examples include reduced member maintenance expenses through the suspension of credit card renewals for inactive members; lower outsourcing expenses, attributable to shifting certain operations in-house; and reduced administrative expenses resulting from the consolidation of the sales office network.

The financial landscape is becoming increasingly uncertain, with long-term interest rates exceeding our assumptions. In this environment, rather than prioritizing scale, it is important to conduct robust portfolio management that focuses on return on risk-weighted assets (RORWA). I review the financial metrics of each business and compare these against hurdle rates (minimum acceptable rate of return). Based on these analyses, I work closely with business divisions to turn around low-profitability operations and revise business plans as necessary.

Deepening JACCS' Cooperation with the MUFG Group

In March 2025, we expanded our capital and business alliance with MUFG Bank, Ltd., which saw the MUFG Group's combined equity stake in JACCS rise to 40%. Subsequently, MUFG Bank and JACCS established a Business Alliance Joint Committee. Within the committee, I have been designated as working-level supervisor for the JACCS side. Together with MUFG Bank's working-level supervisor, we are conducting a detailed examination of the projects to be discussed, and are currently moving forward with negotiations, monitoring of progress, and consideration of programs.

Our relationship with the MUFG Group has changed considerably since the period when MUFG Group's equity stake in JACCS was 20%. Our relationship has evolved into a "unified team," working together to create the future of the MUFG Group. The perceived distance between JACCS and other MUFG Group companies has shrunk, and as one of the core MUFG Group affiliates, JACCS is advancing discussions with a sense of ownership. To strengthen the MUFG Group's presence in the retail sphere, we are accelerating discussions with MUFG Group companies on collaborative opportunities that can leverage JACCS' member store network and customer base. Business collaboration aimed at generating synergies has progressed from the initial year of our expanded alliance. Examples include collaboration with Mitsubishi UFJ NICOS Co., Ltd., in the corporate credit card field; collaboration with Kanmu, Inc., which provides factoring services to small- and medium-sized enterprises; and introductions to regional banks as part of our guarantee operations for banks. Furthermore, in the cybersecurity sphere, we participate in the MUFG Group's security program, and promote the expansion of training programs and information exchange at all organizational levels, from employees to senior management.

Through the ongoing dialogue built up in these relationships, I gained a fresh perspective of the value provided by JACCS. In the MUFG Group's retail domain, consumer credit business based on a B2B2C model anchored by member stores has long been "the missing piece of the puzzle." Our MUFG partners made it clear that they regarded JACCS as uniquely positioned to bridge this gap.

Even in today's increasingly digitized age, JACCS' network of member stores—built up by our nationwide sales office network—captures the needs of consumers through face-to-face contact. Human responsiveness and know-how comprehensively underpin the provision of services vis-à-vis both member stores and customers, and these qualities cannot easily be substituted. In addition, JACCS serves the high-net-worth segment and affluent segment through such products as imported-vehicle loans and investment-property loans. I believe that our strength in these customer segments is also an attractive asset from the perspective of the MUFG Group as a whole.

Participation in the "Emut Ecosystem"

The highest priority initiative within JACCS' collaboration with the MUFG Group is participation in the "Emut" retail ecosystem. We are currently preparing to launch full-fledged services in fiscal 2028.

Until now, JACCS has tended to have intermittent relationships with its customers. For example, for a customer who had a five-year auto loan with JACCS, once the loan was paid off the relationship would often become dormant. Through participation in the "Emut ecosystem," we aim to transform the customer relationship from one based on occasional points of contact into a regular vector, and eventually to a broad plane of engagement. Through this extension—to a relationship characterized by continuity—we aim to generate long-term value.

We are focused on building a model that facilitates cross-referrals. Specifically, through database integration that leverages the MUFG Group common ID platform, a customer who takes out a loan with JACCS may receive a referral, which results in their starting an asset formation portfolio at MUFG Group's specialist online bank. Conversely, JACCS may receive referrals from other MUFG Group affiliates.

What is important is not just participation in the platform but whether JACCS can monetize its participation. We aim to maximize customer lifetime value by creating an environment in which a customer can select—through an online app—financial services that fit their personal needs. Hence, we will build an enduring relationship with the customer even after their loan is fully repaid. As part of our efforts to meet this objective, we are assigning mid-level and veteran JACCS employees on secondment to the Emut operating organization and MUFG Group's specialist online bank. We believe that this will advance business process development and value integration that utilizes a member-store perspective.

JACCS' Objectives within the "Emut Ecosystem"

Issues facing JACCS

- Competition is heating up in relation to competitors and economic conditions
- Intermittent customer contact points
- Customers have a low level of awareness in relation to the use of JACCS services

Emut
Participation in the "Emut ecosystem"

Promising level of effectiveness

- Customers choose JACCS' services of their own accord
- Customers use JACCS' services in a variety of settings across multiple occasions

→ Increase in the number of customers
→ Growth in assets
→ Improvement in profit margins
→ Maximization of customer lifetime value

» Driving customer use of JACCS' services across a wide range of life events
» Anchored by a bank account and common ID, JACCS will link up with the "Emut ecosystem"
» We will strive to transform our customer-contact model from intermittent points to a continuous line, and leverage this to drive JACCS' renewed growth.

Investment Strategy to Accelerate Growth, and the Challenge of Realizing Inorganic Growth

Under the growth strategy articulated in the medium-term business plan, growth investments aimed at generating future profits hold a key position.

In May 2026, JACCS reached a basic agreement on a capital and business alliance with Solvvy Inc., whose business combines housing equipment warranty services with technology. JACCS has one of the leading member store networks in Japan in the home renovation loan field. Through this alliance, JACCS will support DX at its member stores—house builders and home renovation businesses. Specifically, we will jointly develop a DX platform for home renovation that integrates payment functions. This will include the conversion of contracts, estimates and loan processing to paperless operations. We believe that by offering this platform we will further deepen the relationship between JACCS and its member stores.

Furthermore, regarding inorganic growth initiatives—including capital and business alliances, and M&A—we do not adopt an approach in which "a portfolio of 10 investments yields one or two successes" is deemed acceptable. Rather, we focus on carefully selecting domains in which the respective strengths of JACCS and its partners combine to generate substantial synergies. Since our investments do not assume a future exit strategy, we pursue negotiations based on the assumption of building a long-term partnership.

In our overseas business, we have entered two new markets recently—Malaysia in May 2025, and Singapore in May 2026. As the amortization of goodwill proceeds, we anticipate profit contributions starting in fiscal 2027 and 2028, in Malaysia and Singapore, respectively.

To All Our Stakeholders

I believe that the job of corporate planning is to ardently press the accelerator, calmly control the brakes, and execute at overwhelming speed.

JACCS will advance to a new stage of its development by leveraging two potent strengths—its membership of the MUFG Group and its capabilities in digital technologies. My mission is to utilize inorganic investments, map out a path for employees to work proactively toward JACCS' next stage of growth, and execute these plans.

Underpinned by our robust alliance with the MUFG Group, we will strive to elevate JACCS' raison d'être, and realize sustainable improvements in our corporate value. I sincerely hope that our shareholders and investors will take a medium- to long-term perspective while anticipating the results of these endeavors.

Major Risks

JACCS manages risk in an integrated manner, categorizing it into risks related to management strategy (strategic management decisions) and risks related to business execution (day-to-day business operations). The Risk Management Committee, chaired by the President, identifies, evaluates, and reviews major risks affecting the JACCS Group, then determines countermeasures and monitors their implementation.

Risk Map

Risks identified through risk assessments are evaluated, and important risks requiring priority countermeasures are visualized as a risk map.

Based on JACCS' external and internal operating environments faced by the JACCS Group in the most recent period, the Company reassessed the importance of each type of risk, and consequently revised risk configuration and added new risk types as follows.

(3) Country risk: On impact/frequency map, revised from 2-1 to 2-2.

(9) Disaster/epidemic risk: On impact/frequency map, revised from 3-1 to 3-2.

(14) Risk of occurrence of legal violations or cases of misconduct and outsourcing partner-related risk: Extracted as the main risks from the existing compliance risk

Impact \ Frequency of occurrence	1. Rarely	2. Often	3. Frequently
3. Extremely severe	(1) Risk related to business strategy (7) Liquidity risk* (12) Risk of personal information leakage/loss* (14) Risk of occurrence of legal violations or cases of misconduct* (16) Reputational risk	(9) Disaster/epidemic risk (10) Cybersecurity risk	
2. Large	(4) Risk related to laws and regulations (7) Risk of fall in prices of investment securities, etc.* (8) Human rights risk	(2) Risk related to the economic and competitive environment (3) Country risk (6) Risk of increase in expenses related to doubtful accounts* (6) Risk of member store or business partner fraud or bankruptcy* (7) Risk of rising funding interest rates* (14) Outsourcing partner-related risk* (15) Human risk	(11) System risk
1. Limited	(5) Climate change risk	(7) Foreign exchange fluctuation risk	(13) Administrative risk

* Various risks are identified in each risk category. Items marked with (*) indicate main risks identified in that risk category

* The above risks were recognized by JACCS as of March 31, 2026.

Top Risks

In addition to identifying risks with high impact and frequency of occurrence through risk assessments (top right of the risk map), the JACCS Group identifies top risks through management-level discussions, prioritizing and focusing on the most critical risks that require control in its operations. Top risks are regularly monitored by various committees that respond swiftly to reduce and maintain risk levels.

Based on JACCS' external and internal operating environments faced by the JACCS Group in the most recent period, the Company reassessed the importance of each type of risk, and identified two additional top risks (—).

Risk items	Risk scenarios	Countermeasures
(10) Cybersecurity risk	Leakage of personal information due to unauthorized external access or virus infection, resulting in suspension of business due to system shutdown, payment of damages, and damage to reputation	Strengthening security systems through multi-layered technical measures, Company-wide responses led by a specialized organization, and ongoing employee education
(11) System risk	Suspension of business and provision of services to customers and member stores, and damage to reputation due to serious system or communication network failures caused by natural disasters, cyber incidents, power outages, equipment failures, and other factors	In addition to maintaining stable system operations and security through earthquake-resistance measures, redundancies, and disaster response training, we are strengthening our system for managing system contractors.
(7) Risk of rising funding interest rates	Increased financial costs due to changes in financial markets, declining ratings and creditworthiness, and rising interest rates on borrowings and corporate bonds	We utilize ALM to review and manage asset and liability duration while reviewing and implementing funding methods in line with interest rate scenarios (hedging through derivative transactions, promoting fixed interest rates).
(6) Risk of increase in expenses related to doubtful accounts	Increased provision for loan losses due to deteriorating individual creditworthiness, reduced screening accuracy, an increase in fraudulent applications, and worsening conditions for member stores and the real estate market	Strengthening cooperation between departments to improve the accuracy of screening, eliminate fraudulent applications, and strengthen collection efforts to secure high-quality receivables
(14) Risk of occurrence of legal violations or cases of misconduct	A legal violation or other misconduct case occurs, and the Company receives a business suspension order as penalty from the regulatory agency, leading to the JACCS Group losing credibility within society	Supervision by the internal control body established for each business; and education and raising of awareness among officers and employees
(9) Disaster/epidemic risk	A major natural disaster or accident occurs, such as a strong earthquake centered on the Tokyo region, leading to the suspension of business operations due to serious damage suffered by human and material assets necessary for business continuity	Formulated a business continuity plan (BCP) that includes the operation of a crisis management structure and the establishment of systems for operational substitution; implementation of BCP reviews to ensure effectiveness

* The above represents only a portion of the risks recognized as of March 31, 2026. Risks not listed above may also have a significant impact on management.

Risk category	Opportunities and risks	Responses to opportunities and risks
Risk related to management strategy		
(1) Risk related to business strategy	[Opportunities] Improved profitability and growth [Risks] Medium-term business plan growth strategy, business restructuring, and financial strategy failures	• Executing business portfolio management • Setting risk appetite and ensuring financial soundness through a focus on risk quantification • Expansion of collaboration with the MUFG Group
(2) Risk related to the economic and competitive environment	[Opportunities] Emergence and expansion of needs driven by changing social issues [Risks] Market contraction due to deterioration of the economic environment, declining personal consumption, changing market needs and other factors, and intensifying competition with other companies in the same industry	• Optimally allocating management resources through business portfolio management • Promoting product and service selection and focus, investing in growth areas • Executing DX strategy
(3) Country risk	[Opportunities] Expanding business opportunities driven by population and economic growth [Risks] Geopolitical risks such as war, terrorism, and riots; constraints due to politics, religion, culture, and customs	• Enhancing the collection and coordination of information related to countries where we operate between JACCS' head office and overseas subsidiaries
(4) Risk related to laws and regulations	[Opportunities] Business opportunities arising from the enactment of new regulations or easing of regulations [Risks] Restrictions on business operations, products, or services, and any subsequent costs incurred	• Collecting information on trends in the enactment and revision of laws and regulations, etc. • Conducting regular inspections of business operations based on laws, regulations, and internal rules
(5) Climate change risk	[Opportunities] Growing demand for decarbonization-related and environmentally friendly products [Risks] Increased energy procurement costs in line with increasingly stringent climate change policies and regulations, impairment of collateral value caused by natural disasters	• Conducting ongoing analyses of climate change impacts • Promoting the handling of decarbonization-related, environmentally conscious products • Implementing initiatives to achieve GHG emissions reduction targets
(6) Credit risk	[Opportunities] Capture revenue opportunities by expanding the balance of high-quality receivables [Risks] Increase in allowance for doubtful accounts due to increased receivables in arrears, fraud or bankruptcy by member stores, changes in the real estate market, and other factors	• Implementing cross-departmental monitoring of trends in the occurrence of receivables in arrears and member store management status • Monitoring trends in the occurrence of receivables in arrears, appropriately managing member stores in line with risk levels, and maintaining and enhancing assessment accuracy • Strengthening collection of initial receivables in arrears
(7) Market-related risk	[Opportunities] Potential for reducing financial expenses as interest rates decline [Risks] Rising interest rates on fundraising and fundraising difficulties due to worsening financial conditions, deterioration in the JACCS Group's financial position, and other factors	• Monitoring financial conditions, asset and liability positions, ascertaining risks, and considering appropriate responses • Fundraising in accordance with interest rate sensitivity, fixing interest rates, obtaining credit ratings, and reviewing trading terms and conditions with member stores and others • Diversifying fundraising methods, arranging liquidity backstops, and managing liquidity on hand
(8) Human rights risk	[Opportunities] Earn trust from stakeholders, improve Company image [Risks] Damage Company image, employee exodus	• Establishing a sustainability promotion structure • Identifying and responding to adverse impacts through human rights due diligence • Establishing a human rights consultation service and considering remediation policies
Risk related to business execution		
(9) Disaster/epidemic risk	[Opportunities] The need for stable business continuity based on rapid recovery and the building of trust [Risks] Suspension of systems or operations due to earthquakes and other large-scale natural disasters, epidemics, and other events	• Establishing a crisis management system, including preparation of a disaster response manual, and formulation of emergency response committee operational rules and a business continuity plan (BCP)
(10) Cybersecurity risk	[Opportunities] The need for a safe and secure transaction environment, stable business continuity, and the building of trust [Risks] Data leaks, suspension of IT system or business operations owing to cyberattacks, fraudulent access, computer viruses, etc.	• Establishing a management-level IT security structure, and cross-organizational response centering on specialist departments • Implementing defense-in-depth measures; and conducting periodic vulnerability assessments and penetration tests by external specialist organizations • Enhancing the level of security through collaboration with the MUFG Group
(11) System risk	[Opportunities] The need for a safe and secure transaction environment, stable business continuity, and the building of trust [Risks] Suspension of IT system or business operations due to the occurrence of natural disasters, cyber incidents, or breakdown of equipment and machinery	• Maintaining system and network redundancy and availability • Engaging in continuous system monitoring and implementation of regular data backup, enhancing access restrictions • Enhancing outsourcing partner management
(12) Information-related risk	[Opportunities] The need for a safe and secure transaction environment, stable business continuity, and the building of trust [Risks] Leakage, loss, damage, or unauthorized use of personal information and administrative penalties stemming from legal infractions	• Operating a risk-based personal information protection management system that includes outsourcing partners at the management level • Thorough management of IT system access; and implementing continuous employee education
(13) Administrative risk	[Opportunities] The need for a safe and secure transaction environment, stable business continuity, and the building of trust [Risks] Leak of personal information and incurrence of losses by customers or member stores owing to incorrect billing, incorrect account settlement, processing delays, or other incorrect administrative procedures	• Conducting regular inspections of operations, including those of outsourcing partners, led by the internal control department, and ongoing review and updates to regulations, manuals, and other related documents • Promoting systemization of administrative and other processes
(14) Compliance risk	[Opportunities] Gain stakeholder trust [Risks] Business suspension due to infringement of relevant laws by the JACCS Group or its outsourcing partners, penalty through revocation of registration, loss of credibility	• Maintaining a compliance framework at the management level • Conducting regular inspections of operations led by the internal control department, ongoing development and updates of regulations, manuals, and other related documents, and conducting ongoing training for all officers and employees • Outsourcing partner selection process commensurate with level of importance, operation of supervisory system
(15) Human risk	[Opportunities] Acquire and retain skilled human resources [Risks] Declines in motivation or performance, employee exodus and recruiting difficulties	• Promoting human capital management linked to management strategy • Enhancing employee engagement, promoting health and productivity management and the active participation of women, and cultivating human resources capable of becoming change agents
(16) Reputational risk	[Opportunities] Corporate image improvement, gain stakeholder trust [Risks] Deterioration of corporate image and reputational damage owing to business dealings that raise concerns over corporate social responsibility, violation of laws, fraudulent activity by employees, or system failures	• Implementing ongoing training programs for all officers and employees • Monitoring media information, etc.

Message from the Officer in Charge of Accounting and Finance



To support the sustainable growth of the JACCS Group, we are steadfastly maintaining our basic financial policy, comprising "improvement of financial soundness and capital efficiency through advanced asset and liability management (ALM)" and "strengthening of asset control." Simultaneously, we aim to enhance ROE, underpinned by both business strategy and financial strategy.

Tatsuo Nakazawa
Director and Managing Executive Officer
Supervisor of Accounting and Finance

Review of Fiscal 2025 and Overhaul of Quantitative Targets

In fiscal 2025—the initial year of our medium-term business plan "Do next!"—operating revenue grew for the 13th consecutive term, driven by the domestic business. Meanwhile, IT system-related expenses and other selling, general and administrative (SG&A) expenses increased, reflecting growing inflationary pressures in Japan. In addition, financial expenses increased significantly compared with the previous fiscal year, owing to the impact of rising interest rates against the backdrop of monetary policy adjustments by the Bank of Japan (BOJ). In our overseas business, a recovery in operating performance at JACCS' Indonesian operations—where we are currently pursuing the transition to a high-profitability business portfolio—was slower than expected, and this factor contributed to sluggish operating revenue in the overseas business as a whole.

On the financial front, the Company sought to streamline its balance sheet by shifting toward affiliated loans, with the aim of curbing financial leverage and mitigating rising interest-rate risk. However, owing to the volume of new contracts exceeding projections, the required funding amount also rose. Consequently, on a non-consolidated basis, the reduction in the balance of interest-bearing debt was limited to approximately ¥51.8 billion.

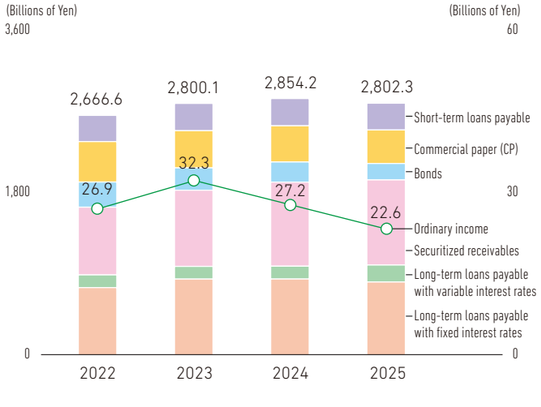
As a result, although we met our operating performance forecasts with the exception of net income attributable to owners of the parent, we recognize the challenging nature of the outcome, as income declined despite the increase in revenue. The simultaneous impact of rising inflation and interest rates in Japan combined with a lackluster result in the overseas business amplified the pressure on earnings.

Within this operating environment, we have revised the interest-rate scenario within our plan for fiscal 2026. This was based on the presence of a range of uncertain factors—including the situation in the Middle East—which have led to long-term interest rates trending at a higher level than our original assumptions, and this has a significant impact on JACCS' fundraising costs. Consequently, we project financial expenses for fiscal 2026 to increase substantially compared with the initial plan. To pass on the rise in funding costs, we are raising fees in our domestic credit business. This move is expected to result in a substantial decline in the volume of new contracts. Additionally, with regard to the planned relocation of our core computer system to a new data center in April 2027, we shifted from the original plan of a single-phase physical equipment transfer to a "standby migration" method involving the pre-installation of equipment followed by a phased switchover, which prioritizes system security and stability. This has meant that IT system-related expenses will be incurred earlier than originally scheduled.

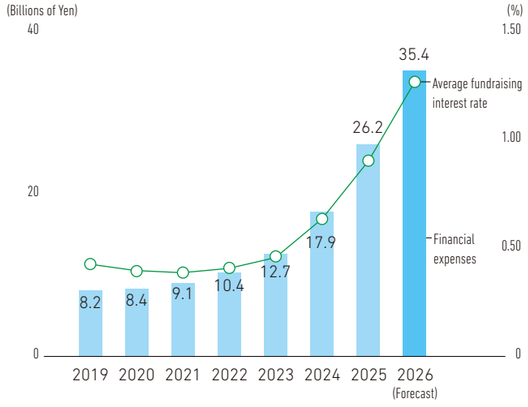
In light of changes in the operating environment that were not anticipated when the medium-term business plan was formulated, we have made a downward revision to our consolidated ordinary income forecast for fiscal 2026, from the initial ¥25.0 billion to ¥11.0 billion. Furthermore, owing to significant uncertainties—particularly in the interest-rate environment—we have withdrawn the quantitative targets for fiscal 2027, which is the final year of the plan. While a recovery in operating performance is an urgent priority, we aim to achieve consolidated ordinary income of ¥30.0 billion or more in fiscal 2030. We will accomplish this by steadily executing the growth strategies, business structural reforms, and financial strategies outlined in the medium-term business plan, and by implementing additional measures as necessary.

We are committed to continued engagement with our stakeholders based on highly transparent IR and disclosure, and will strive to sincerely communicate the story of JACCS' renewed growth, including the background to this revision of our quantitative targets.

Balance of Funds Raised and Ordinary Income (Non-consolidated)



Financial Expenses and Average Fundraising Interest Rate



Initiatives Aimed at Improving ROE

JACCS' ROE*1 peaked at 11.1% in fiscal 2022 but declined to 5.6% in fiscal 2025, reflecting a decrease in income and the impact of a third-party allocation of new shares to MUFG Bank, Ltd. ROE is the product of two factors—ROA*2 multiplied by financial leverage. JACCS' financial leverage dropped to 14x in fiscal 2025, indicating improved financial soundness. Hence, the challenge lies in enhancing ROA. Within the ALM*3 framework, JACCS is pursuing a two-pronged approach to improve ROA. Our business strategy aims to increase profit (the numerator), and our financial strategy focuses on reducing total assets (the denominator).

Within our business strategy, to counter the impact of rising fundraising interest rates, since March 2026 we have been progressively implementing additional interest-rate increases in our domestic credit business, including revisions to fees charged to member stores.

Concurrently, for housing-related products—including home renovation loans—that have long contract periods, we are increasing the ratio of variable-rate credit products to mitigate interest-rate risk. We also raised the effective annual interest rate for credit card installment and revolving payments to 18.0%, effective from the May 2026 billing cycle. Through these measures, we aim to secure appropriate spreads and improve our profit margins on operating revenue. In addition, we are working to bolster overall profitability by steadily expanding guarantee operations—including guarantees on loans for condominiums purchased for investment purposes—which operate on a non-asset model. Furthermore, we are accelerating the Group-wide cost-structure reforms already underway.

In our financial strategy, we are working to increase the sophistication of ALM and strengthen asset control within the framework of ERM*4, which entails the advanced management of the balance between earnings, risk and capital. Under the current medium-term business plan, we are shifting toward affiliated loans—which are highly effective for both improving ROA and mitigating interest rate risk—and we intend to accelerate this shift in the future. We are still only partway through the process of streamlining the balance sheet, and we will continue working to improve our risk asset portfolio—both qualitatively and quantitatively—through the shift to affiliated loans and the securitization of receivables using the ABS*5 method.

*1 ROE: Return On Equity *2 ROA: Return On Assets *3 ALM: Asset Liability Management
*4 ERM: Enterprise Risk Management *5 ABS: Asset-Backed Securities

Cash Allocation and Policy on Shareholder Return

There is no change to the cash allocation strategy outlined in "Do next!" of optimally allocating cash resources among growth investments—including domestic and overseas M&A—business structural reforms, and shareholder returns. This cash comprises funds raised through a third-party allocation of new shares to MUFG Bank, Ltd. (approximately ¥38.8 billion), gains from the sale of cross-shareholdings, and periodic earnings.

In fiscal 2025, we invested approximately ¥3.5 billion in CARSOME Capital, which became an equity-method affiliate of JACCS. This investment is part of a strategic partnership with a major used-car sales platform operator headquartered in Malaysia. Through this growth investment, we aim to secure stable profits overseas while keeping risk volatility in check. In fiscal 2026, we acquired an equity stake in the Singaporean company CAR TIMES CAPITAL of approximately ¥1.5 billion. Furthermore, in May 2026, we signed a Letter of Intent with Solvvy Inc., regarding a capital and business alliance. Solvvy's core strength lies in recurring-revenue business models within the housing sector, and JACCS plans to jointly develop a DX platform catering to home renovation business operators, and subsequently build up fee revenue by seamlessly providing JACCS' payment services within the platform. We will continue to pursue investments that contribute to our growth strategy, after carefully assessing risks and returns.

With regard to cross-shareholdings, in fiscal 2025, we disposed of holdings in 14 companies—including some partial disposals—recording gains amounting to approximately ¥2.0 billion. The majority of cross-shareholdings held by JACCS are shares of financial institutions with which we maintain a commercial relationship. As a result of negotiations undertaken with each financial institution, excluding a small number with whom we have decided to maintain a cross-shareholding, we received agreement from the vast majority to dissolve the cross-shareholding relationship. We will progressively carry out further share disposals at the appropriate timing.

Although we lowered our quantitative forecasts, there is no change in the policy on return to shareholders stated in the medium-term business plan. We maintain our commitment to shareholders to implement a stable return of profits. Under our approximate guideline, the higher of a dividend payout ratio of 40%, or dividend on equity (DOE: total dividends / shareholder equity) ratio of 3% will be adopted, with the further proviso that the cash dividend per share should be at least ¥200.00.

Sustainability Initiatives

The JACCS Group recognizes that its response to social and environmental issues becomes a source of medium- to long-term enhancement of corporate value, rather than merely a cost to be borne. We also recognize that promoting sustainability management is integrally important to our overall management approach, and contributes to reducing the cost of shareholders' equity. Through our initiatives in economic, social and environmental spheres, we mitigate corporate risks while enhancing our social reputation.

As part of our financial initiatives, we are vigorously utilizing ESG finance—including green finance—in our fundraising. In fiscal 2025, we executed nine sustainable finance transactions totaling ¥91.7 billion. This advanced our efforts to mitigate liquidity risk and curb borrowing costs by further diversifying fundraising methods. Having significantly exceeded the initial three-year sustainable finance target of ¥30.0 billion set in our medium-term business plan, we have revised our target upward to ¥120.0 billion, and will continue to energetically pursue such initiatives.

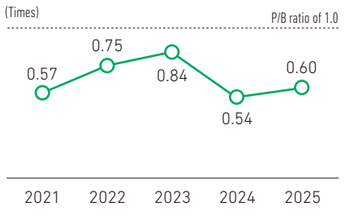
Management that Is Conscious of Cost of Capital and Stock Price

Situation Analysis

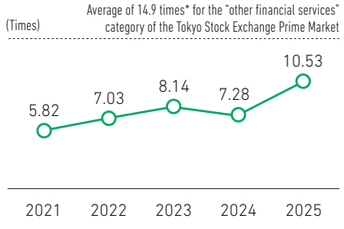
In terms of JACCS' current situation, both the P/B ratio and P/E ratio are still at low levels. Up to fiscal 2023, a combination of strong operating performance and rising dividends helped create upward momentum in both the P/B ratio and P/E ratio. However, against a backdrop of such factors as rising domestic interest rates, an undertone of declining profits due to a slump in the overseas business, and a dividend reduction in fiscal 2024, both indicators have remained at low levels to date.

Among the factors contributing to the P/B ratio's fall to below 1x, we postulate the following two in particular: (i) ROE is below the cost of equity; and (ii) expectations factored into the share price regarding future earnings growth are limited. With regard to the cost of equity, based on the trend exhibited by the P/B ratio as well as discussions with investors and analysts, we recognize that the market expects ROE to maintain a minimum level of at least 10%. However, ROE remains below 10%, reflecting continued earnings weakness and the impact of a third-party allocation of new shares carried out in fiscal 2025. Our initial priority is to restore ROE to 8%—a level similar to fiscal 2024. From that base, as we aim for 10%, we will implement an array of strategies set out in the medium-term business plan, and initiatives focused on achieving a recovery in operating performance.

Price-to-Book (P/B) Ratio

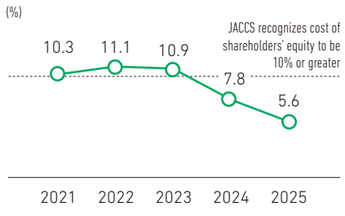


Price-to-Earnings (P/E) Ratio



* Weighted average market capitalization as of March 31, 2026

Return on Equity (ROE)



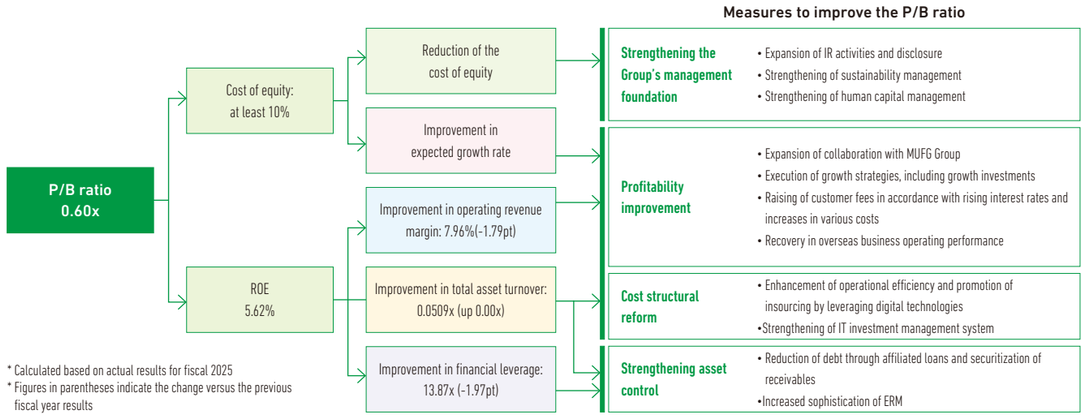
Policy Approach

We are aiming to realize a P/B ratio of 1x or greater at an early stage. While working to improve ROE, we will strive to strengthen the Group's management foundation to rein in cost of equity, and focus efforts on improving profitability and overhauling the cost structure to enhance the expected growth rate.

In the area of strengthening the Group's management foundation, we will continue to strengthen communication with the market and dialogue with shareholders and investors to promote better understanding of JACCS, as we work to enhance IR activities and disclosure. In addition, we will strengthen sustainability management based on the areas of materiality redefined in accordance with the medium-term business plan. Furthermore, we recognize human resources as one of JACCS' most important forms of capital, and will promote the reinforcement of human capital management to enable employees to reach their full potential.

In the area of improving profitability, we will focus on such measures as expanding collaboration with the MUFG Group; acquiring new earnings opportunities through growth investments; completing the cycle of fee increases in response to cost hikes, including fundraising interest rates; and realizing a recovery in operating performance at the overseas business, which has suffered from ongoing weakness. With regard to cost structural reform, we will aim to control personnel and property costs through efficiency improvements by utilizing digital technologies. We will work to curb increased IT system-related costs—influenced by such factors as data center relocation—by strengthening the management system for IT investments.

Measures to improve the P/B ratio



* Calculated based on actual results for fiscal 2025
* Figures in parentheses indicate the change versus the previous fiscal year results

DX Initiatives

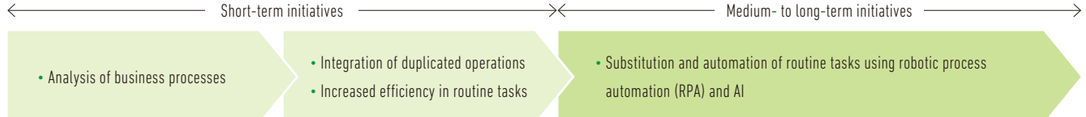
Initiatives and Issues Under the Three-year Medium-term Business Plan "Do next!"

DX initiatives—one of the key strategies promoted under the medium-term business plan—aim to strengthen JACCS' management foundations. DX initiatives focus on "utilizing data and digital technologies to optimize business processes, and realizing new value creation." The three core categories of initiative are "human resource development," "structural reform," and "growth strategy."

Within human resource development, we are expanding training programs and continuing our certification program for human resources with advanced digital skills. Furthermore, by promoting insourcing based on such technologies as no-code/low-code tools and RPA, we are striving to develop human resources that can take the lead in improving business processes.

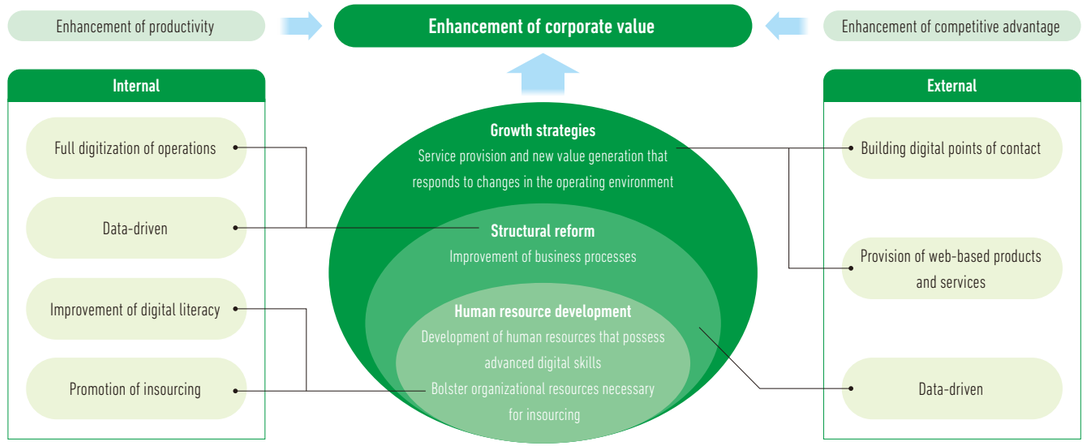
Within structural reform, as improvements to business processes, we are promoting the digitization of workflows, and increased operational efficiency through generative AI and the utilization of data. In generative AI, by utilizing such operational support as document preparation and information organization, we are working to improve productivity. In addition, by using business intelligence (BI)* tools, we have begun to see results in the strengthening of support for member stores. In the future, through expansion of the use of digital technologies—including AI and RPA—and Company-wide overhaul of operations, we will work to improve productivity and promote cross-organizational advances in operational efficiency. In the short term, we are carrying out business process analysis, and pursuing such goals as integration of duplicated operations and efficiency improvements in routine tasks. In the medium- to long-term, we have within our sights the substitution of routine tasks using AI, and the parallel pursuit of the construction and development of a data utilization platform, which would centrally manage data that is currently dispersed across the organization. Through such efforts, we aim to create an environment in which AI can be applied in a more sophisticated, broad manner, and harness this to drive sustainable productivity improvement and strengthened competitiveness.

* Business intelligence (BI) software: A type of application used to aggregate and analyze a wide range of internal company data, and visualize data to make it helpful in decision-making processes.



In the area of growth strategy, we are working to expand digital points of contact by adding functionality to member apps and providing web services to member stores. Furthermore, we are pursuing intra-group collaboration with the aim of maximizing synergies with the MUFG Group. We are also accelerating initiatives focused on such areas as provision of services that respond to changes in the operating environment, and diversification of JACCS' earnings base through new value creation. This includes building a framework for cross-referral of customers based on the capital and business alliance with MUFG Bank, Ltd.

One of the key tasks we must address is the "development of a data utilization platform." To improve productivity and competitive advantage, we need to develop high-quality data and create an environment that facilitates continuous utilization of this data. This includes such tasks as continuous improvement of business processes; increased efficiency through AI utilization; greater sophistication in decision-making through data utilization; and the creation of new value through collaboration with the MUFG Group. Looking ahead, we will work to accelerate the construction of a data utilization platform and develop an environment that enables integrated data utilization. This encompasses everything from utilizing data for business process improvement to value generation that responds to changes in the operating environment. Through these initiatives, we will advance JACCS' DX strategy, and strive to enhance corporate value.



Performance by Business



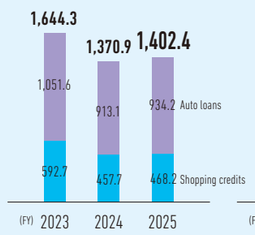
Credit Business

Business details

- Shopping credits
- Auto loans

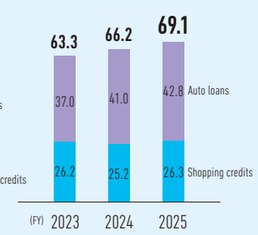
Volume of New Contracts (Domestic)

(Billions of Yen)



Operating Revenue (Domestic)

(Billions of Yen)



In shopping credits, the volume of new contracts and operating revenue increased. This included growth in the volume of new contracts for home renovation loans, reflecting our strengthening of the sales organization and a rise in the average loan amount accompanying sharp increases in materials and labor costs. In addition, loans for housing-related products were robust, driven by such factors as growth in industrial solar installations as demand increased in the solar secondary market.

In auto loans, the volume of new contracts grew, reflecting the execution of marketing programs coordinated with the sales strategy of each vehicle importer, and the continuation of efforts to cultivate relationships with local used-vehicle dealers. An additional factor was the recovery trend exhibited by JACCS' market share, which had previously declined owing to our raising interest rates. Operating revenue increased, underpinned by a reversal in the balance of deferred installment income.

As a result, both the volume of new contracts and operating revenue in the credit business increased.



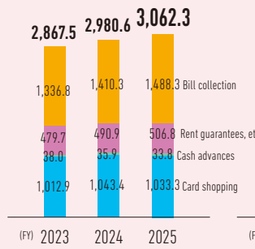
Payments Business

Business details

- Issuing of credit cards
- Acquiring operations
- Prepaid cards
- Cash advances
- Bill collection
- Rent guarantees

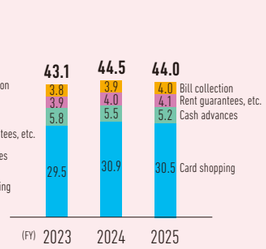
Volume of New Contracts (Domestic)

(Billions of Yen)



Operating Revenue (Domestic)

(Billions of Yen)



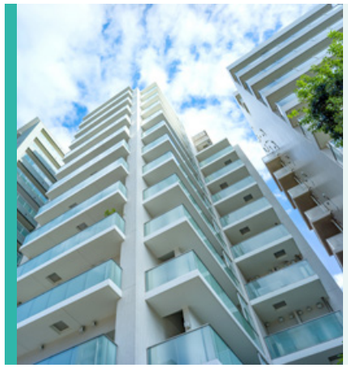
In card shopping, the volume of new contracts declined, despite the execution of initiatives to promote the use of installment payments. The decrease reflected such factors as the termination of partnerships with some member stores, and card usage decline owing to a revision of loyalty-point award conditions. Operating revenue decreased, mainly reflecting the fall in the volume of new contracts and the balance of revolving payments.

In cash advances, the volume of new contracts and operating revenue decreased. Although the balance of loan card receivables grew—driven by ongoing acquisition of new low-interest card members—this was still insufficient to offset the slump in cash advances using proprietary credit cards.

In bill collection, both the volume of new contracts and operating revenue increased. This was driven by growth in transactions at existing alliance partners—centering on real estate management companies and sports clubs. It also reflected an increase in the number of invoices handled, driven by an expansion in new alliance partners, which was attributable to strengthened inside sales activities.

In rent guarantees, the volume of new contracts and operating revenue rose, driven by a steady expansion of transactions via major alliance partners and the build-up of new alliance partnerships.

As a result, across the payments business as a whole, although the volume of new contracts increased, operating revenue declined.



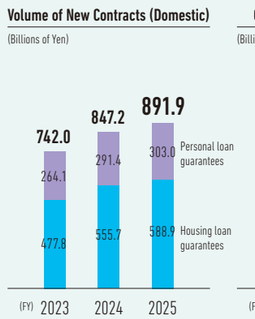
Financing Business

Business details

- Housing loan guarantees
- Personal loan guarantees

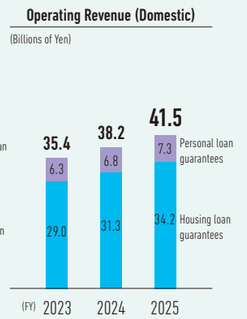
Volume of New Contracts (Domestic)

(Billions of Yen)



Operating Revenue (Domestic)

(Billions of Yen)



In housing loan guarantees for studio condominiums purchased for investment purposes, the volume of new contracts and operating revenue increased. In addition to the execution of marketing programs in coordination with partner financial institutions, growth was driven by an increase in the average loan amount, reflecting a rise in property values.

In personal loan guarantees, both the volume of new contracts and operating revenue increased, reflecting robust loan volumes at MUFG Bank, Ltd., and regional banks, as well as the implementation of programs to enhance the loan execution rate.

As a result, the volume of new contracts and operating revenue increased in the financing business.



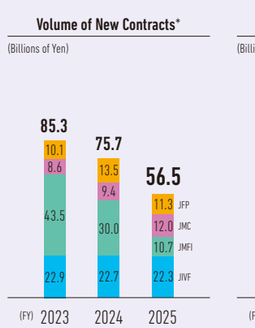
Overseas Business

Business details

- Motorcycle and auto loans in markets within the ASEAN region (Vietnam, Indonesia, Cambodia, and Philippines)

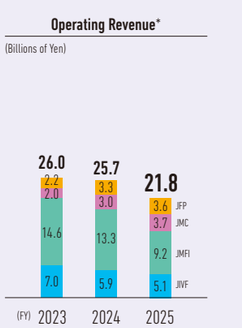
Volume of New Contracts*

(Billions of Yen)



Operating Revenue*

(Billions of Yen)



In Vietnam, despite strong credit volumes for automobiles driven by demand growth—reflecting government measures to promote the adoption of electric vehicles—the volume of new contracts decreased. This reflected such factors as the impact of business structural reform within credit card operations. Operating revenues declined, owing to a reduction in the balance of operating receivables, as JIVF suspended the handling of new loans for commercial vehicles with the aim of restraining receivables in arrears.

In Indonesia, the volume of new contracts and operating revenues both decreased, reflecting JMFI's suspension of new loans for automobiles and used motorcycles, which have seen receivables in arrears remain at high levels. The suspension was part of business structural reform being carried out by JMFI.

In Cambodia, the volume of new contracts and operating revenue both grew. This was driven by such factors as the ongoing expansion of JMC's geographic sales territory, and measures aimed at raising the efficiency of application procedures for customers in distant locations.

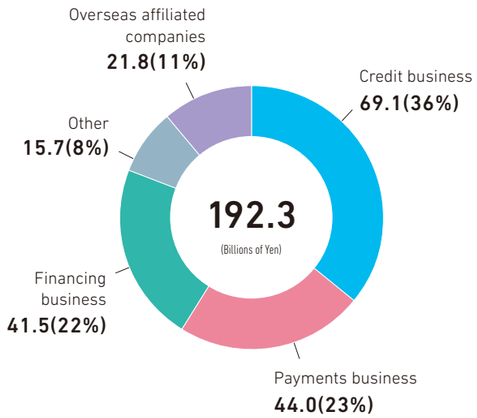
In the Philippines, the volume of new contracts declined, reflecting such factors as JFP's decision to tighten credit screening criteria with the aim of improving profitability, and the implementation of interest rate increases. In contrast, operating revenue increased, underpinned by a buildup in the balance of operating receivables.

As a result, in the overseas business overall, the volume of new contracts and operating revenue decreased.

* Fiscal year-end of overseas affiliated companies is December 31. The consolidated results reflect operations of overseas affiliated companies during the period of January through December.

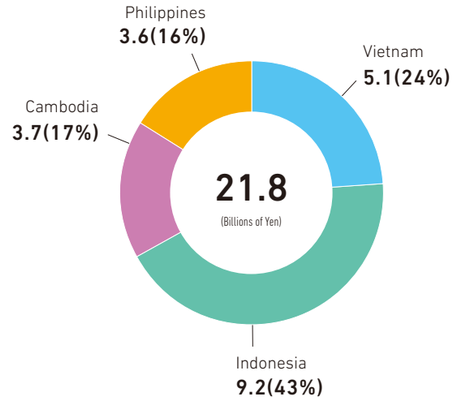
Operating Revenue * Simple aggregate basis

Composition ratio in parentheses



Operating Revenue of Overseas Affiliated Companies

Composition ratio in parentheses



JIVF: JACCS International Vietnam Finance Co., Ltd.
JMFI: PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA
JMC: JACCS MICROFINANCE (CAMBODIA) PLC.
JFP: JACCS FINANCE PHILIPPINES CORPORATION

Business Strategy

Credit Business

Establishing a stronger business foundation than ever before through resource optimization and service quality enhancements





Yosuke Sato
Senior Executive Officer
In charge of Credit Business

Strengths

- Product lineup to meet diverse needs
- Ability to make proposals for promoting credit utilization
- Credit screening for building up a portfolio of quality operating receivables, and excellent back-office capacity
- Network of member stores in a wide variety of industries

Opportunities

- Development of a decarbonized society
- Stimulate demand for renovations through national and local government subsidies
- Strong demand for used vehicles due to rising prices and other factors
- Consumer attitudes changing from ownership to use

Threats

- Increase in financial expenses due to rising funding interest rates
- Entry of new business operators utilizing IT
- Weak personal consumption and increase in credit risk owing to rising inflation and interest rates

Focus

- Reducing risks associated with rising fundraising interest rates through enhanced ALM*

*Asset and liability management

The credit business lies at the core of the JACCS Group. As a leading company in the consumer finance industry, we will continue to enhance service quality. In fiscal 2025, we completed a reorganization of sales offices related to the credit business as part of our business structural reforms. We then reallocated sales resources freed up through this reorganization to such areas as the environmental field. We are steadily seeing the tangible results of these measures, including increases in the volume of new contracts for housing-related products and auto leasing to individuals.

Although we anticipate that fundraising interest rates will continue to rise, we will respond through such measures as affiliated loans, expansion of variable-interest-rate products, and fee increases. While the volume of new contracts is forecast to decline in fiscal 2026 owing to fee increases, we will pursue a transition from quantity to quality, to ensure the establishment of a sound earnings base.

Shopping Credits

In shopping credits, in the environmental field—which features in our growth strategy—we will continue to focus on capturing market share within housing-related products (home renovation, etc.). The home renovation market is expected to grow, driven by such factors as sharply rising new-home prices and subsidy programs implemented by central and local government agencies. The average loan amount for home renovations is also rising, reflecting increases in materials and labor costs. Even in a situation in which the Company is raising fees, we will aim to increase the credit utilization rate through such measures as support for member stores through a specialist sales structure and increased sophistication of web-based tools.

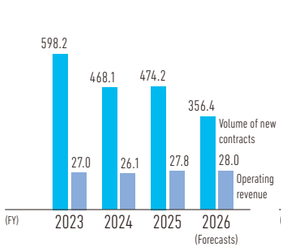
In areas apart from housing-related products, we will continue to focus on highly profitable categories. In categories with a low average loan amount, we have introduced "SPLIE," which enables customers to make repeated use of installment payments within their approved credit limit based only on the initial credit screening. Through this structure we are working to reduce operating costs, including those stemming from credit screening.

Auto Loans

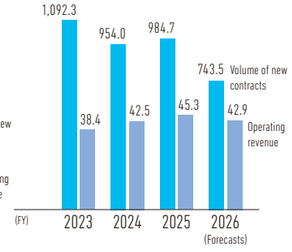
In auto loans, with regard to our main channels—imported vehicles and used vehicles—the outlook for the number of vehicles sold is uncertain. However, since we anticipate vehicle prices to remain at a high level, reflecting the impact of such factors as exchange rates and rising production costs, we expect solid demand for auto loans. Even in a situation in which the Company is raising fees, we will strive to limit the fall in the volume of new contracts to the smallest possible through such measures as strengthened collaboration with vehicle importers and increased convenience driven by our IT system.

In the area of auto leasing to individual customers, we will work to expand the number of newly leased vehicles through a specialist sales structure, increased convenience driven by our IT system, and collaboration with Mitsubishi Auto Leasing Corporation. Simultaneously, we will strengthen the system for managing lease-period expiration, and aim to build up the number of vehicles held under lease by improving the retention rate.

Shopping Credits (Billions of Yen)



Auto Loans (Billions of Yen)



Housing-Related Shopping Credits (Billions of Yen)

(FY)	2024	2025	YoY change
Volume of new contracts	212.3	235.2	10.8%

Auto Lease to Individuals (Billions of Yen)

(FY)	2024	2025	YoY change
Volume of new contracts	70.0	84.5	20.8%
Number of vehicles under auto lease (Tens of thousands of vehicles)	5.9	6.1	4.4%

Payments Business

Strategically allocate resources to the rent guarantees market and promote credit card business structural reforms to expand operating profits





Takeshi Yoshikawa
Managing Executive Officer
In charge of Business Strategy and Payments Business

Strengths

- Providing a one-stop payment menu featuring a lineup of payment products and services catering to a diverse range of needs, including issuing and acquiring operations, and bill collection services
- Stable business relationships with major real estate management companies
- System collaboration with package of services for real estate management companies

Opportunities

- Further progress of cashless economy and diversification of payment methods
- Needs for improving billing efficiency in companies
- Increased needs for rent guarantee service in the rental real estate market, driven by an increase in the number of single-person households

Threats

- Entry of new business operators utilizing IT
- Weak personal consumption and increase in credit risk owing to rising inflation and interest rates

Focus

- Declining profitability due to intensifying competition and rising operating costs

The payments business will prioritize profitability as we aim to transform it into a business that is capable of generating sustainable profits. This will be achieved through the provision of a broad range of products—including rent guarantees, bill collection, and credit card issuing and acquiring—and synergies generated through collaboration with the credit business and the financing business. In particular, recently we are proactively allocating resources to rent guarantees, which is in the growth field of guarantees. In the credit card business, we are implementing cost structural reforms, and executing strategies whose priorities have even greater clarity than previously.

Rent Guarantees

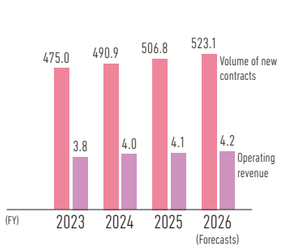
In rent guarantees, we anticipate steady market expansion to continue, driven by such factors as growth in the number of single-person households. We also recognize that there is ample room for JACCS to increase its market share, given that this relatively immature market is not dominated by a few major participants. By allocating resources freed up through business structural reform, we are strengthening the sales system, and our development of the western Japan area—a focus region—is proceeding smoothly. Additionally, by strengthening linkage between a major rental-property management platform and JACCS' rent guarantee service, we have realized the industry's first seamless operational flow. Specifically, we have built automatic linkage encompassing credit screening, guarantee contracts, invoicing, receipt of funds, and remittances. Underpinned by these innovations, we aim to reduce the operational burden on real estate management companies. This in turn raises our competitiveness and puts us in a strong position to win new alliance partners.

Credit Cards

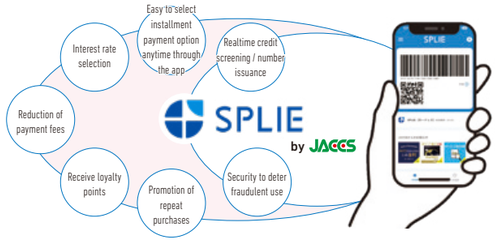
In the credit card business, in addition to declining profit margins due to intensified competition, operating costs are rising due to inflation. Consequently, we are executing structural reforms by taking the strategy we have pursued to date—shifting to a focus on quality rather than quantity—one step further. Rather than increasing new card members indiscriminately, we are adopting a greater focus on such factors as card activity rates, installment-payment usage rates and cost of acquisition when acquiring new card members. Although the scale of our credit card membership is shrinking, we are reducing costs associated with card issuance and membership maintenance. In addition, we are striving to increase profit margins through such measures as raising a variety of fees and overhauling member rewards. By continuing to promote the use of our payment app "SPLIE" and the "Ato-bunkatsu"* service, we will expand the volume of new contracts for installment payments, which generate higher margins.

* Service enabling users to switch standard credit card charges to installment payments after purchases have been made.

Rent Guarantees, etc. (Billions of Yen)



SPLIE App-Based Payment Service



Installment-Payment Shopping (Billions of Yen)

(FY)	2024	2025	YoY change
Volume of new contracts	44.3	46.5	4.9%

Business Strategy

Financing Business

Strengthening alliance partnerships to steadily increase the balance of high-quality loan guarantees





Satoru Yamashita
Senior Executive Officer
In charge of Financing Business

In the financing business, we anticipate stable profits even as interest rates rise since this business does not require fund procurement. In fiscal 2025, the balance of guarantees rose steadily, and there are no significant changes to our policy of continuing to strengthen our relationships with alliance partners while building up a balance of high-quality guarantees. In addition, we aim to grow the business while raising operational efficiency through IT system investments, and increasing the proportion of high-margin products within the guarantee balance as a whole.

Housing Loan Guarantees

Housing loans have a low credit risk, and within JACCS' business portfolio this business has a very high level of profitability. Driven by rising asset formation needs, we expect demand for studio condominiums purchased for investment purposes to remain solid. However, in light of the rising trend for both property prices and interest rates, there is concern that investment yield may decline. Based on this recognition of the operating environment, JACCS will not loosen its credit screening criteria in an effort to sustain the volume of new contracts. Rather, we will build up the balance of high-quality guarantees without sacrificing JACCS' consistent credit stance. Furthermore, through continuous IT system improvements aimed at enhancing operational efficiency, we will strive to improve convenience and productivity. We will also work to further strengthen relationships with real estate sales companies and financial institutions.

Personal Loan Guarantees

In personal loan guarantees for banks—part of the guarantees field that features in our growth strategy—financial institutions are raising the interest rates charged to customers in response to increases in the BOJ's policy interest rate. However, greater customer convenience driven by a diversification of marketing channels—including smartphone apps—means that we anticipate gradual market growth. The balance of guarantees is steadily increasing, underpinned by strengthened cooperation with MUFG Bank, Ltd., and expanding market share driven by the allocation of sales resources. We will continue to work toward increased efficiency in credit screening operations through a strengthened IT system, and expanded business with new financial institutions, including online banks. At the same time, by increasing the proportion of high-margin products within the balance of guarantees (home renovation loans, educational loans, miscellaneous-use loans), we will strive to increase profitability.

Strengths

Housing loan guarantees:
- Highly accurate know-how of credit screening, real estate valuation, and member store management accumulated through more than 50 years of business experience
- Strong network of alliances with real estate sales companies and financial institutions

Personal loan guarantees:
- Steadily increasing balance of loan guarantees through collaboration with MUFG Bank
- Product lineup that meets the needs of financial institutions and migration of application procedures to the web
- A network of approximately 600 financial institutions

Opportunities

Housing loan guarantees:
- Steady asset portfolio formation needs vis-à-vis studio condominiums purchased for investment purposes
- Expanding the buyer base by selling properties utilizing IT

Personal loan guarantees:
- Capture of the unsecured personal loan market at financial institutions
- Expanding needs for guarantee companies, underpinned by financial institutions' efforts to bolster their retail operations

Threats

Housing loan guarantees:
- Reduced purchase appetite due to rising property prices and borrowing rates
- Increased financial burden for property owners owing to such factors as interest-rate rises on housing loans, and a lag in raising property rent
- Decline in collateral value due to fall in real estate prices

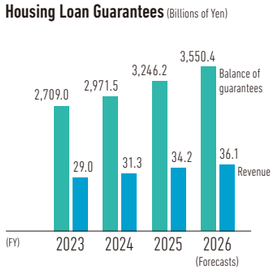
Personal loan guarantees:
- Internalization of guarantee operations within the group and system at partner financial institutions

Focus

Housing loan guarantees:
- Streamlining operations through sales, screening, receivables management, and system support for each business

Personal loan guarantees:
- Increasing volume of new contracts for high-margin products to enhance profitability

Housing Loan Guarantees (Billions of Yen)



Personal Loan Guarantees (Billions of Yen)



Overseas Business

Transitioning to management focused on profitability and efficiency to establish a stable business base





Kazuaki Yamazaki
Senior Executive Officer
In charge of International Business

The overseas business is currently in a harsh situation, as evidenced by the business having recorded an ordinary loss in two consecutive fiscal years. However, recognizing the market's growth potential, JACCS will continue to invest in this business as it aims to achieve profitability and the establishment of a stable business base at an early stage. While paying attention to geopolitical risk, we will work to improve profitability through ongoing measures focused on the transition to a high-return portfolio. We will also work to reduce credit risk through improved credit screening precision that utilizes digital technologies, and strengthen the receivables management system. In addition to this organic growth, we will also use new models to expand the business, particularly through collaboration with the MUFG Group and the CARSOME Group.

In Vietnam, although JIVF recorded an ordinary loss in fiscal 2024—the rise in expenses related to doubtful accounts being a contributing factor—our efforts to date to reduce credit risk have begun to yield results, and in fiscal 2025 JIVF achieved profitability. While maintaining credit risk at a lower level, we will continue working to increase the volume of new contracts and operating revenue by focusing on sales finance for motorcycles and automobiles, as well as unsecured loans to existing customers.

In Indonesia, to fundamentally restructure our operations, we implemented measures aimed at rationalizing the scale of the business. These included making the credit criteria stricter and scaling back the size of the sales office network. Despite these efforts, ordinary losses have continued, owing to such factors as a shortfall in the build-up of operating receivables. However, the results of a variety of measures are steadily emerging, and we anticipate further restraint of expenses related to doubtful accounts and financial expenses. Although it is one year later than we had originally forecast, we now expect JMFI to achieve profitability in fiscal 2027.

In Cambodia, the profit level increased substantially in fiscal 2025, driven by an expansion of the geographic sales area and measures to curb various expenses. While paying attention to the impact of such factors as the border dispute, we will continue to aim for business expansion.

In the Philippines, since expenses related to doubtful accounts are on an upward trend, JFP continues to prioritize profitability in its operations, including through the selection of used-vehicle dealers that exhibit low credit risk. We will continue to assess appropriate vehicle selling prices by utilizing our IT system, and work to curb expenses related to doubtful accounts through such measures as compressing the book loss versus disposal price on repossessed vehicles.

In Malaysia, JACCS has participated in the management of CCSB starting in fiscal 2025, and operating performance is progressing well. Underpinned by the competitive advantage of CARSOME Group's ecosystem, and JACCS' sales finance know-how and creditworthiness, we will aim to achieve steady performance growth. (With regard to Singapore, in May 2026, JACCS acquired a 49% equity stake in CTCA.)

Strengths

- Business know-how cultivated in Japan over 70 years
- A network of businesses in six overseas markets, with over a decade of business experience
- Network and creditworthiness of MUFG

Opportunities

- Medium- to long-term economic growth of countries in the ASEAN region
- Continued growth in demand for consumer durables
- Ongoing overseas business expansion by Japanese companies
- Acceleration of digitalization

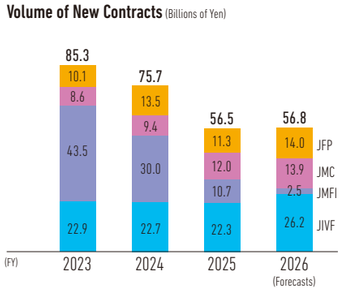
Threats

- Intensifying competition between banks and non-banks and entry of new business operators
- Increase in financial expenses due to sharp exchange rate fluctuations and rising interest rates on fundraising
- Weak personal consumption and increase in credit risk owing to such factors as a deterioration in the economy

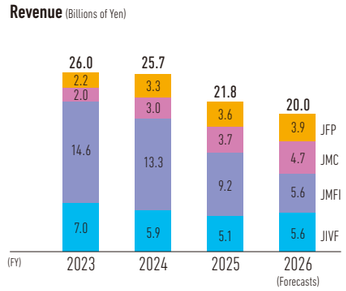
Focus

- Restructuring of business in Indonesia
- Limiting costs, primarily focusing on expenses related to doubtful accounts

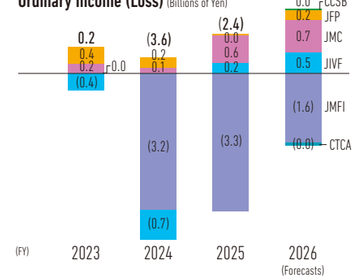
Volume of New Contracts (Billions of Yen)



Revenue (Billions of Yen)



Ordinary Income (Loss) (Billions of Yen)



JIVF: JACCS International Vietnam Finance Co.,Ltd.
JMC: JACCS MICROFINANCE (CAMBODIA) PLC.
CCSB: Carsome Capital Sdn. Bhd. (Malaysia)
JMFI: PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA
JFP: JACCS FINANCE PHILIPPINES CORPORATION
CTCA: CAR TIMES CAPITAL PTE. LTD. (Singapore)
* With regard to CCSB and CTCA, equity in earnings of affiliated companies is presented within ordinary income (Net income x 49% equity stake held by JACCS, less goodwill-equivalent amount)

Value Creation Through Partnerships

The JACCS Group has built diverse partnerships across its businesses. Through these partnerships, the Group creates new value, helps solve challenges faced by customers and member stores, and contributes to industry growth.

Credit Business



Hiromasa Shinozaki

President & CEO
Asahi Kasei Reform Corporation

Co-Creating Homes and Finance to Realize “LONGLIFE”

Asahi Kasei Reform upholds the concept of “LONGLIFE—supporting life, living, and people’s lives” and is responsible for remodeling HEBEL HAUS and HEBEL MAISON homes provided by Asahi Kasei Homes Corporation.

Keeping homes in good condition and using them for many years helps reduce environmental burden and contributes to the realization of a sustainable society.

To achieve this, we believe appropriate financial support is essential to promote the widespread adoption of equipment that helps reduce environmental burden, such as solar power generation systems, and home renovations that improve quality of life.

JACCS’ initiatives aimed at contributing to the realization of “a future inspired by dreams” and “an affluent society” through financial services resonate with our own concept of “LONGLIFE—supporting life, living, and people’s lives,” which supports people’s lives from a long-term perspective.

We will continue working together to help create living environments in which customers can continue to live with peace of mind for years to come.

Payments Business



Tetsushi Okamoto

President & CEO
J-EYES, INC.

Creating Value Through Smartphone Apps

J-EYES has been developing smartphone apps since 2008, when the iPhone 3G went on sale in Japan. Convinced that smartphones connecting companies with customers would drive innovation in the financial industry, we have expanded our app development business. To increase the utility of apps, we provide end-to-end services ranging from server construction emphasizing database integration to web app development.

Currently, based on the capital and business alliance agreement concluded with JACCS in 2025, we are enhancing the functionality of the JACCS app and SPLIE app, both key components of JACCS’ smartphone app strategy, with the aim of increasing their utility and convenience. JACCS is also leveraging our know-how and expertise to develop IT personnel and support future in-house app development, helping to accelerate DX.

Going forward, we aim to provide useful smartphone apps to customers with shopping credit, auto loan, and housing loan contracts, expanding opportunities for them to use new services. We also hope to contribute to creating app strategies that generate greater synergies and, in JACCS’ alliance initiatives, to creating new value and markets centered on smartphone apps.

Financing Business



Kenji Fukuda

Section Manager, Loan Promotion Section, Sales Promotion Department
San ju San Bank, Ltd.

Enabling Fully Online Loan Procedures

San ju San Bank’s third medium-term management plan (April 2024–March 2027), whose vision is to become the “No. 1 Financial Group in Regional Trust,” sets “Transforming Sales Styles through DX Promotion” as a basic strategy under one of its basic policies, “Evolution of Relations & Solutions.” In our loan operations, we are also promoting the “Expansion of Fully Online Transactions.”

JACCS and our bank have built a collaborative framework through guarantee operations in the field of purpose-specific loans such as auto loans, home renovation loans, and education loans. JACCS provides rapid credit screening based on the credit-screening know-how it has accumulated in installment sales finance, enabling us to respond to our customers’ diverse needs.

In addition, by using JACCS’ web-based contract completion system, which meets customers’ desire to complete procedures remotely without visiting a bank branch, we are able to provide services offering a high level of convenience and satisfaction for both our customers and the bank.

As market needs continue to call for products and services that respond to changing requirements, we recognize JACCS as an important partner that delivers further added value to our bank.

Overseas Business



Eric Cheng

Co-founder, Chairman & Group CEO
CARSOME Sdn. Bhd.

Providing more seamless and accessible financing solutions

CARSOME is Southeast Asia’s largest integrated car e-commerce platform, built with the mission of simplifying and transforming the car ownership journey through trust, transparency, and technology. Over the years, we have evolved beyond a marketplace into a fully integrated automotive ecosystem, offering solutions across media and content discovery through WapCar and iCar Asia, vehicle listings, buying and selling, financing through CARSOME Capital, refurbishment and after-sales support, while also supporting talent development in the automotive industry through CARSOME Academy. Today, we operate across four key markets namely Malaysia, Indonesia, Thailand, and Singapore, with our Singapore operations conducted through CarTimes.

Our partnership with JACCS reflects a shared focus on strengthening auto financing solutions and supporting the broader automotive ecosystem in the region. The collaboration first began in Malaysia in 2025 through CARSOME Capital, combining JACCS’ expertise in consumer finance with CARSOME’s integrated automotive ecosystem to provide more seamless and accessible financing solutions for customers and dealers. The partnership later expanded into Singapore through CAR TIMES CAPITAL, further strengthening financing capabilities across both markets.

Moving forward, we look forward to continuing our collaboration with JACCS and exploring more opportunities together as the automotive landscape continues to evolve. We believe partnerships like this play an important role in supporting industry growth and delivering better customer experiences across the region.

Message from the Officer in Charge of Personnel



We will advance initiatives to address priority issues, work to strengthen human capital management, and aim to build a high-value-added organization.

Masaaki Otsuka
Senior Executive Officer
In charge of General Affairs and Personnel

Fundamental Approach to Human Resources

At the JACCS Group, we consider human resources to be one of our most important forms of capital. Based on the principle that without the growth of our employees the Group itself cannot grow, within the medium-term business plan we have positioned human capital management as one of the pillars supporting our key strategies.

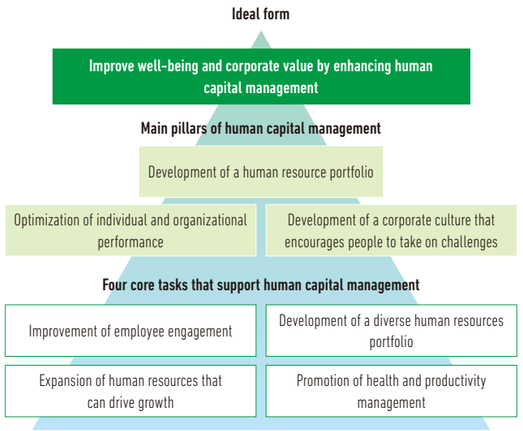
For over 70 years since its establishment, JACCS has steadfastly upheld the Company's Founding Philosophy—"Trust is the basis for all." JACCS' greatest asset is the trust and confidence it has built with customers and member stores. Hence, from the recruitment stage, we seek people who will resonate with this core value. After employees join the Company, at every opportunity we communicate and share the spirit of "Trust is the basis for all." Through these consistent efforts, this philosophy has become a deep-rooted part of JACCS' corporate culture.

Building upon the Group's Founding Philosophy, we have defined the type of person we are seeking through our human resource development efforts as embodying "confidence and trust"—the two qualities valued most highly by the JACCS Group. In addition, the people we seek to develop must be capable of acting in accordance with such key phrases as "accepts challenges," "self-motivated," and "respects diversity." By empowering each employee to maximize their own potential and fully demonstrate their capabilities, I want JACCS as an organization to make further contributions to society.

Four Core Tasks that Support Human Capital Management

To support the realization of JACCS' human capital management, we have defined four core tasks: improve employee engagement; develop a diverse human resources portfolio; expand human resources that can drive growth; and promote health and productivity management. We are pursuing initiatives in line with each of these tasks.

Overview of Human Capital Management



1. Improvement of employee engagement

With regard to improvement of engagement, rather than focusing primarily on the engagement survey scores, we place emphasis on drilling down into the results to analyze the details, and implementing measures deemed necessary based on these analyses. In fiscal 2024, JACCS implemented a major reform of its personnel system. The new system is becoming firmly established, and we are already seeing positive effects. Although the engagement score for fiscal 2025—which stood at 3.07 out of a maximum possible score of 4.0—was largely unchanged compared with the previous year, the proportion of positive responses to survey questions ("Agree" or "Somewhat agree") across all survey questions is steadily rising.

In this survey, we included a question asking what is needed to further enhance job satisfaction. While "compensation" is naturally a major factor, the results highlighted a clear desire for improvements in "internal communication" and "diverse working styles." With regard to compensation, we have continued to implement base salary increases and have worked to improve the transparency and fairness of our evaluation processes. To enhance internal communication, we plan to implement measures that foster an environment where employees feel comfortable seeking advice, facilitate timely information sharing, and bridge information gaps. In the area of diverse working styles, prompted by the consolidation of sales offices in the credit business as part of structural reforms, we have established remote-work environments. In addition, we have revised our work regulations so that such situations as a half-day spent on clerical tasks qualifies for a remote work allowance. Starting in fiscal 2026, we are launching a "Team Support Allowance" with the aim of assisting employees to take childcare or nursing care leave. This is part of our drive to foster a corporate culture in which the organization as a whole facilitates mutual support for life events.

JACCS is committed to ensuring that the engagement survey translates into concrete action on resolving issues. For example, survey results and proposed response measures are reported to the Board of Directors, and feedback from directors—including outside directors—is reflected in the measures adopted. We will continue to promote initiatives to create a pleasant working environment where employees are able to perform to their maximum potential.

Overview of the Team Support Allowance

Eligible employees	Within the department of an employee taking leave, employees who take on substitution duties
Allowance amount	¥50,000 per month per employee on leave, distributed proportionally among eligible employees
Categories of leave covered	Maternity leave (pre- and post-natal), childcare leave, nursing care leave

2. Development of a diverse human resources portfolio

From the perspective of ensuring diversity, we continue to focus on promoting the active participation of women. The ratio of female employees among all managers (section manager or higher) in fiscal 2025, was 19%. Regrettably, we did not achieve our initial target of 21%. However, the number of female managers has increased even as the total number of organizational units has decreased due to business structural reforms. Furthermore, among deputy managers—representing a pool of future candidates for section manager roles—women now account for 65% of such employees. Given that women make up 58% of our total workforce, we believe the foundation has been laid to continue producing a steady number of female managers in the future.

We are also leveraging a talent management system to visualize employees' skills and capabilities, including language proficiency, certifications, and digital/IT expertise. This data is then utilized to inform decisions on personnel transfers. Furthermore, we support employees' self-directed career development. In fiscal 2025, we implemented an internal job posting program across seven departments, providing opportunities for employees to excel in their preferred work environments.

3. Expansion of human resources that can drive growth

To cultivate the next generation of management talent, for a number of years we have run the "Business Leader Training" program for managers aged 45 and under. To complement this, in fiscal 2025, we launched the "Next Leader Training" program, which targets non-managerial employees up to 35 years old. Applications to participate in the new program were more than double its capacity, reaffirming the high level of motivation among young employees. Participants have also reported gaining a broader perspective on their work. The development of management talent is progressing according to plan, and we will continue to steadily pursue these efforts.

We have resumed our overseas trainee program—which had been suspended due to the COVID-19 pandemic—by selecting two employees in their twenties and dispatching them to work at JACCS' overseas affiliates for a nine-month period. The program aims to foster key qualities among participants at an early stage of their career. This includes such traits as cross-cultural adaptability and a mindset geared toward collaborating with local staff. We hope that the personal growth these trainees demonstrate upon their return to Japan will serve as a powerful source of inspiration for their colleagues.

4. Promotion of health and productivity management

JACCS was an early adopter of health and productivity management. Underpinning our efforts is the belief that the realization of the well-being of each employee contributes to the enhancement of corporate value. Well-being is fostered not only through the maintenance of physical and mental health but also through the sense of fulfillment gained from working at JACCS. In 2026, in recognition of these ongoing efforts, JACCS was selected as one of the enterprises recognized under the "KENKO Investment for Health Stock Selection," following on from its selection in 2024. JACCS was also selected as a "Certified Health and Productivity Management Organization (White 500)" for the ninth consecutive year. These programs are operated by Japan's Ministry of Economy, Trade and Industry (METI). Through these efforts we remain dedicated to the advancement of JACCS' health and productivity management.

Development of Human Resources that Possess Advanced Digital Skills

Developing people with the digital skills needed to support our DX strategy is a key initiative, which we have continuously promoted since the previous medium-term business plan. Through the program to develop human resources possessing advanced digital skills, up to fiscal 2025, approximately 350 employees had received certification.

Starting in fiscal 2026, we have embarked on a full-fledged initiative to increase the number of "DX leaders" and put their skills to practical use. One of the specific roles of DX leaders is to spearhead improvements and reforms addressing operational process issues within their own departments. In each department, members with advanced digital skills will take the lead in listing and classifying processes and tasks, and then driving process and workflow optimization. We aim to create a virtuous cycle in which the acquisition and application of skills translate into tangible business results and individual career advancement. This includes factoring contributions made through these activities into personnel evaluations.

Transformation to a High-Value-Added Organization

Employees exercising the full potential of their abilities—this is the wellspring of JACCS' growth. To create a comfortable working environment, we believe it is important to grasp the big picture—how each initiative and each part of the system connects with, and impacts on, the other parts.

Similarly, in the engagement survey, rather than simply monitoring changes in the responses to consistent questions over time, we aim to take our analysis to the next level in terms of depth, thereby enabling us to ascertain the level of employee expectations and satisfaction in relation to each component within the system. We also plan to trial the use of pulse surveys at short intervals rather than solely relying on the annual engagement survey. With regard to maintaining our human resource levels, our approach to date has been to simply fill vacancies in each organizational unit as they arise due to resignations and retirement. In the future, we will review human resource allocation, including reviews that examine whether a particular operation should be discontinued, or whether the adoption of AI would be feasible. Further, by reallocating human resources—freed up through this review process—to priority areas, we will strive to transform our organizational structure to one that generates high value added.

Sustainability Management

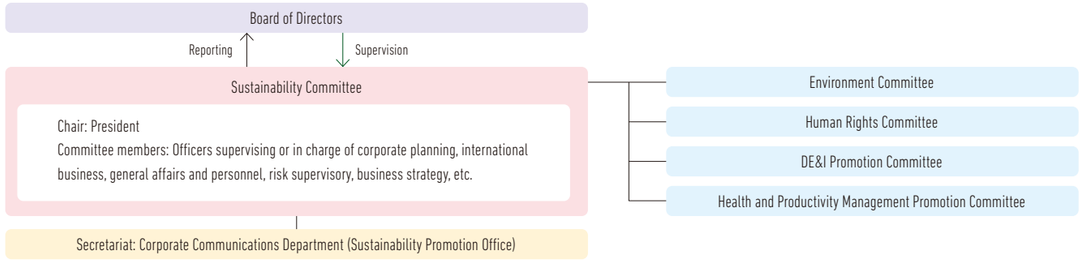
The JACCS Group accurately identifies opportunities and risks stemming from changes in the economy, society, and the environment, and contributes—together with stakeholders—to economic development and conducts its corporate management to help realize a sustainable society.

The Group operates its business activities based on the Basic Policy on Sustainability while addressing social and environmental issues.

Basic Policy on Sustainability

Based on the management principle that "JACCS contributes to the realization of a future inspired by dreams and an affluent society," the JACCS Group contributes—through its business operations—to solutions to the challenges faced by society, while maintaining the confidence and trust of its stakeholders. Through these efforts, the Group aims to realize a sustainable society and raise its corporate value.

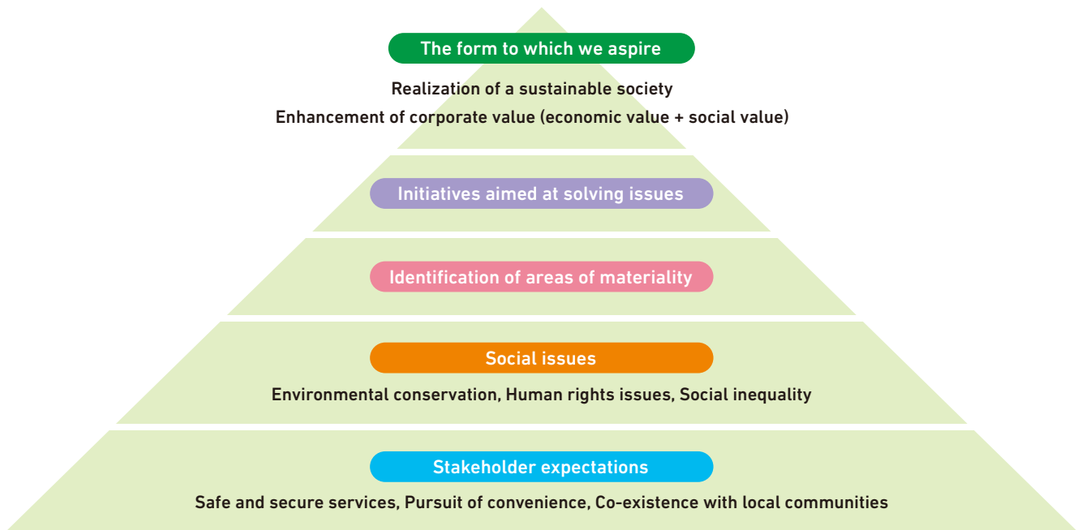
Sustainability Promotion System



Main Matters Deliberated by the Sustainability Committee

- Incorporating sustainability indicators into officer compensation
- Sustainability targets and performance
- Raising sustainability awareness within the Company
- Reviewing a sustainable procurement policy
- Activities of committees under the Sustainability Committee
  - Status of renewable energy introduction
  - Review of the human rights risk map
  - Addressing long working hours
  - Assessing workplace conditions and measures

Sustainability Management Conceptual Overview



Providing Safe, Secure and Familiar Services that Offer a High Level of Convenience

The JACCS Group positions the provision of "safe, secure and familiar services that offer a high level of convenience" to customers, member stores, and business partners as the most important issue at the core of its business.

Smartphone-Based Application Service

Providing "Smart Credit"

Smart Credit is a shopping credit application service that can be completed entirely on a smartphone. If customers are undecided about a purchase in-store or do not have time to complete the credit application process, they can take home a Smart Credit flyer with a dedicated two-dimensional code and apply for credit by smartphone when convenient.

For member stores that have introduced Smart Credit, meanwhile, it reduces the administrative burden associated with credit procedures, improves operational efficiency, and helps alleviate labor shortages.

JACCS will continue responding to customer needs by providing safe, secure, familiar, and highly convenient credit services.

スマクレ
Smart Credit -スマートクレジット-

Contributing to a Sustainable Society

Providing Egg Freezing Support Credit

In recent years, more people have been carefully considering future family planning for various reasons, including work and lifestyle, and thinking, "I want to prioritize my personal life or work for now, but I want to preserve the option of having children in the future." At the same time, egg-freezing procedures can often be expensive, making the financial burden a challenge.

Against this backdrop, in July 2025 JACCS launched "Egg Freezing Support Credit," a product designed to support customers' aspirations. The product expands customers' options and allows them to undergo the procedure at the timing that is best for them.

JACCS will use this credit product to support more customers' "future choices" and contribute to the realization of a sustainable society.



Providing Convenient Web Services After Contract Signing

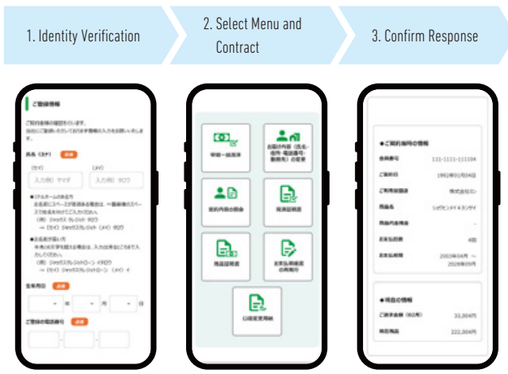
In September 2025, JACCS renewed its web service that accepts various procedures after customers enter into shopping credit (loan) contracts.

This renewal enables customers to check in real time online such information as contract details, outstanding payment balances, and early lump-sum repayment amounts, which previously took time to provide.

JACCS will continue providing web services that customers can use quickly, anytime and anywhere.

2. Main Menu and Contract Selection

- Contract details inquiry
- Change registered information
- Early lump-sum repayment
- Balance certificate
- Certificate of full repayment



* Some contracts are not eligible for the service.

Providing Safe, Secure and Familiar Services that Offer a High Level of Convenience

Enhancing the Sophistication of Information Security

Basic Approach (Overview)

Thanks to the advance of digital technologies, JACCS' customers and business partners are able to use the Group's financial services with peace of mind. Furthermore, one of JACCS' social responsibilities is to contribute to the stable operation and sustainable development of financial infrastructure. However, amid the rise of the information- and network-based society, and against a backdrop of the recent international situation, cyberattacks—which threaten the stability of financial infrastructure—are becoming an increasingly serious issue. Owing to the rapid increase in sophistication and subtlety of cyberattack methods, the potential cyber risks faced by JACCS are growing.

To facilitate the reliable provision of financial services, the Company's management recognizes that strengthening information security is a key management task. Hence, the Company has established its Basic Policy on Information Security, based on which it appropriately manages and protects the information assets held by JACCS, and strives to continuously maintain and enhance its information security preparedness.

Basic Policy on Information Security

To maintain the trust and confidence of all stakeholders, including consumers and business partners, the JACCS Group has established the Basic Policy on Information Security with the aim of protecting the information assets held by the Group. Under the active involvement of management, the Group maintains an information security framework and implements security measures and risk reduction across all aspects of information security, including cybersecurity, based on five policies: (1) compliance with laws and regulations; (2) establishment of an information security framework; (3) implementation of education and audits; (4) information security at external contractors; and (5) review of measures, etc.

For further details on the Basic Policy on Information Security, please visit the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/governance/basicpolicy/security_policy/

Information Security Management System

JACCS has established regulations governing information management, defining the information assets it holds and stipulating access controls, management procedures, and other requirements. The Company has also established a range of information security regulations, including the Information Security Countermeasures Code and Cybersecurity Management Code. By complying with these regulations, JACCS has built a framework for the appropriate management and operation of information.

Activities to Maintain Information Security

To maintain and enhance information system security on a continuous basis, JACCS has received certification under ISO/IEC 27001 and has built an information security management system.

The Company has also established the Information Security Management Committee—chaired by the director responsible for information systems—which continuously advances policies and a range of initiatives based on the PDCA cycle.

In addition, with regard to the Company's core computer system (JANET), web-based systems, and authorization system, JACCS has received conformity certification under the Payment Card Industry Data Security Standard (PCIDSS), which is an internationally recognized standard relating to credit card information protection.

ISO/IEC 27001
JQA-IM0324

Through compliance with PCIDSS, JACCS continuously implements necessary controls, including access management, system monitoring, and the development and operation of security policies, as it works to protect customers' credit card information.

Continuous Strengthening of Cybersecurity

To further strengthen its management-led cybersecurity framework, in March 2026 JACCS established the IT Security Management Committee, chaired by the director responsible for information systems. Under the committee, centered on a dedicated cybersecurity unit, the Company systematically advances cross-organizational initiatives, including continuous review of related regulations, and responses to vulnerabilities, thereby strengthening security governance. In addition, JACCS operates a Computer Security Incident Response Team (CSIRT) to respond rapidly and appropriately to cyber incidents and has established an effective response framework to prevent the spread of damage.

As specific defensive measures, JACCS has implemented multi-layered defenses, including intrusion prevention, continuous monitoring of internal networks, and information leakage prevention. Through regular vulnerability assessments and penetration tests by outside specialist organizations, the Company objectively verifies the effectiveness of its security measures and works to continuously enhance them.

From the standpoint of customer protection, JACCS monitors and blocks fraudulent websites and applications as countermeasures against phishing sites. To address spoofed emails impersonating JACCS, the Company has introduced Domain-based Message Authentication, Reporting and Conformance (DMARC) and adopted Brand Indicators for Message Identification (BIMI), which displays a corporate logo on authenticated emails, thereby enhancing the authenticity and reliability of emails received by customers.

In its collaboration with outside organizations, JACCS participates in cross-industry sharing of threat and vulnerability information through membership in the Nippon CSIRT Association and Financials ISAC Japan. In close collaboration with the MUFG Group, the Company also promotes joint measures and works to raise its security standard.

Information Related to Information Security

For further details about information security, please refer to the JACCS website.

https://www.jaccs.co.jp/en/corporate/sustainability/society/information-security/

Initiatives Regarding the TCFD Recommendations

In line with its Basic Policy on Sustainability, the JACCS Group works to realize a sustainable society and enhance corporate value by contributing to solutions to environmental and social issues through its business activities.

Within environmental issues, we recognize that climate change in particular is one of the issues that has a serious impact on customers, member stores, and other business partners, and the Group's business operations. We have identified "promote initiatives that contribute to environmental conservation" as a materiality, and are actively working to reduce our environmental footprint.

In 2023, JACCS expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), and is advancing its response to climate change and expanding its disclosures.

Governance

The JACCS Group deliberates on environmental and social issues, including climate change, related response policies, and progress at the Sustainability Committee, which is chaired by the president.

The Sustainability Committee has established the following committees under its jurisdiction: Environmental Committee, Human Rights Committee, DE&I Promotion Committee, and Health and Productivity Management Promotion Committee. These committees deliberate on initiatives to address environmental and social issues, and report important matters to the Sustainability Committee.

With regard to matters discussed at the Sustainability Committee, by reporting on these to the Board of Directors, the Company has established a system of supervision by the Board of Directors.

Strategy

To assess the impact of future climate change on JACCS' business, the JACCS Group conducts scenario analyses. These analyses assume two scenarios: a "1.5°C scenario," in which stronger regulations and measures successfully curb temperature rises, and a "4°C scenario," in which global warming progresses without measures beyond those currently in place. The Group analyzes medium- to long-term changes in the social environment and the JACCS Group's business environment under these scenarios.

1.5°C scenario

Global average temperature at the end of this century is limited to 1.5°C above pre-industrial levels. Each country proactively introduces policies aimed at curbing climate change. Businesses and consumers are oriented toward products and services that promote decarbonization, and carbon taxes are widely introduced. Although the global economy continues to grow, the size of the economy is smaller compared with the 4°C scenario. EVs, storage batteries, solar power, and Vehicle-to-Home (V2H) are widely adopted. Compared with the 4°C scenario, the probability of—and damage from—floods and other natural disasters is limited.

4°C scenario

Global average temperature at the end of this century rises to 4.0°C above pre-industrial levels. Governments, businesses, and consumers in each country have similar preferences to the present day, and the spread of carbon taxes is limited. The global economy remains dependent on fossil fuels, and the size of the economy is larger compared with the 1.5°C scenario.

The transition to EVs and decarbonization initiatives, such as storage batteries, solar power, and V2H, are limited. Compared with the 1.5°C scenario, the probability of floods and other natural disasters is higher, and damage is greater.

	Type		Overview	Response measures
1.5°C scenario	Transition risk	Policies and regulations	Cost increases through the introduction of carbon pricing	Reduction in GHG emissions, supplier engagement aimed at decarbonization
		Market	Decrease in the volume of new contracts and operating revenue owing to not handling decarbonization-related products or delays in handling such products	Expansion of financial services that handle decarbonization-related products
		Market	Decrease in the volume of new contracts owing to a decrease in loan demand for used gasoline-powered vehicles and a shrinkage in the market for such vehicles, accompanying the transition from gasoline-powered vehicles to EVs	Expansion in financial services that respond to the popularization of EVs
		Reputation	Deterioration in the Company's reputation and a decrease in business opportunities with business partners owing to insufficient initiatives to address climate change issues	Promotion of sustainability-related initiatives, including climate change
	Opportunities	Products and services	Increase in demand for decarbonization-related equipment and construction materials, and environment-friendly products (solar power generation, storage batteries, home renovation, etc.)	Expansion of financial services that handle decarbonization-related products
		Products and services	Expansion of demand for auto loan-related products, driven by transition to—or replacement purchases of—EVs and other vehicles that utilize decarbonization technologies	Development and provision of financial services that are easy to use when transitioning to—or making replacement purchases of—EVs, etc.
4°C scenario	Physical risk	Acute	Owing to natural disasters, security value of financing products is impaired, and credit-related expenses increase	Factor natural disaster risk into valuation of collateral
		Acute	Owing to natural disasters, business operations are suspended at the Company, its member stores, and alliance partners, and countermeasure and recovery expenses increase	Incorporate into the BCP a scenario that assumes a greater frequency of natural disasters, such as floods

Initiatives Regarding the TCFD Recommendations

Risk Management

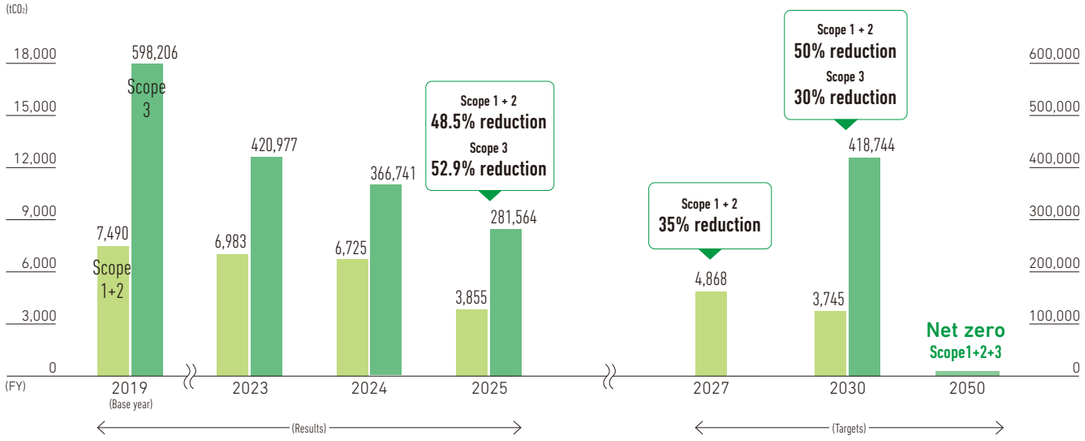
Climate change risk is a serious risk that may affect the Company's overall management. The JACCS Group recognizes that in the event that climate change risk materializes, it may have a cascading effect on many other risk categories affecting the Group, centering on credit risk and operational risk.

The JACCS Group considers risk management a top management priority and, under the JACCS Group's Risk Management Regulations, has established the Risk Management Committee to systematically and comprehensively identify and manage significant risks surrounding the Group. At this committee, significant risks, including climate change risks, are centrally managed and reviewed, with reports and recommendations submitted to the Board of Directors and the Management Committee.

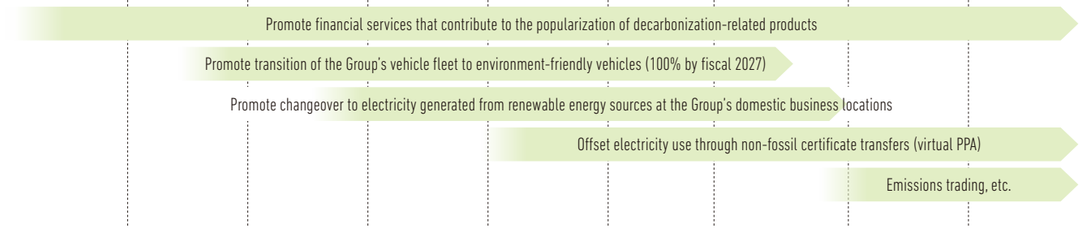
Metrics and Targets

To evaluate progress in its climate change initiatives, the JACCS Group uses GHG emissions as an indicator. The Group has also set short- and medium-term targets toward achieving its fiscal 2050 net-zero target. By promoting the adoption of renewable energy and the transition to environment-friendly vehicles, the Group aims to reduce GHG emissions.

GHG Emissions Reduction Results and Targets * Results for fiscal 2024 and fiscal 2025 have received third-party assurance. Past results have been revised in conjunction with obtaining third-party assurance.



GHG Emissions Reduction Roadmap



In fiscal 2025, as the JACCS Group made progress in transitioning its vehicle fleet to environment-friendly vehicles and utilizing renewable energy, Scope 1 + 2 emissions fell 48.5% compared with fiscal 2019, achieving the fiscal 2027 target of a 35% reduction (compared with fiscal 2019) two years ahead of schedule. Going forward, to achieve the fiscal 2030 target of a 50% reduction (compared with fiscal 2019) ahead of schedule and make further progress in reducing emissions, the Group will implement measures in line with the GHG Emissions Reduction Roadmap and initiatives involving the supply chain.

For details on initiatives regarding the TCFD Recommendations, please refer to the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/environment/climatechange/

Environmental Conservation Initiatives

The JACCS Group recognizes that protecting and managing the environment is a crucial issue shared by all humankind. Focusing on the future, the Group will engage in corporate activities that take into consideration reduction of environmental burden and conservation of natural resources, and will strive to contribute to environmental protection and management in society as a whole.

Consideration of the Environment in Corporate Activities

The JACCS Group has established the JACCS Group Basic Environmental Code, which explicitly states our commitment to recognizing the environmental impact of our business activities. It also states and that we will strive to effectively utilize limited resources while reducing our environmental footprint.

Based on this code, the JACCS Group promotes environment-conscious initiatives in its corporate activities.

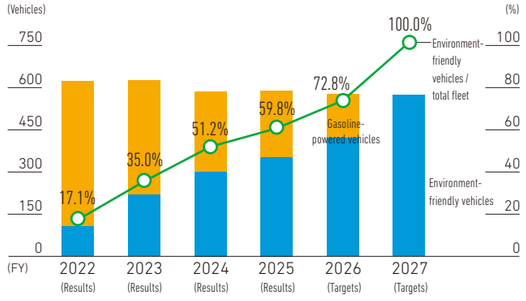
JACCS believes that relatively few aspects of its business directly involve natural capital. However, the Company will consider measures involving its supply chain and expand disclosure going forward.

JACCS was evaluated by CDP, an environmental nonprofit organization that conducts surveys of corporate environmental activities, and received a "B" rating in fiscal 2025.

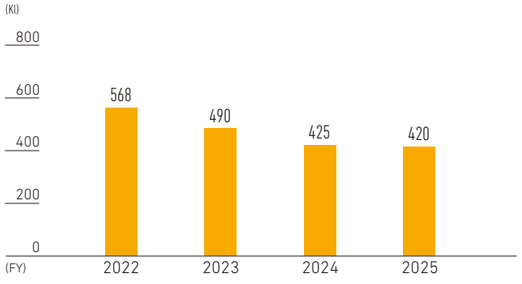
Reducing Fossil Fuel Use by Promoting the Introduction of Environment-Friendly Vehicles

JACCS is promoting the transition to environment-friendly vehicles in its vehicle fleet used at sales locations nationwide. By switching to environment-friendly vehicles, the Company is reducing its use of fossil fuels such as gasoline and helping to reduce environmental burden. In fiscal 2026 and beyond, JACCS will continue promoting the transition to HVs and EVs while optimizing the number of vehicles in its fleet to further reduce environmental burden.

Results and Targets for Environment-Friendly Vehicle Introduction for Fiscal 2022 to 2027



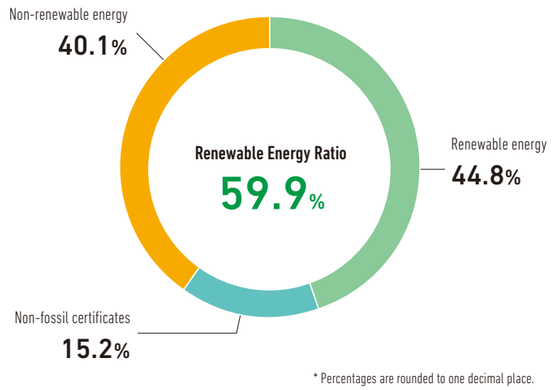
Gasoline Consumption in Fiscal 2022–2025



Promoting Renewable Energy

With regard to electric power contracts for its nationwide network of business sites, the JACCS Group is promoting the transition to renewable-energy-based contracts. In addition, through a renewable energy non-fossil certificate transfer agreement (virtual PPA), the Group acquires certificates representing the "environmental value" of electricity generated by a solar power plant, thereby promoting the use of renewable energy.

JACCS Group Electricity Mix



* Percentages are rounded to one decimal place.

Environmental Conservation Initiatives

Contributing to Environmental Conservation Through Financial Services

We have established the JACCS Group Basic Environmental Code, and one of the key tasks set out in its principles for action is to proactively support environment-friendly products through the credit business.

The Group contributes to environmental conservation by promoting the generation of renewable energy, the use of clean energy, and the effective utilization of resources.

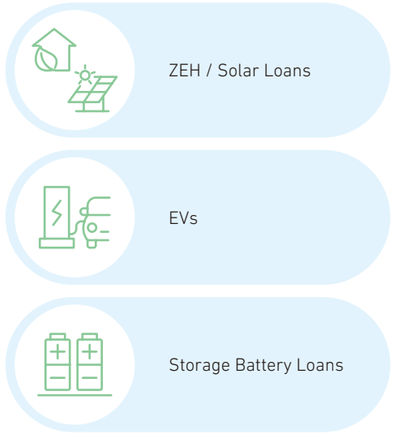
Financial Service 1 Loans for Clean Energy Generation

In the credit business, JACCS offers a range of loans for environment-related products, including solar loans for zero-energy houses (ZEH) and solar power generation equipment, storage battery loans, and V2H-related EV loans.

As a pioneer in the consumer credit industry, JACCS began offering "solar loans" for solar power generation equipment in 1998 and has contributed to the spread of such equipment. Looking ahead to the transition to a decarbonized society, the Company is working to reduce environmental burden. Recently, JACCS has begun offering loans for secondary solar facilities*, among other initiatives, promoting a healthy market through the spread and long-term operation of solar power facilities through reuse.

Going forward, by continuing to provide loans that support the use of renewable energy, JACCS will contribute to clean energy generation and the realization of a decarbonized society.

* A market for buying and selling used solar power generation facilities that are already in operation



Financial Service 2 Repowering Loans

In solar power generation, repowering refers to improving generation efficiency by upgrading existing generating facilities with the latest technology and equipment. Solar power generation facilities experience declines in output due to aging, and also face risks associated with revisions to purchase-price rules and equipment failures.

Against this backdrop, and from the perspective of making effective use of solar panels, demand for equipment upgrades is expected to grow. JACCS therefore offers repowering loans for solar power generation facilities covering such items as repairs or replacement of power conditioners and power transmission equipment.



Financial Service 3 Renovation Credit

Renovation refers to improving the performance of a home beyond its condition when newly built or enhancing its performance or value by changing its use or functions. Given the expected decline in Japan's population and number of households, the use of pre-owned housing and existing housing stock is expected to accelerate. JACCS offers "Renovation Credit" to support sustainable housing through home renovations tailored to each customer's lifestyle and renovations aimed at improving energy efficiency.



Initiatives Toward a Future Inspired by Dreams

Creating Educational Opportunities

JACCS Yumeiku Donation

Beginning in fiscal 2025, JACCS launched a donation initiative to provide medium- to long-term support to nonprofit organizations that offer educational assistance to children and young people facing poverty.

The donation is made once each year, with the amount varying annually according to the actual volume of new contracts for education loans handled by the credit business and financing business.

The name "Yumeiku" conveys the ideas of "nurturing dreams" and "making dreams." Through this donation, JACCS aims to help create educational opportunities that can be limited for financial reasons and contribute to realizing "a future inspired by dreams," as expressed in its management principle.

In fiscal 2025, the first year of the initiative, JACCS donated a total of ¥15 million to two organizations: Public Interest Incorporated Association Chance for Children and the nonprofit organization DAREDEMO HERO.

Message from Chance for Children

Yusuke Imai, Representative Director

We would like to express our sincere gratitude to JACCS for its generous support for children.

Recently, the prolonged rise in prices has made life increasingly difficult for households facing financial hardship. In fiscal 2025 alone, we received requests for support from more than 200 families, but we have not been able to provide assistance to every child who needs it.

JACCS' support will be a major source of strength for children as they learn with hope for the future. All of our staff will continue doing everything we can to bring opportunities to learn to as many children as possible.



(Right) Yusuke Imai , Representative Director

Providing Special Experiences

In April 2025, JACCS sponsored a game hosted by the Hokkaido Nippon-Ham Fighters, for which the Company is an official sponsor, and invited a total of 110 pediatric cancer patients and their families as well as children from children's homes in Hokkaido.

Thirteen JACCS employees and their family members participated as volunteers, supporting the guests in enjoying not only the game but also special programs including the ceremonial first pitch.



Support for Kodomo-Shokudo Across Japan

Since fiscal 2023, JACCS has provided in-kind support to Kodomo-Shokudo (community meal programs for children). In addition to providing meals, Kodomo-Shokudo engage in a wide range of activities, including creating places for children to spend time and interact, and providing learning support.

In fiscal 2025, twice during the year, JACCS employees personally delivered local products from Hakodate, the Company's birthplace, and confectionery made at day-service facilities for people with disabilities to 66 Kodomo-Shokudo nationwide (15 of which received deliveries once during the year), deepening interaction with local communities.



Restoring Lush Greenery

Since October 2023, JACCS has been engaged in the JACCS Forest Creation project, an environmental conservation initiative. In collaboration with the NPO The Lifestyle Research Institute of Forests, the five-year project carries out forest conservation activities in Hokkaido, where JACCS has historical ties, to promote the recovery and regeneration of forestland.

In July 2025, underbrush was cleared to encourage the growth of 1,500 seedlings already planted.

A total of 26 employees and family members, mainly from four locations in Sapporo, participated and manually cleared underbrush from 0.3 hectares of land, exceeding the initial target.



For further details on the Group's social contribution activities, please visit the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/society/contribution-activities/

Respecting Diversity and Human Rights

Based on the recognition that the growth of each individual employee is the source of the Company's growth, the JACCS Group works to recruit, promote, and develop human resources that possess diverse individual qualities and skills, as it aims to realize its long-term vision to "establish JACCS' position as a leading brand among Asian consumer finance companies." Personnel who possess a diversity of values and philosophies share in this vision, and the Group is building a system that enables employees to maximize their skills and potential, and is striving to create an employee-friendly work environment.

Key Strategies

- Exhibiting Diversity
- Developing a Transformational Workforce
- Raising the Level of Employee Engagement
- Promoting Health and Productivity Management

Targets and Progress

			(FY) 2024 Results	2025 Results	2026 Targets
Diversity	Ratio of female employees among all section manager or higher positions*1		18.4%	19.0%	23%
	Differential in pay of male and female employee*2	All employees	62.9%	66.4%	67%
		Regular full-time employees	59.2%	61.9%	62%
		Part-time and fixed-term contract employees	71.5%	75.2%	75%
Health and productivity management	Ratio of male employees taking childcare leave among those eligible*3		87.1%	100.0%	100%
	Ratio of employees who took at least 60% of their annual leave entitlement		79.1%	79.5%	80%
	Implementation ratio for secondary health tests		99.0%	98.3%	100%
Human resource development	Number of employees certified as possessing advanced digital skills*4		321	353	450
Engagement	Engagement score*5		3.0	3.0	—

*1 The ratio of female employees among all section manager or higher positions, as of April 1 following the end of each fiscal year
*2 Average female pay expressed as a percentage of average male pay
*3 The target and result in each fiscal year for the ratio of female employees taking childcare leave among those eligible is 100%.
The calculation method for the ratio of male employees taking childcare leave is as follows:
Calculated by dividing the "number of male employees who took childcare leave, etc., during the fiscal year" by the "number of male employees whose spouse gave birth" during that fiscal year
4. This is the number of employees who completed a training program related to DX basic knowledge, etc., and who also passed the IT Passport examination.
5. This is the average score for the four engagement-related questions (on a four-point scale) that are administered to all employees.

Diversity, Equity, and Inclusion (DE&I)

To build an organization capable of responding to a market environment characterized by rapid change and uncertainty, the JACCS Group is proactive in recruiting and promoting human resources that possess a broad array of backgrounds, while also focusing efforts on enhancements to the work environment and employee training that will bring out the unique characteristics and skills of each individual to the greatest extent possible. By promoting the active participation of such diverse human resources, the Company will translate this into the creation of new corporate value.

Promoting the Advancement of Women

For sustainable development and innovation, JACCS is promoting the advancement of female employees. To increase the number of female employees involved in future management decision-making, the Company has established targets for the ratio of female employees among all section manager or higher positions, and is undertaking training and proactive promotions.

JACCS believes that it is important to create an environment in which female employees can pursue a successful career without suffering negative impact on their career advancement due to such factors as childbirth and child-rearing. JACCS is developing programs that enable employees to achieve a balance between career and raising a family, through child-rearing support.

Promoting the Participation of Seniors

Anticipating the further aging of Japanese society, JACCS allows employees to continue working until age 70 and has created a compensation structure according to the size of each role. Based on these measures, all employees can maintain a high level of motivation, and the Company is pursuing the creation of an environment that enables employees to continue working.

Appointing Diverse Human Resources

By proactively recruiting and assigning human resources who possess a wide range of work experience and expertise, we aim to strengthen the human resource base and enhance organizational capabilities.

(FY)	2023	2024	2025
Percentage of regular full-time employees hired mid-career*	53.1%	64.3%	49.0%

* The percentage of mid-career recruits within total recruits of full-time regular employees in each fiscal year

View of an employee who was hired mid-career

After gaining my attorney's qualification, I initially worked at a law firm. The impetus for joining JACCS came when a fellow lawyer recommended it as a workplace supportive of women. I felt an affinity for the people at JACCS and also that the corporate culture was a good fit for me. Although I shifted to another company at one point in my career, that experience reinforced my appreciation of JACCS as a great workplace, and I subsequently rejoined through the Comeback Program*.

Currently, I serve as an in-house lawyer, handling legal oversight and providing legal consultations. I utilize the experience gained during my time at the law firm in such areas as litigation and negotiation, while balancing my work duties with childcare through a program that allows reduced working hours.

To help balance work and family life, I keep my manager updated on such factors as my child's health and school events, as I aim to maintain an environment for open communication and ensure that project handovers proceed smoothly.

Looking ahead, I want to contribute to the organization by further honing my expertise as a lawyer. At the same time, drawing on my own experience raising a child, I hope to focus some of my efforts on creating a work environment that offers even greater flexibility for the younger generation of employees.



Emi Nakadai
Compliance Supervisory Department

* Comeback Program
This program provides a platform for former employees to return to an active career at JACCS. The program applies to former employees who resigned owing to unavoidable circumstances—such as marriage, spouse's transfer, or childcare or elder nursing care responsibilities—and those who left to pursue studies or some other career development objective.

Promoting the Employment of People with Disabilities and the Establishment of These Practices

At present, there are approximately 80 people with disabilities who are playing active roles at JACCS. The ratio of employees with disabilities as a proportion of total employees is 2.73% (as of June 1, 2026). JACCS is working to create an environment in which each of these employees is able to work with peace of mind, while the Company also takes into consideration the particular characteristics of each employee's disability.

Career Design

Based on the recognition that the growth of each individual employee is the source of the Company's growth, to realize sustainable growth the JACCS Group is rebuilding its business model from diversified perspectives, going beyond the existing business and preconceived notions. Hence, the Group will work to develop a transformational workforce capable of taking the lead in value creation.

Career Interviews and Internal Advertisement of Job Opportunities

To build common ownership in an employee's career plan, the Company carries out periodic interviews related to such matters as the department in which the employee wishes to work, the skills they want to improve, and their envisaged promotion path. In addition, the Company has established an internal system for advertising job openings as an opportunity for employees to carve out a career based on their own vision.

Human Resource Development System

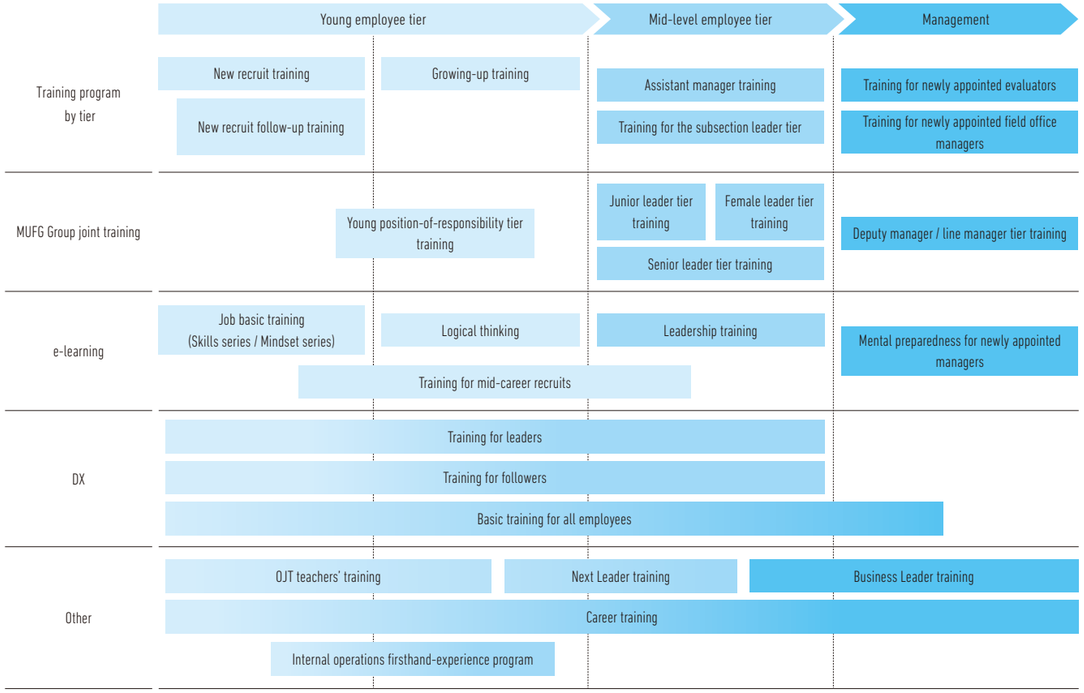
JACCS implements a wide variety of training programs aimed at promoting the growth of each individual employee.

Training and Self-Development System

To support employees' self-driven personal growth efforts, JACCS has established a variety of programs related to self-development. These include distance education, qualification bonus, and open selective training programs.

Respecting Diversity and Human Rights

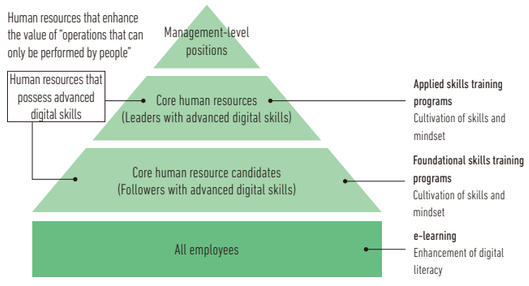
Training System Chart for Fiscal 2025



Cultivation of Human Resources that Possess Advanced Digital Skills

We are working to cultivate "human resources possessing advanced digital skills" with the aim of raising the value of "tasks that only humans can perform."

We have established a digital skills certification program—requiring the completion of training on DX fundamentals and passing the IT Passport examination—to drive Company-wide DX initiatives. Simultaneously, we are focusing on developing leaders who can spearhead the improvement and transformation of business processes through the use of generative AI and digital technologies. These efforts aim to further enhance JACCS' corporate value.



View of a participant in Next Leader training



Kenji Miyawaki
Housing Loan Planning Operations Department

As opportunities increased for me to drive projects or act in management roles, I felt the need to develop my ability to see the organizational "big picture" and a perspective that incorporates a diverse range of values. Consequently, I decided to enroll in the Next Leader training* program.

This course was based on the concept of "developing oneself and opening up a path to the future," and the content was designed to help participants acquire the ability to respond to complex issues for which there is no single "correct" answer. Such skill acquisition was achieved by building up management knowledge and through the process of managing self-directed output. Program participants were given the opportunity to present their vision to senior executives of how the Company would look ten years in the future. This was a particularly valuable experience, through which I learned about the thought framework and decision-making process of management.

In the future, to meet the challenge of realizing transformation unbound by existing paradigms, we will strive to further strengthen cross-departmental collaboration. While starting with our group of 20 employees who worked together on the training program, we are also conscious of the dynamism that can be generated by involving a broad cross-section of people. We will work to lead the way in building a strong organization that continues to evolve in a self-sustaining way. While helping each other to develop and grow, we will share a common purpose with people holding diverse points of view.

* Next Leader training
As a new initiative for the development of managerial talent, this program provides an early opportunity to study management. It targets employees who have decided to aim for a management career track. The purpose of the program is to cultivate next-generation leadership candidates, who will play a pivotal role in the future of JACCS.

Employee Engagement

JACCS is promoting initiatives aimed at enabling employees to feel job satisfaction and realize personal growth while facing the same direction and fully demonstrating their diverse and irreplaceable individual qualities. In doing so, JACCS will strive to create an environment in which employees and the Company choose each other and mutually enhance each other.





Engagement Surveys

For a company to grow sustainably, it is important for employees to understand and relate to the ideal form to which the company aspires—its vision—and have an autonomous desire to contribute toward achieving that goal. To understand JACCS' current situation, the Company carries out engagement surveys on an ongoing basis. Based on the results of these surveys, JACCS will actively implement measures aimed at raising the level of engagement.

Survey questions (FY)	2023	2024	2025
I am proud to work at this company.	87.9%	87.8%	89.6%
I am proud to work at my current workplace.	82.6%	82.2%	84.7%
My current job motivates me to take the initiative in my work.	81.6%	82.4%	84.4%
My current job motivates me to do my best.	80.1%	80.4%	82.4%
Engagement score*	3.04	3.03	3.07

* The total average score across the four engagement-related questions (maximum score: 4.0), based on a survey covering all employees

Initiatives Aimed at "Sharing a Common Vision" Through Dialogue Between Senior Management and Employees

Executive officers' caravan promotes deeper understanding of "Do next!"

The President and other executive officers conducted an "executive caravan," which visited 114 JACCS business locations in Japan and overseas. Through this initiative, executives personally explained the details of the 15th Medium-Term Business Plan "Do next!." The objective of the caravan was to foster a deep understanding and sense of personal ownership vis-à-vis the plan among individual employees. At the same time, we aimed to strengthen organizational unity and bolster morale as we work to achieve the plan's targets.

Period conducted: July 1–August 29, 2025

Number of participants: 3,288



Respecting Diversity and Human Rights

Promoting Health and Productivity Management

The Company recognizes the importance of each employee being able to work energetically and with peace of mind while maintaining a high level of physical and mental health. Based on a health and productivity management philosophy, the Company works strategically to maintain and improve the health of employees, and aims to realize working styles and an employee-friendly work environment in which employees can achieve a work–life balance.

Promotion of work–life balance
- JACCS Work-Life Balance Promotion (JWP)
- JACCS Group Life Care Points (JLP)

Implementation of periodic health check-ups
- Management of health check-up data
- Follow-up testing and detailed examinations

Implementation of mental health support
- Stress checks
- Establishment of consultation service

JACCS Work-Life Balance Promotion (JWP)

JACCS is engaged in this initiative with the aim of re-evaluating working styles adopted to date, and enabling employees to increase fulfillment in both their work and non-work lives.

At least **three days** per month with no overtime worked
One "Premium Weekday" * per month

Number of annual leave days granted
At least 60% of annual leave days used

Overtime hours (hours exceeding the Company's prescribed working hours)
A maximum of **30 hours** of overtime worked per month

* JACCS' adaptation of "Premium Friday"

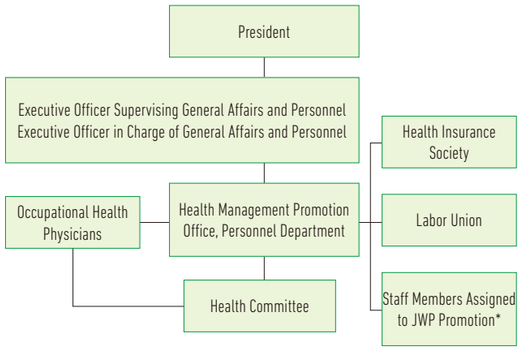
JACCS Group Life Care Points (JLP)

In collaboration with the health insurance society, the Company implements the JLP program, under which a variety of initiatives and programs are linked to a smartphone health app. JACCS is working to create an environment in which employees can take the initiative in maintaining and improving their own health and engaging in self-development and study. As part of these efforts, the Company awards JLP to employees who undertake the following initiatives. JLP may be exchanged for a range of gift vouchers and digital coupons.

● Main programs and targets

1. At least five days per month with no overtime worked
2. At least 70% of annual leave days used
3. Taking health check-ups early
4. Participation in volunteer activities
5. Taking and completing group distance education courses
6. Participation in walking events

Organizational Structure of Health and Productivity Management



* A staff member in each organizational unit is assigned to be in charge of JWP promotion. JWP stands for the JACCS Work-Life Balance Promotion initiative. The assigned staff member's role is to promote measures for better understanding and awareness of JWP.

Acquisition of Various Certifications

JACCS has been highly appraised for its initiatives to date, and has been selected and received certification under a variety of programs.

1. 2026 KENKO Investment for Health Stock Selection

The KENKO Investment for Health Stock Selection is a joint initiative by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). The program recognizes listed companies that approach employee health management from a corporate management perspective, and adopt this as a key part of their overall management strategy. Under the program, fundamentally one company from each sector is selected for its excellence in health and productivity management practice. This marks the second time JACCS has been selected, following its initial selection in 2024.

2026 健康経営銘柄 KENKO Investment for Health

2. Certified Health and Productivity Management Organization, 2026 Recognition Program ("White 500")

This program was launched in 2016, and is operated by the METI. The program awards companies that have been recognized as high-quality health and productivity management organizations. The top 500 organizations from among those certified within the large organizations category are awarded "White 500" status. JACCS has received White 500 certification for nine consecutive years since 2018.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

3. Act on Advancement of Measures to Support Raising Next-Generation Children ("Platinum Kurumin")

Platinum Kurumin is a special certification that may be awarded by the Minister of Health, Labour and Welfare to companies certified under the "Kurumin" program that have achieved a particularly high standard. If a company meets a certain set of criteria, it is recognized as an excellent "Child-rearing Support Company."

In 2021, JACCS received Kurumin certification for the fifth time, and furthermore it was certified as fulfilling the Platinum Kurumin standard.

プラチナくるみん 子育てサポートしています

4. "Eruboshi" Certification Under the Act on Promotion of Women's Participation and Advancement in the Workplace

"Eruboshi" is a program under which companies can receive certification from the Minister of Health, Labour and Welfare in recognition of having met certain criteria in their programs pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace. Certification recognizes excellence in programs related to women's participation and advancement.

女性が活躍しています！

In 2021, JACCS received Eruboshi certification based on appraisal of its implementation of programs during the prior three fiscal years.

Human Rights

JACCS Group Human Rights Policy

In recent years, owing to the diversification of human rights issues, the importance of respect for human rights within corporate activities is increasing. In light of this situation, we established the "JACCS Group Human Rights Policy."

Under this policy, the JACCS Group supports and respects human rights standards, including the UN International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and will conduct its business activities in accordance with the UN Guiding Principles on Business and Human Rights. We aim to realize a society in which the human rights of all people involved in our business activities are respected.

For further details on the JACCS Group Human Rights Policy, please visit the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/governance/basicpolicy/human_rights/

Initiatives to Ensure Respect for Human Rights

To encourage member stores and contractors, and to promote initiatives at overseas affiliated companies, we are pursuing the development of a system while utilizing external expertise and taking into consideration dialogue with stakeholders.

With the objectives of enhancing the added value of the overall supply chain and achieving prosperous co-existence with business partners, we have formulated the "Partnership Building Declaration." In addition, based on the importance within business management of value co-creation with diverse stakeholders, we have formulated the "Multi-Stakeholder Policy."

Human Rights Due Diligence

Based on our human rights policy, we developed a structure for human rights due diligence, and are working to prevent or reduce negative impact on human rights.

In the case where it was revealed that our business activities were having a direct negative impact on human rights, or in the case where it became clear that our business activities were contributing to such negative impact, the Group will take action to rectify this situation and provide relief.

In the case where—through a business relationship—our product or service is directly linked to human rights violations, we will make approaches to urge rectification.

For further details on human rights due diligence, please visit the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/society/human_rights/hr_dd/

Internal Whistleblower Hotline System

We have established a system for receiving whistleblower reports and consultations related to a wide range of compliance issues and actions that affect compliance within the business operations of the JACCS Group—including violations of laws and regulations. This system aims to prevent compliance breaches, ensure adequate self-corrective mechanisms are in place, and facilitate organizational improvements. Furthermore, by implementing appropriate post-incident responses, we strive to maintain organizational soundness. As part of this structure, we have established an internal whistleblower hotline system.

A Dialogue Between Outside Directors

In 2025, JACCS' operating environment and capital structure underwent a major transformation. The Company's outside directors—Mr. Hiroji Sanpei and Ms. Yuko Shitamori—conducted a dialogue under the theme of "the evolution and practice of corporate governance."



The Evolution of Corporate Governance

How would you describe the evolution over the past year of corporate governance practiced by the Board of Directors?

Hiroji Sanpei At JACCS, a PDCA cycle is firmly established within the internal control framework. The Corporate Governance Committee—reporting directly to the Board of Directors—continuously reviews and analyzes compliance and risk management. In the area of compliance in particular, each year the Company conducts thorough investigations into issues that arise and enhances the mechanisms designed to prevent recurrence. I believe that this approach is highly effective, especially when compared with the systems used in other companies. Significant matters are shared among directors in a timely and appropriate manner, fostering an atmosphere of open communication and enabling constructive debate. The Board's operations are conducted with a strong awareness of the public good. A major development in fiscal 2025 was the increase in equity stake held in JACCS by MUFG Bank, Ltd.—from 20.2% to 39.4%—through a third-party allocation of new shares. Having participated as a member of the Third-party Committee, I believe that clarifying JACCS' position within the MUFG Group—and gaining the ability to leverage the MUFG Group's advanced expertise and know-how, particularly in such areas as cybersecurity—will lead to increased sophistication in JACCS' own corporate governance.

Yuko Shitamori In addition to deepening our partnership with the MUFG Group, interest rate fluctuations have been a major theme over the past few years. Amid the need to respond flexibly and swiftly to the financial environment, the in-depth discussions held during the formulation of our current medium-term business plan have contributed to enhancing the effectiveness of our corporate governance. These discussions took into account interest-rate trends when considering our priority businesses and organizational structure. We have been able to make key decisions involving significant changes following vigorous debate within the Board of Directors. Topics have included how to secure stable domestic profits, the restructuring of our overseas business base, and the decision to enter into a capital and business alliance with MUFG Bank, Ltd. Hence, I was able to experience firsthand the evolution of JACCS' corporate governance.

An Increasingly Dynamic Board of Directors

How is debate within the Board of Directors changing?

Yuko Shitamori In 2026 revisions to the Corporate Governance Code (CG Code) are planned, as we move beyond formality toward corporate governance that fosters growth. This will encompass increasingly rigorous scrutiny regarding the effectiveness of corporate governance. Against this backdrop, I sense that the Board of Directors is becoming more dynamic year by year, and a prime example of this is the Board's deliberations on the medium-term business plan. Outside directors frequently have opportunities to inspect business sites, and this enables us to deepen our understanding of operations and frontline issues. I think this knowledge is reflected in subsequent discussions and raises the overall quality of the Board's work. To facilitate even more substantive discussions, one idea might be to establish small, specialized working groups for specific topics.

Hiroji Sanpei Indeed. Looking back over the four years since I was appointed as an outside director, visiting an array of JACCS' business sites and talking with employees has allowed me to gain a deeper understanding of the Group's operations. Sites have included sales offices, credit screening centers, customer centers, and Group companies. As a result, I believe discussions at Board meetings have become more dynamic and focused on the core issues. Regarding the operation of the Board of Directors, we have taken such steps as allocating more time to in-depth discussions. I feel that we are now able to engage in substantive debate within a Board culture that is open, healthy, and fair, while also better reflecting external perspectives. I believe that we have been able to achieve a Board composition that is diverse and balanced in terms of knowledge, experience, and expertise. This means that each director can fully utilize their professional expertise. JACCS has a corporate culture characterized by dependability and sincerity. In evaluating the Board's effectiveness, one point that I think deserves praise is that all issues raised, whether large or small, are given serious consideration, and improvements are steadily accumulated.

Appraisal from the Capital Markets

How should JACCS respond to the expectations of the capital markets?

Hiroji Sanpei At Board of Directors meetings, the IR department regularly reports on the content of dialogue it conducts with investors and shareholders, while also providing feedback received from the capital markets. The Board takes the views of the capital markets seriously and has established a framework for internal discussions. We recognize that the P/B ratio remaining below 1x is an important challenge, and our top priority must be to execute measures aimed at improving the Group's operating performance. At the same time, I believe that there is room for us to better communicate with the capital markets regarding JACCS' potential and appeal. JACCS' recognition under two METI programs—"KENKO Investment for Health Stock Selection" and, for the ninth consecutive year, "White 500"—reflects the Company's low employee turnover rate and high level of employee engagement. This in turn supports a sincere corporate culture in which employees are highly valued. The high level of employee engagement is also reflected in the strong relationships of trust we have built with member stores, as well as in our robust credit screening and sales capabilities. I feel that we should try to communicate this point more proactively at every opportunity.

Yuko Shitamori The Board of Directors places the utmost importance on capital efficiency and engagement with capital markets. Although the P/B ratio remains a challenge, we are pursuing initiatives aimed at realizing our ROE target, based on specific plans and underpinned by a strong commitment within the Company. We are aware that the capital markets pay particular attention to the growth potential of overseas operations in such regions as ASEAN. The Board of Directors supervises progress in such areas as the Group's investment strategy for its overseas business and its alliance with the MUFG Group. This includes providing constructive input to help shape specific growth strategies. We are making particular strides in strengthening the workforce in our overseas operations, and we look to this enhanced capacity to drive future growth.

Expectations vis-à-vis the JACCS Group

In striving for sustainable growth, what are the things JACCS should protect, and what are the things it should seek to change?

Hiroji Sanpei JACCS' Founding Philosophy—"Trust is the basis for all"—is deeply ingrained in our employees, and we must continue to cherish and uphold it as our greatest strength. The Founding Philosophy lives on in JACCS' corporate culture, and can be seen across every facet of the organization. This includes criteria used in personnel promotions and officer appointments, which emphasize character alongside performance and ability. Conversely, our steady corporate culture can sometimes lead to excessive caution in such areas as investments and M&A activities. I look forward to JACCS enhancing its presence within the broader MUFG Group framework, and maintaining its growth momentum by enthusiastically taking on challenges in new fields, rather than limiting itself to existing business domains.

Yuko Shitamori JACCS' strength is exemplified by its human capital management. What deeply impressed me during visits to business sites was the way in which employees respectfully engaged in empathetic communication rather than mechanically following a script. This was particularly the case in such customer interactions as those concerning credit screening or bill collection. The dedication and ingenuity shown by our frontline staff in understanding each customer's unique circumstances, and working with them to find solutions, have directly contributed to strong trust among our member stores and have resulted in high receivables-recovery rates.

While we live in an era where digitization and the use of AI are unavoidable, simply automating everything is not the answer. Determining where human involvement should be retained is a crucial task. Our corporate culture—which we have dubbed "JACCSism"—places a high priority on attentive communication and the human element. This culture acts as a vital lubricant within the organization, even as the number of staff joining mid-career grows. I believe that this culture ultimately contributes to our business performance in the form of revenue and profits.

Role as Outside Directors

As outside directors, what role will you be aiming to fulfill?

Hiroji Sanpei JACCS is currently in the midst of a major transformation. We have many tasks to complete within the period of the medium-term business plan. These include enhancing our presence within the MUFG Group, putting the overseas business on a solid growth track, and leveraging IT to raise efficiency. I am committed to supporting JACCS' management by utilizing the experience I gained through business structural reforms in my previous job, while anticipating key trends, and offering specific opinions that will contribute to the enhancement of JACCS' corporate value.

Yuko Shitamori As an IT specialist, I aim to contribute to the strengthening of IT governance—a key focus of the revision of CG Code—and specifically to enhancing resilience in incident response. Furthermore, securing the human resources needed for DX is an urgent priority. In light of the rise of generative AI, I will work to deepen debate on the optimal human resource portfolio while maximizing JACCS' key strength of "human capacity"—which AI cannot replicate. Hence, my efforts are focused on supporting the creation of unique value.

Advancing the Quality of Corporate Governance

Basic Approach and Structure

The JACCS Group works to meet the trust and expectations of a broad array of stakeholders, including shareholders, customers, business partners, society, and the environment. We aim to realize sustainable growth for the Group and raise corporate value over the medium to long term. Simultaneously, our management maintains a strong focus on sustainability. In line with this philosophy, the Company is working to enhance the soundness and transparency of management and to strengthen management control systems and audit functions. The Company pursues corporate activities that comply with social justice.

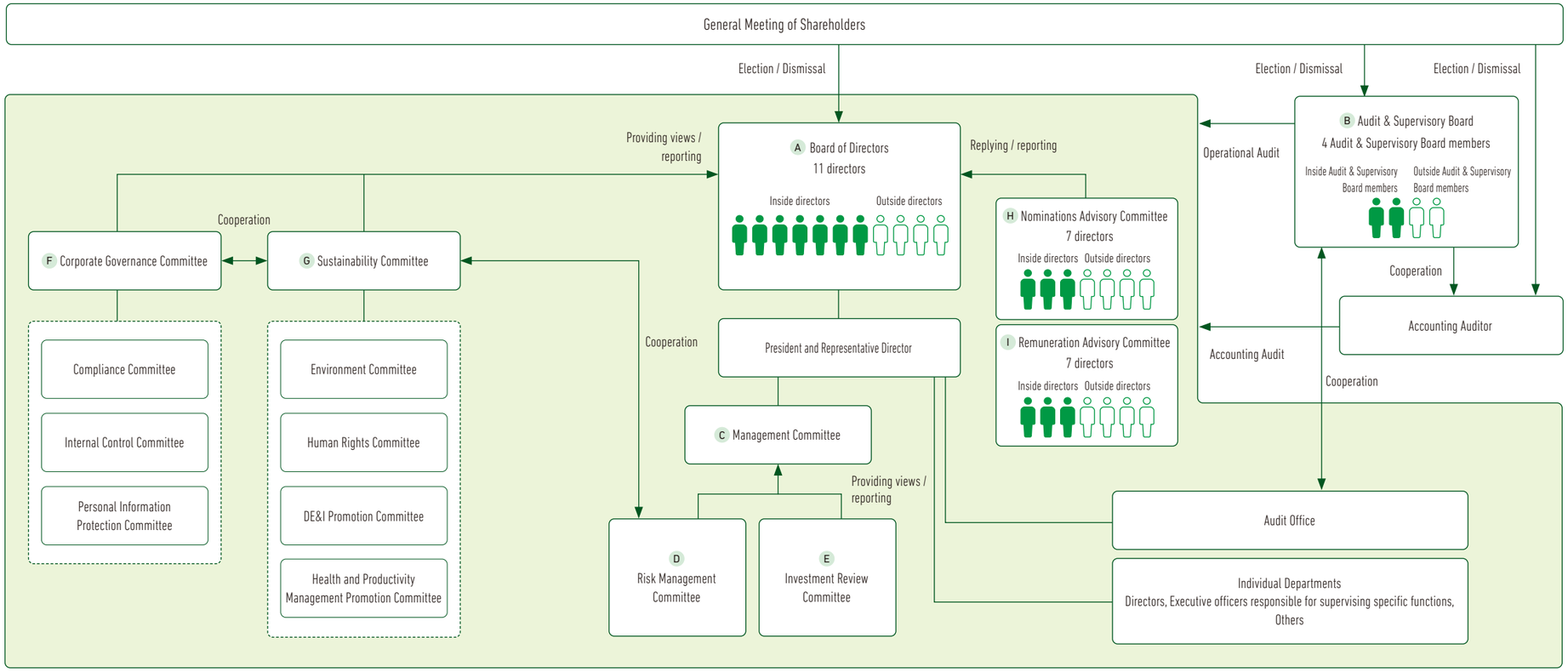
The JACCS Group has defined its fundamental corporate governance philosophy, and formulated its basic policy relating to the framework and operation of corporate governance. For further details, please visit the JACCS website.

https://www.jaccs.co.jp/en/corporate/sustainability/governance/corporate-governance/

Overview of Corporate Governance at the JACCS Group (As of June 26, 2026)

Organizational format:	Company with Audit & Supervisory Board members
Number of directors:	11
Number of outside directors:	4
Number of outside directors designated as independent:	4
Chair of the Board of Directors	Chairman and Director (non-executive)
Term of office of directors:	1 year
Number of Audit & Supervisory Board members:	4
Number of outside Audit & Supervisory Board members:	2
Number of outside Audit & Supervisory Board members designated as independent:	2
Term of office of Audit & Supervisory Board members:	4 years
Accounting auditor:	KPMG AZSA LLC
Use of executive officer system:	Yes

Corporate Governance Structure



A Board of Directors

The Board of Directors determines JACCS' basic management policies and matters concerning important business execution, as well as matters delegated by resolution of the General Meeting of Shareholders and matters stipulated by laws and regulations and the Articles of Incorporation. By receiving reports on the status of important business execution, the Board supervises management's execution of duties.

B Audit & Supervisory Board

The Audit & Supervisory Board meets regularly as a forum for deliberation and resolutions to formulate opinions on audits by Audit & Supervisory Board members, while ensuring independence and striving to exercise fair supervisory functions.

C Management Committee

The Management Committee comprises inside directors nominated by the President and executive officers responsible for supervising specific functions, and considers and deliberates on matters delegated by the Board of Directors, important operational matters, and various issues.

D Risk Management Committee

To ensure the effectiveness of the JACCS Group's ERM framework, the Risk Management Committee considers and deliberates on various risks and reports and submits recommendations to the Management Committee.

E Investment Review Committee

The Investment Review Committee evaluates and discusses the growth potential, profitability, and related risks of investments, including entry into new businesses and mergers and acquisitions (M&A) of other companies, and reports its findings to the Management Committee.

F Corporate Governance Committee

The Corporate Governance Committee is established as a body reporting directly to the Board of Directors. It considers and deliberates compliance-related issues and the status of internal controls, and reports and submits recommendations to the Board of Directors. The inclusion of outside directors as committee members ensures its effectiveness.

G Sustainability Committee

The Sustainability Committee is established as a body reporting directly to the Board of Directors. It considers and deliberates sustainability-related policies and targets, medium- to long-term strategies, and materiality, and reports and submits recommendations to the Board of Directors.

H Nominations Advisory Committee

The Company has voluntarily established the Nominations Advisory Committee as an advisory body to the Board of Directors. It considers and deliberates matters including the appointment and dismissal of directors and executive officers responsible for supervising specific functions, and reports its findings and recommendations to the Board of Directors. The inclusion of outside directors as committee members ensures objectivity and transparency.

I Remuneration Advisory Committee

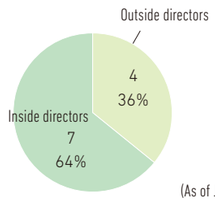
The Company has voluntarily established the Remuneration Advisory Committee as an advisory body to the Board of Directors. It evaluates the performance of directors and executive officers responsible for supervising specific functions, considers and discusses the content of compensation, etc., and reports its findings and recommendations to the Board of Directors. The inclusion of outside directors as committee members ensures objectivity and transparency.

Advancing the Quality of Corporate Governance

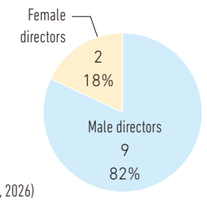
Board of Directors

In fiscal 2025, the Board of Directors leveraged diverse expertise and the perspectives of female officers in decision-making and passed resolutions and received reports on the following matters throughout the year.

Ratio of Outside Directors Within the Board of Directors



Gender Ratio Within the Board of Directors



(As of June 26, 2026)

Resolutions	Business plans, financial results, dividend, agenda of the General Meeting of Shareholders, fundraising, personnel changes, organizational overhaul, policy for cross-shareholdings, sale of shares, directors and officers (D&O) insurance contracts, investment in an overseas company, amendment and abolition of regulations, relocation of offices, selection of directors responsible for business execution and determination of their duties, determination of individual director compensation, etc.
Reports	Status of improvements to the internal control system, Audit Office activity reports, audit plan, evaluation of the effectiveness of the Board of Directors, quantitative risk management, business portfolio management reports, determination of officer compensation performance evaluation ranks, status of dialogue with shareholders and institutional investors, corporate bond issuance, status of sustainability initiatives, results of the compliance questionnaire, engagement survey implementation status, status of Mitsubishi UFJ Bank Business Alliance Council meetings, data center migration, investment project monitoring reports, etc.

Evaluation of Effectiveness of the Board of Directors

JACCS' Board of Directors evaluates its effectiveness every year. To improve the functioning of the Board, the Company engages and utilizes an external consultant in the analysis and evaluation process.

Timing	March 2025
Participants	Directors and Audit & Supervisory Board members
Method	Questionnaire
Items	Board composition, enhancing Board deliberations, management and business strategies, corporate ethics and risk management, and strengthening relationships with shareholders and other stakeholders

Board of Directors Evaluation Analysis and Assessment Process

Survey of Board of Directors' meeting members	Survey results	Identification of issues	Fiscal 2025 initiatives
• Survey incorporating outside consultant knowledge is provided to all Directors and Audit & Supervisory Board members	• Reported to Board of Directors for deliberation (May 2025)	• Internal deliberation process leading up to submission of agenda items to the Board of Directors	• Continued enhancement of pre-meeting explanations of Board agenda items for outside directors • Reporting on the internal deliberation process • Meetings to exchange opinions and site visits to deepen understanding of the business, etc.

Skills Matrix of Directors

(As of June 25, 2026)

Name of director	Titles	Corporate management	Sales and marketing	Global business	Finance and accounting	Human resources, human resource development and diversity, equity and inclusion promotion	IT and systems	Legal affairs and risk management
Toru Yamazaki	Chairman and Director	●	●	●				●
Ryo Murakami	President and Representative Director	●	●	●				●
Akihito Suehiro	Senior Managing Executive Officer and Representative Director		●	●				
Ichiro Kobayashi	Director and Managing Executive Officer		●				●	●
Kazuhiko Segawa	Director and Managing Executive Officer					●		●
Tatsuo Nakazawa	Director and Managing Executive Officer				●	●		
Go Iwase	Director and Managing Executive Officer		●	●				
Masahito Suzuki	Outside Director	●		●	●			●
Kyoko Okada	Outside Director		●			●		●
Hiroji Sanpei	Outside Director	●	●			●		
Yuko Shitamori	Outside Director	●					●	

Notes: 1. The table above describes the skills that are specifically expected of each director.
2. All directors practice corporate management in accordance with the Company's Basic Policy on Sustainability. Consequently, the table above does not include sustainability as a skill category.

Support System for Directors

Strengthening Governance through Participation in Officer Training

JACCS provides training for officers at least once a year to further enhance the knowledge, skills, and awareness required of senior management and to realize effective governance and sustainable growth.

In fiscal 2025, all seven inside directors participated in harassment training led by an external specialist and training on risks such as cybersecurity hosted by the relevant departments, strengthening their ability to respond to social issues.

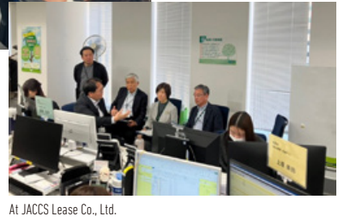


Support System for Outside Officers

Before Board meetings, JACCS provides outside directors and outside Audit & Supervisory Board members with advance explanations of agenda items, creating a framework that enables more in-depth deliberations at Board meetings. Necessary information is also shared as appropriate through the General Affairs Department. In addition, site visits and dialogue with employees are used to promote understanding of the JACCS Group's businesses.



At Tokyo No. 1 Collection Center



At JACCS Lease Co., Ltd.

Advancing the Quality of Corporate Governance

Compensation of Officers

Directors' compensation is paid within the limits approved by resolution of the General Meeting of Shareholders.

Type of compensation		Performance-linked	Payment method	Total compensation (annual)	Number of directors
(1) Basic compensation		Fixed	Cash	Up to ¥600 million (including up to ¥50 million annually for outside directors)	11 (including 4 outside directors)
(2) Stock-based compensation	Restricted stock compensation	Linked to short-term performance	Shares	Up to ¥126 million	7 (excluding outside directors)
	Performance-based stock compensation	Linked to medium-term performance	Shares 50% Cash 50%	¥72 million	

Directors

(1) Basic compensation

Basic compensation is determined based on the position held by each director. Total directors' compensation was resolved at the General Meeting of Shareholders held on June 25, 2021, to be no more than ¥600 million annually (including no more than ¥50 million annually for outside directors). There are currently 11 directors, including four outside directors.

(2) Stock-based compensation

To provide medium- to long-term incentives and promote shared value with shareholders with the aim of sustainably enhancing corporate value, the Company has introduced a restricted stock compensation plan and a performance-based stock compensation plan (performance share unit).

Restricted stock compensation	As compensation linked to performance in a single fiscal year, the Company sets performance evaluation ranks by position and grants shares.
Performance-based stock compensation (performance share unit)	Performance evaluation ranks are determined based on the degree of achievement of the medium-term business plan, and shares and cash are granted after the conclusion of the medium-term business plan.

Details of these programs are provided in the annual securities report (Yuka Shoken Hokokusho), under "Part 4: Status of the Submitting Company; 1. Status of shares, etc. (8) Details of share ownership programs for officers and employees."

https://www.jaccs.co.jp/corporate/ir/library/securityreport/
(Japanese version only)

Outside directors

From the standpoint of maintaining independence, outside directors receive only basic compensation (cash).

Audit & Supervisory Board members

Audit & Supervisory Board members receive basic compensation (cash) determined through discussions by the Audit & Supervisory Board. The maximum annual compensation for Audit & Supervisory Board members was resolved at the General Meeting of Shareholders held on June 25, 2021, to be ¥80 million. There are currently four Audit & Supervisory Board members, including two outside members.

Total Compensation by Officer Category, Type of Compensation, and Number of Directors or Audit & Supervisory Board Members

Officer category	Total compensation (Millions of Yen)	Total compensation by type (Millions of Yen)					Number of directors or Audit & Supervisory Board members
		Basic compensation	Restricted stock compensation	Retirement allowance	Performance share unit		
					Shares	Cash	
Directors (excluding outside directors)	376	321	29	—	12	12	9
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	46	46	—	—	—	—	3
Outside officers	54	54	—	—	—	—	6

Notes: 1. The amounts presented have been truncated to whole million-yen amounts.
2. Total compensation for directors includes two directors who retired at the conclusion of the 94th Ordinary General Meeting of Shareholders held on June 26, 2025.
3. Total compensation for Audit & Supervisory Board members includes one Audit & Supervisory Board member who retired at the conclusion of the 94th Ordinary General Meeting of Shareholders held on June 26, 2025.
4. Total compensation for outside officers includes one outside Audit & Supervisory Board member who retired at the conclusion of the 94th Ordinary General Meeting of Shareholders held on June 26, 2025.
5. Eight officers are eligible for the performance share unit.

Cross-Shareholdings

Policy Regarding Cross-Shareholdings

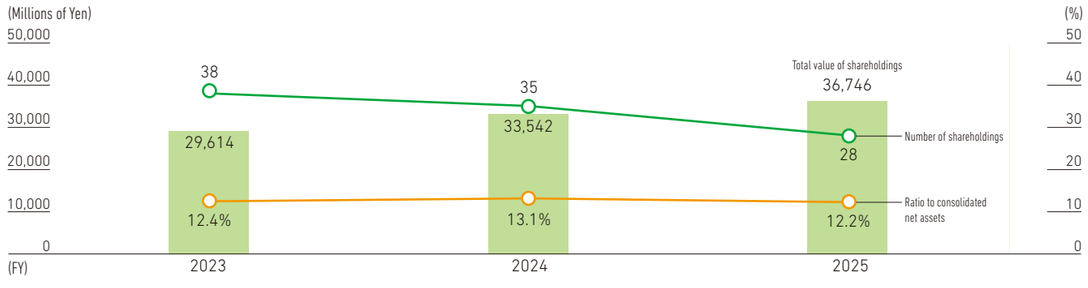
In cases where the Company holds shares in a business partner, the Company will make judgments regarding the propriety of such a shareholding and the number of shares to be held from a business operational perspective. Factors taken into consideration when making such decisions include the maintenance and strengthening of the relationship with the business partner and the facilitation of business. As a result of this process, any shareholdings deemed not appropriate will be curtailed.

Furthermore, with regard to the appropriateness of the decision-making process on the propriety of shareholdings and the number of shares to be held, each year the Board of Directors carries out a review.

As of March 31, 2015, the Company held shares in 115 companies. However, by March 31, 2026, this figure had been reduced to 28 companies, which is seven fewer than were held in fiscal 2024. Cross-shareholdings (amount recorded on the balance sheet) as of March 31, 2026, amounted to ¥36.7 billion, an increase of ¥3.2 billion year on year, in line with rising stock prices of shares held.

In cases where the Company exercises its voting rights, decisions are carried out based on comprehensive considerations, including whether or not the resolution will contribute to the medium- to long-term enhancement of the business partner's corporate value, and whether or not the resolution will have any impact on the Company.

Total Amount of Cross-Shareholdings, Ratio to Consolidated Net Assets, and Number of Shareholdings



Approach to Protecting Minority Shareholders

In September 2025, JACCS conducted a third-party allocation of new shares to MUFG Bank, Ltd. As a result, MUFG Bank's ownership ratio increased from 20% to 39%, while the ownership ratio of Mitsubishi UFJ Financial Group, Inc. as a whole rose to 40%.

JACCS formed a capital alliance with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) in February 2008 and has since worked on Group collaboration.

Through the new capital and business alliance, JACCS believes that accelerating the Group collaboration built to date and providing high-value-added services will contribute to the medium- to long-term enhancement of JACCS' corporate value. Funds raised through the third-party allocation are being used for growth investments as the Company works to achieve stable and sustainable profit growth. We recognize that this will increase the medium- to long-term upside potential of the share price and capacity for shareholder returns, thereby directly contributing to the interests of minority shareholders.

While maintaining a certain degree of independence as a consumer finance company, JACCS will build a positive relationship with the MUFG Group without impairing the interests of minority shareholders. In addition, the Company will strive to ensure appropriate information disclosure and transparency in decision-making processes, while enhancing the effectiveness of minority shareholder protection by strengthening the Board of Directors' supervisory functions and utilizing outside directors.

Advancing the Quality of Corporate Governance

Dialogues with Shareholders and Investors

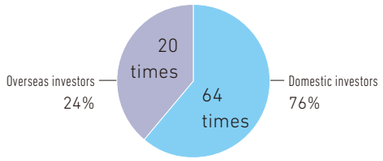
JACCS appoints the director responsible for corporate planning as the person in charge of engaging shareholders and investors in dialogues and proactively conducting discussion aimed at achieving sustainable growth and enhancing medium- to long-term corporate value.

By carefully explaining such matters as JACCS' management strategy and status of each business, we strive to deepen understanding of JACCS. The Company also works to reflect in its business the valuable opinions it receives.

Dialogue Status and the Principal Responders from JACCS

	Principal responders	Frequency
Financial results briefings for institutional investors	President, directors responsible for supervising each business, General Manager of Business Strategy	Each half-year
Individual meetings with institutional investors	President, Director (responsible for supervising accounting and finance), senior executive officers (responsible for supervising general affairs and personnel), executive officer (General Manager of the Corporate Communications Department), Corporate Communications Department, Finance Department	1Q 21 2Q 27 3Q 21 4Q 15
Briefings for individual investors	Executive officer (General Manager of the Corporate Communications Department)	1

Breakdown of Shareholders and Institutional Investors that Participated in Dialogue



Insights Gained Through Dialogue

We received a broad array of opinions from shareholders and investors. These included views on the growth potential of both JACCS and the market, and as well as shareholder returns. To meet the expectations of all stakeholders, we will practice management that is conscious of the cost of capital and work to enhance IR disclosure and dialogue, aiming to improve our corporate value.

Based on the opinions received, we mainly took the following actions.

- Enhanced the content of financial results briefing materials
  <Credit Business> Disclosed the volume of new contracts for affiliated loans and the ratio of variable interest rate products
  <Overseas Business> Disclosed progress in the shift of the receivables balance portfolio
- Enhanced the content of IR seminar materials for individual investors
  Included challenges arising from rising funding interest rates and measures to address them
- Maintained the dividend policy
  Although the numerical plan under the medium-term business plan was revised downward, the dividend policy was kept unchanged

Situation Regarding Feedback on the Senior Management Team and the Board of Directors

Reports to the Management Committee and Board of Directors are now made regularly on a quarterly basis. In addition, when analyst reports are updated or as otherwise necessary, the officer responsible for IR shares information with senior management outside the regular reporting cycle.

Main Dialogue Themes

Category	Main topics
Credit Business	• Status of fee increases across the industry • Changes in the competitive environment
Overseas Business	• Status of efforts to rebuild operations in Vietnam and Indonesia
Rising Interest Rates	• Assumed interest rate scenario and impact on financial expenses • Progress and policy on asset control
MUFG Group Cooperation	• Effects of expanded cooperation and future outlook
Medium-Term Business Plan	• Factors behind revision of the numerical plan and future measures

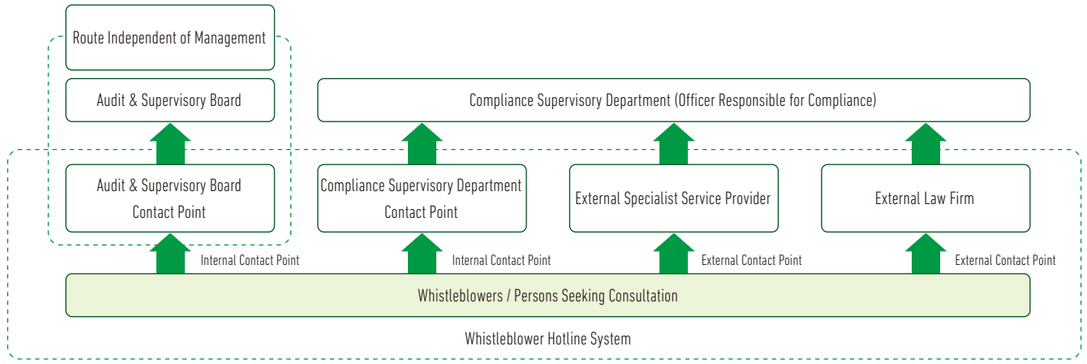
Compliance

The Compliance Supervisory Department undertakes planning, promotion, training, and monitoring related to compliance. To ensure the effectiveness of compliance, the Company appoints managers responsible for compliance promotion and compliance staff in each department. The Company works to maintain compliance with relevant laws and ordinances through continuous education and training. Particular attention is paid to laws that have a close relationship with performance of duties, including the Installment Sales Law, Money Lender Business Law, and Payment Services Act.

The Company has built a system for compliance with anti-corruption laws, both in Japan and other relevant jurisdictions. This includes refusing involvement with corrupt practices in any shape or form, in accordance with the Anti-Corruption Regulations.

In addition, the Company has established internal and external points of contact for its whistleblower hotline system, for common use at JACCS and Group companies. The Company has also built a system to ensure that parties who make whistleblower reports are not subject to prejudiced treatment as a result of making a report.

Reporting and Consultation Routes (Overview)



Anti-Money Laundering and Combating the Financing of Terrorism

In accordance with its Basic Regulations on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), the JACCS Group has built a system to prevent it from being exploited for money laundering or terrorism funding. The Group has also built a system for sharing information within the Group necessary for ensuring the effectiveness of its overall Group risk assessment and AML/CFT measures. This includes reporting risk assessments and the implementation status of risk reduction measures at each Group company, and procedures related to serious AML/CFT matters.

In addition, at each Group company, JACCS continuously implements employee training programs related to AML/CFT.

For further information related to AML/CFT, please refer to the JACCS website.

https://www.jaccs.co.jp/en/corporate/sustainability/governance/basicpolicy/aml_cft/

Internal Control

In addition to building an expeditious and efficient structure for operational execution, JACCS believes that strengthening the compliance system of the entire Group and establishing a highly independent internal audit system is extremely important. Hence, the Company has established specialist organizational units responsible for each of these functions.

The Company has established the Internal Control Committee and the Compliance Committee—both chaired by the President—which convene regularly.

The Corporate Governance Committee carries out evaluation of these committees' activities and confirms important matters handled by them, and reports on this to the Board of Directors.

For further information related to internal control, please refer to the JACCS website.

https://www.jaccs.co.jp/en/corporate/sustainability/governance/basicpolicy/system/

Directors and Audit & Supervisory Board Members

Please see the Securities Report for biographies of Directors and Audit & Supervisory Board members (in Japanese only).
https://www.jaccs.co.jp/corporate/ir/library/securityreport/

Board of Directors

(As of June 25, 2026)



Toru Yamazaki
Chairman and Director

Number of Company's shares held: 23,949 shares
Tenure: 10 years
Board meeting attendance rate: 100%



Ryo Murakami
President and Representative Director

Number of Company's shares held: 20,325 shares
Tenure: Six years
Board meeting attendance rate: 100%



Akihito Suehiro
Senior Managing Executive Officer and Representative Director
Supervisor of Corporate Planning

Number of Company's shares held: 5,441 shares
Tenure: Three years
Board meeting attendance rate: 100%



Masahito Suzuki
Outside Director*

Number of Company's shares held:
0 shares
Tenure: Eight years
Board meeting attendance rate: 100%



Kyoko Okada
Outside Director*

Number of Company's shares held:
0 shares
Tenure: Five years
Board meeting attendance rate: 87.5%



Hiroji Sanpei
Outside Director*

Number of Company's shares held:
0 shares
Tenure: Four years
Board meeting attendance rate: 100%



Yuko Shitamori
Outside Director*

Number of Company's shares held:
0 shares
Tenure: Three years
Board meeting attendance rate: 100%

* The four outside directors are registered as independent directors with the Tokyo Stock Exchange.



Ichiro Kobayashi
Director and Managing Executive Officer
Supervisor of Information Systems and Risk Supervisory

Number of Company's shares held: 3,341 shares
Tenure: Four years
Board meeting attendance rate: 100%



Kazuhiko Segawa
Director and Managing Executive Officer
Supervisor of Credit Management and General Affairs and Personnel and Compliance

Number of Company's shares held: 5,850 shares
Tenure: Two years
Board meeting attendance rate: 100%



Tatsuo Nakazawa
Director and Managing Executive Officer
Supervisor of Accounting and Finance

Number of Company's shares held: 2,758 shares
Tenure: One year
Board meeting attendance rate: 100%



Go Iwase
Director and Managing Executive Officer
Supervisor of Credit Screening and Operation and International Business

Number of Company's shares held: 1,000 shares
Tenure: One year
Board meeting attendance rate: 100%

Audit & Supervisory Board Members

(As of June 25, 2026)



Keigo Abo
Audit & Supervisory Board Member (Full-time)

Number of Company's shares held:
2,900 shares
Tenure: Two years
Board meeting attendance rate: 100%
Audit & Supervisory Board meeting attendance rate: 100%



Nobuyoshi Watanabe
Audit & Supervisory Board Member (Full-time)

Number of Company's shares held:
1,200 shares
Tenure: One year
Board meeting attendance rate: 100%
Audit & Supervisory Board meeting attendance rate: 100%



Yusuke Komachiya
Outside Audit & Supervisory Board Member**

Number of Company's shares held:
0 shares
Tenure: Seven years
Board meeting attendance rate: 100%
Audit & Supervisory Board meeting attendance rate: 100%



Hideki Ono
Outside Audit & Supervisory Board Member**

Number of Company's shares held:
0 shares
Tenure: Two years
Board meeting attendance rate: 100%
Audit & Supervisory Board meeting attendance rate: 100%

** The two outside Audit & Supervisory Board members are registered as independent auditors with the Tokyo Stock Exchange.

Risk Management

Basic Risk Management Policy

To achieve sustainable growth and enhance corporate value over the medium to long term, the JACCS Group positions risk management as its most important management issue. In accordance with the JACCS Group's Risk Management Regulations, we are promoting ERM* to advance our risk management capabilities.

The JACCS Group's basic policy is to comprehensively identify all major risks confronting the Group, assess them from both quantitative and qualitative perspectives, and aim to avoid or reduce losses by implementing preventive measures. We also take appropriate risks within the bounds of our risk tolerance.

In addition, the Risk Appetite Statement established in September 2025 clarifies the Group's risk-taking policy by defining risks that should be taken and risks that should be avoided, among other matters, as the Group works to ensure sound risk-taking.

* ERM: Enterprise Risk Management

Risk Management System

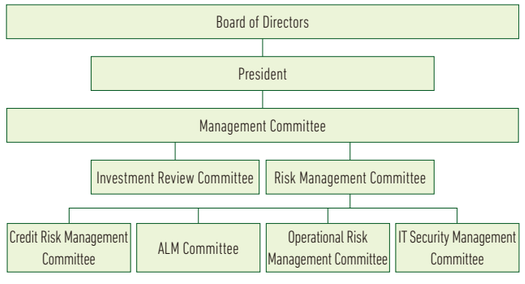
JACCS has established various committees, including the Risk Management Committee and Investment Review Committee, as meeting bodies chaired by the president.

The contents of the discussions and deliberations of each committee are reported to the Management Committee and the Board of Directors as necessary to ensure the effectiveness of ERM. With an offensive and defensive system, management is able to make decisions based on an understanding of various risk situations.

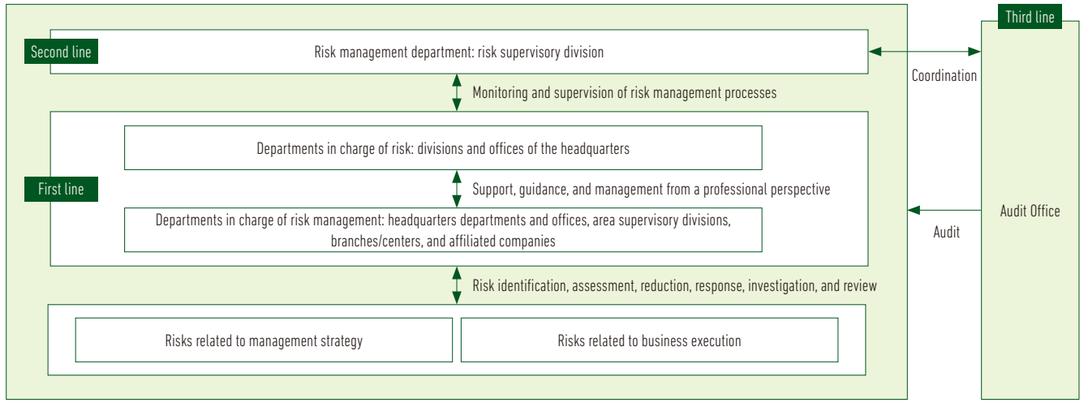
In terms of risk management, we have established a risk management framework based on the three lines of defense model. The first line is responsible for the implementation of risk management as the risk owner. The second line monitors and supervises the risk management processes carried out by the first line and manages risk centrally. The third line, as an internal audit unit, audits the effectiveness of the risk management processes, in addition to auditing business operations and internal controls.

Risk information extracted by internal audits is shared with the risk supervisory division (second line) and reflected in improvements to the risk management processes of the first line.

Risk Management System Diagram



Three Lines of Defense



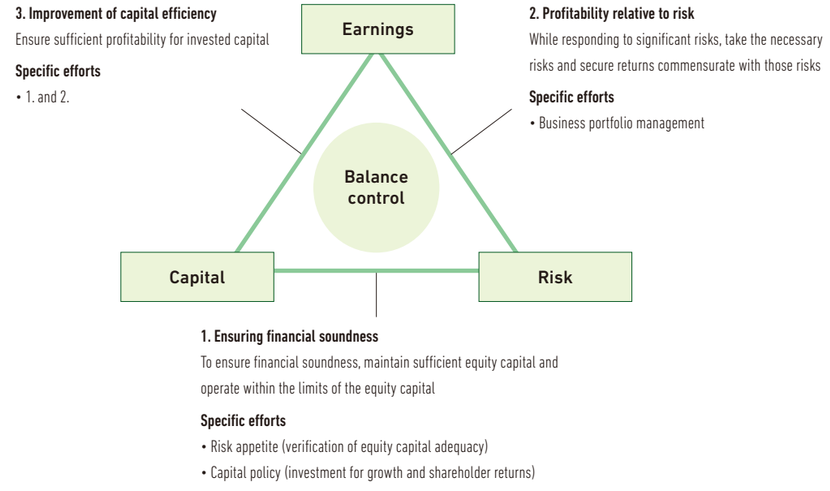
ERM Initiatives

The Risk Supervisory Department was established as a risk management supervisory unit tasked with promoting ERM, and in addition to implementing defensive risk management focused primarily on qualitative assessments centered on operational risks and risk mitigation, we are responding to changes in the risk environment surrounding the Company by establishing a proactive risk management framework that takes risks appropriately through risk appetite analysis and other risk quantification methods.

We conduct centralized management of the JACCS Group's risk management to ensure its soundness. In addition to verifying the adequacy of our equity capital through risk quantification, we aim to enhance the sophistication of our business portfolio management.

The Risk Appetite Statement states that under the medium-term business plan "Do next!", the Group will pursue "transformation" and "renewed growth" through expanded cooperation with the MUFG Group, and will take risks with an emphasis on balancing "soundness," "growth," and "social value." Viewing risk as an essential element of sustainable growth, we aim to foster a risk culture that encourages sound risk-taking.

Conceptual Diagram of Integrated Management of Earnings, Risk, and Capital

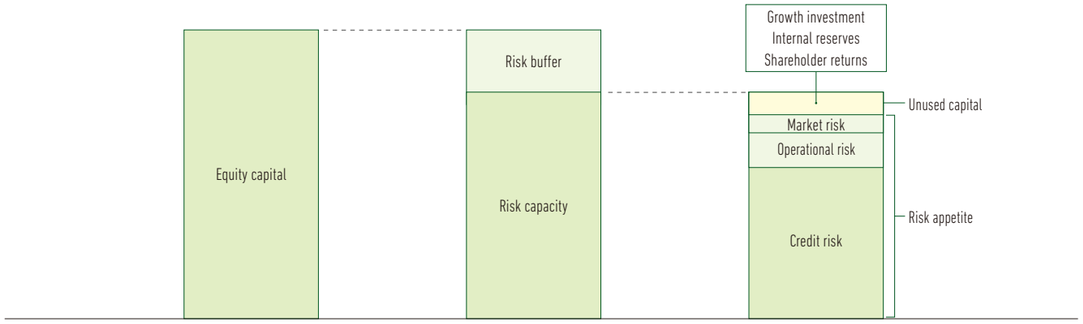


Ensuring Financial Soundness

The JACCS Group quantifies credit risk, interest rate risk, and operational risk, and verifies and monitors the adequacy of its capital by comparing the amount of these risks against its equity capital.

We set our risk capacity (the maximum amount of risk we can accept) after providing a risk buffer to account for fluctuations in risk to equity. The difference between risk capacity and risk appetite (the type and amount of risk we are willing to take) is considered unused capital, which is used to make strategic decisions to increase corporate value, such as investment for growth and shareholder returns.

At the end of March 2026, the measured risk amount remained within the limit of risk capacity, ensuring adequate financial soundness for the execution of the current business strategy.



ERM-Based Business Portfolio Management

The JACCS Group engages in business portfolio management, in which it evaluates and allocates resources based on the profitability and growth potential of risk assets, aiming to take on the necessary risks and secure returns that are commensurate with those risks.

We have also developed a strategy based on our domestic and overseas business segments, focusing on four main areas: the credit, payments, financing, and overseas businesses.

As a key initiative, in the credit business, amid major changes in the financial environment due to rising funding interest rates, the Group has begun initiatives to improve profitability and reform its business structure, and is working to build a business framework capable of securing stable profits. In the overseas business, in addition to uncertainty in the global outlook stemming from conflicts in the Middle East and elsewhere, stronger regulation in Indonesia has delayed profit recovery. In light of these conditions, the Group will rebuild a stable business foundation by reviewing the scale and scope of operations and shifting its business portfolio.

Furthermore, in addition to allocating resources to promote the growth of existing businesses, the JACCS Group has established the Investment Review Committee to appropriately assess growth potential, profitability, and risk management for strategic investments, including new businesses and M&A. Through these efforts, we conduct comprehensive evaluations and monitoring of each business, considering factors such as growth potential, capital efficiency, risk-adjusted profitability, and growth strategy.

To ensure appropriate risk-taking, we regularly discuss the strategic positioning and operational policies of our Group businesses in Management Committee meetings, with oversight provided by the Board of Directors.

Financial Data

FY (Millions of Yen)	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
Summary of operations for the year:										
Total volume of new contracts	3,768,118	4,158,700	4,559,202	4,981,508	4,973,421	5,273,264	5,641,393	5,853,833	5,701,077	**5,828,564**
Domestic: Credit	—	—	—	—	1,302,584	1,403,443	1,644,150	1,644,358	1,370,913	**1,402,482**
Payments	—	—	—	—	2,610,412	2,690,304	2,799,212	2,867,575	2,980,667	**3,062,348**
Financing	—	—	—	—	650,906	728,072	639,935	742,046	847,208	**891,986**
Other	—	—	—	—	365,704	399,293	472,501	510,607	422,736	**410,805**
Domestic total	—	—	—	—	4,929,607	5,221,113	5,555,800	5,764,588	5,621,526	**5,767,623**
Overseas: Credit	—	—	—	—	35,505	44,216	73,985	75,729	72,862	**56,558**
Payments	—	—	—	—	843	655	943	1,397	965	**0**
Other	—	—	—	—	7,465	7,279	10,664	12,118	5,722	**4,382**
Overseas total	—	—	—	—	43,814	52,151	85,592	89,245	79,550	**60,941**
Volume of new contracts: Credit card*1	1,196,177	1,247,046	1,306,927	1,358,230	1,271,609	—	—	—	—	**—**
Volume of new contracts: Installment sales finance*1	640,321	782,994	1,041,888	1,259,068	1,341,756	—	—	—	—	**—**
Volume of new contracts: Credit guarantee*1	780,378	856,716	837,565	942,765	1,001,656	—	—	—	—	**—**
Volume of new contracts: Financing*1	72,667	74,386	86,465	85,292	54,870	—	—	—	—	**—**
Volume of new contracts: Other operations*1	1,078,573	1,197,557	1,286,354	1,336,149	1,303,528	—	—	—	—	**—**
Total operating revenue	119,654	134,051	145,836	158,610	160,650	164,070	173,506	184,782	190,978	**192,315**
Operating income	11,798	12,679	14,370	16,506	16,326	26,743	31,678	33,126	25,732	**20,414**
Ordinary income	11,815	12,733	14,448	16,700	16,506	26,786	31,769	33,060	25,765	**20,258**
Net income attributable to owners of the parent	8,724	7,859	8,955	10,732	11,778	18,316	21,651	23,770	18,620	**15,314**
Net cash provided by (used in) operating activities	(152,722)	(167,815)	(309,890)	(308,473)	(141,114)	(152,023)	(214,000)	(98,024)	(45,170)	**23,136**
Net cash provided by (used in) investing activities	(6,143)	(10,464)	(8,644)	(11,871)	(8,816)	(7,311)	(8,161)	(6,258)	(7,448)	**(12,229)**
Net cash provided by (used in) financing activities	124,318	210,159	329,161	326,484	164,868	186,121	246,060	129,021	39,738	**(41,159)**
At year-end:										
Total assets*2	3,710,582	4,193,058	3,749,167	4,231,590	4,484,954	3,215,006	3,575,732	3,777,595	3,806,786	**3,752,420**
Total net assets	140,287	153,123	156,738	162,889	174,152	192,217	210,605	238,440	255,809	**302,376***6
Shareholders' equity	140,071	146,894	150,835	156,804	169,900	186,615	204,040	230,422	248,273	**296,649***6
Interest-bearing debt	1,211,953	1,458,517	1,787,800	2,130,545	2,295,676	2,491,829	2,751,237	2,893,030	2,946,259	**2,872,081**
Balance of deferred installment income	111,767	134,296	162,097	182,760	194,175	204,448	229,876	243,464	249,785	**249,594**
Allowance for doubtful accounts*3	18,158	24,597	22,102	26,572	30,745	30,487	30,149	31,102	33,578	**32,857**
Per share data:										
Net income—basic*4, 5	252.95	227.32	260.13	311.65	340.69	528.97	624.60	685.13	536.11	**380.28**
Net assets*4, 5	4,055.91	4,242.44	4,388.98	4,543.94	4,910.76	5,386.05	5,883.59	6,637.17	7,142.20	**6,625.00**
Cash dividends*4, 5	75	80	80	95	105	160	190	220	190	**200**
Key ratios (%)**:**										
ROA*2	0.3%	0.3%	0.4%	0.4%	0.4%	0.6%	0.9%	0.9%	0.7%	**0.5%**
ROE	6.4	5.5	6.0	7.0	7.2	10.3	11.1	10.9	7.8	**5.6**
Equity ratio*2	3.8	3.5	4.0	3.7	3.8	5.8	5.7	6.1	6.5	**7.9***6
Supplementary data (As of March 31)**:**										
Number of JACCS cardholders (Thousands) (Non-consolidated)	6,958	7,022	7,161	7,135	6,840	6,543	6,464	6,231	5,966	**5,450**
Number of shares outstanding at year-end*4	175,395,808	35,079,161	35,079,161	35,079,161	35,079,161	35,079,161	35,079,161	35,079,161	35,079,161	**45,059,992***6
Number of employees	4,015	5,492	5,721	6,188	6,285	6,145	6,065	6,097	5,518	**5,532**

*1 From fiscal 2021, the Company changed its business segment classifications. Accompanying this change, the figures presented for fiscal 2020 have been retroactively revised to reflect the new classifications. However, figures presented for fiscal 2019 and prior years follow the previous classifications.

*2 Previously, finance receivable-installment sales-credit guarantee and finance payable-credit guarantee were presented as corresponding asset and liability items in the consolidated balance sheets. However, from fiscal 2019 the Company made a change in accounting treatment of guarantee obligations that do not involve loan collection service, meaning these guarantee obligations are no longer presented on the consolidated balance sheets. The aforementioned change in accounting policy has been applied retroactively, and the figures for total assets and equity ratio presented for fiscal 2018 in the table above are subsequent to retroactive application of this change.
Previously, the Company presented guarantee obligations on loans and other debt held by financial institutions as well as the balance of guarantees related to receivable collection services as accounts receivable-installment sales-credit guarantee and accounts payable-credit guarantee on the consolidated balance sheets. However, the Company made a change in accounting treatment from fiscal 2022 and these figures are no longer presented on the consolidated balance sheets. The aforementioned change in accounting policy has been applied retroactively, and the figures for total assets and equity ratio presented for fiscal 2021 in the table above are those after retroactive application of this change.

*3 Including allowance for loss on guarantees

*4 On October 1, 2017, the Company changed the number of shares per unit from 1,000 shares to 100 shares and executed a reverse stock split (consolidation of shares) at a ratio of 1-for-5 shares of common stock.

*5 Figures prior to fiscal 2017 have been retroactively adjusted to reflect the effects of the stock split stated in Note 4.

*6 The increase is attributable to a third-party allotment of new shares to MUFG Bank, Ltd.

Non-Financial Data*1

FY		2018	2019	2020	2021	2022	2023	2024	2025
E Environment	CO_2 emissions: Scope 1 (tCO_2)*2	—	1,731	1,621	1,809	1,809	1,533	1,476	**1,462**
	CO_2 emissions: Scope 2 (tCO_2)*2	—	5,759	5,379	5,229	5,061	5,450	5,248	**2,393**
	CO_2 emissions: Scope 3 (tCO_2)*2	—	598,206*3	496,983*3	396,208*3	425,700*3	420,977*3	366,741*3	**281,564**
	CO_2 emissions: Total (tCO_2)*2	—	605,696*3	503,984*3	403,246*3	432,570*3	427,960*3	373,466*3	**285,419**
	Energy consumption (kl)*4	1,949	1,930	1,899	1,729	1,585	1,534	1,545	**1,234**
S Social	Number of employees	2,707	2,692	2,770	2,747	2,694	2,695	2,673	**2,676**
	Number of employees (Consolidated basis)	5,721	6,188	6,285	6,145	6,065	6,097	5,518	**5,532**
	Ratio of female employees among all section manager or higher positions (%)*5	3.7	4.4	8.0	9.8	13.3	17.8	18.4	**19.0**
	Total number of employees hired	206	183	201	154	127	194	171	**155**
	Number of new graduates hired	84	111	109	86	52	91	61	**79**
	Of which, number of male graduates hired	39	48	54	32	26	43	27	**42**
	Of which, number of female graduates hired	45	63	55	54	26	48	34	**37**
	Ratio of female graduates hired (%)	53.6	56.8	50.5	62.8	50.0	52.7	55.7	**46.8**
	Number of mid-career employees hired	122	72	92	68	75	103	110	**76**
	Of which, number of male mid-career employees hired	23	22	10	19	16	18	27	**25**
	Of which, number of female mid-career employees hired	99	50	82	49	59	85	83	**51**
	Ratio of female mid-career employees hired (%)	81.1	69.4	89.1	72.1	78.7	82.5	75.5	**67.1**
	Number of employees with disabilities*6	69	80	82	81	77	79	81	**83**
	Employment rate of employees with disabilities (%)*6	2.33	2.56	2.61	2.55	2.47	2.50	2.61	**2.66**
	Average number of days of leave (Days)	—	—	2.3	2.4	2.5	2.1	3.5*3	**3.5**
	Implementation ratio for at least three days per month with no overtime worked and at least one "Premium Weekday" per month (%)*7	98.9	98.8	98.4	99.1	98.6	99.2	99.5	**99.5**
	Average utilization ratio of annual paid leave granted (%)	72.0	69.6	66.1	74.9	75.5	76.1	76.2	**76.2**
	Ratio of employees who took at least 60% of their annual leave entitlement	74.3	75.4	—*8	74.2	79.3	79.3	79.1	**79.5**
	Employees' average monthly overtime hours*9	—	15.6	13.1	12.9	11.7	12.2	12.9	**13.2**
	Implementation ratio for periodic health check-ups (%)	—	99.8	100	100	100	100	100	**100**
	Stress check implementation ratio (%)	—	98.1	99.8	99.8	100	99.9	100	**100**
	Stress check: Overall health risk (Points)*10	—	96	102	100	95*11	93*11	88	**85**
	Ratio of male employees taking childcare leave among those eligible (%)	—	—	—	84.4	84.6	129.4	87.1	**100**
	Ratio of female employees taking childcare leave among those eligible (%)	—	—	—	100	100	100	100	**100**
	Average female-to-male wage ratio (%)	—	—	—	55.0	56.9	58.7	62.9	**66.4**
	Of which, full-time employees (%)	—	—	—	54.0	54.6	55.5	59.2	**61.9**
	Of which, part-time and fixed-term contract employees (%)	—	—	—	68.6	70.6	75.3	71.5	**75.2**
	Number of employees certified as possessing advanced digital skills*12	—	—	—	—	—	219	321	**353**
G Governance	Total number of directors	12	11	12	12	12	12	11	**11**
	Of which, number of outside directors	3	3	4	4	4	4	4	**4**
	Ratio of outside directors (%)	25.0	27.3	33.3	33.3	33.3	33.3	36.3	**36.3**
	Of which, number of female directors	1	1	2	2	2	2	2	**2**
	Ratio of female directors (%)	8.3	9.1	16.7	16.7	16.7	16.7	18.1	**18.1**

*1 Non-consolidated basis
*2 Consolidated basis
*3 Due to a change in calculation method, prior fiscal year results have been revised.
*4 JACCS Co., Ltd. and its domestic subsidiaries basis
*5 The ratio of female employees among all section manager or higher positions, as of April 1 following the end of each fiscal year
*6 Number and employment rate of employees with disabilities, as of June 1 of each fiscal year
*7 "Premium Weekday" is JACCS' adaptation of "Premium Friday."
*8 Due to the COVID-19 pandemic, the recommendation to take 60% or more of paid leave was temporarily suspended.
*9 Includes hours exceeding the Company's prescribed working hours, which are within the statutory working hours
*10 Calculated as a numerical value that compares the results of an assessment with the national average, which has an index value of 100. The overall assessment is based on an evaluation chart comprising "work volume burden, control" and "manager support, co-worker support."
*11 Due to a change in calculation method, prior fiscal year results have been revised.
*12 Employees who completed a training program related to DX basic knowledge, etc., and who also passed the IT Passport examination

Corporate Directory

Name: JACCS CO., LTD.

URL: https://www.jaccs.co.jp/en/corporate/

Founded: June 29, 1954

Paid-in Capital:
¥35,680 million

Registered Head Office:
2-5, Wakamatsu-cho, Hakodate,
Hokkaido 040-0063, Japan

Principal Executive Office:
Ebisu Neonato Bldg.,
1-18, Ebisu 4-chome, Shibuya-ku,
Tokyo 150-8932, Japan
Phone: (03) 5448-1311

Number of Employees: (As of March 31, 2026)
2,676 (Parent)
5,532 (Consolidated)

Domestic Affiliated Companies:

Consolidated Subsidiaries

JACCS Total Service Co., Ltd. (Equity stake: 100%)

JACCS Lease Co., Ltd. (Equity stake: 80%)

JACCS Loan-Collection Service Co., Ltd. (Equity stake: 100%)

Overseas Affiliated Companies:

Consolidated Subsidiaries

JACCS International Vietnam Finance Co.,Ltd.
(Equity stake: 100%)

PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA
(Equity stake: 60%)

JACCS FINANCE PHILIPPINES CORPORATION
(Equity stake: 65%)

JACCS MICROFINANCE (CAMBODIA) PLC.
(Equity stake: 100%)

Equity-Method Investee

Carsome Capital Sdn.Bhd.
(Equity stake: 49%)

CAR TIMES CAPITAL PTE. LTD.
(Equity stake: 49%)

JACCS Services Network (As of September 1, 2026)

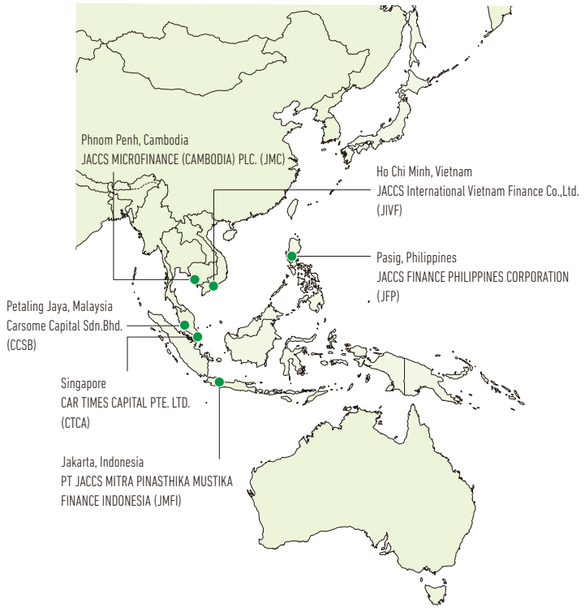
Office Network
(40 offices including Sapporo, Sendai, Omiya, Tokyo, Yokohama, Nagoya, Osaka, Hiroshima, Fukuoka)

Housing Loan Centers
(Tokyo, Osaka)

Guarantee Branches
(Sapporo, Sendai, Omiya, Tokyo, Nagoya, Osaka, Hiroshima, Fukuoka)



Head office: Ebisu Neonato



Investor Information

(As of March 31, 2026)

Number of Shareholders:
83,406

Shares Outstanding:
45,059,992

Share Unit:
100 shares

Stock Listing:
Tokyo Stock Exchange (Prime Market)

Securities Identification Code:
8584

Transfer Agent:
Mitsubishi UFJ Trust and Banking Corporation

Principal Shareholders:

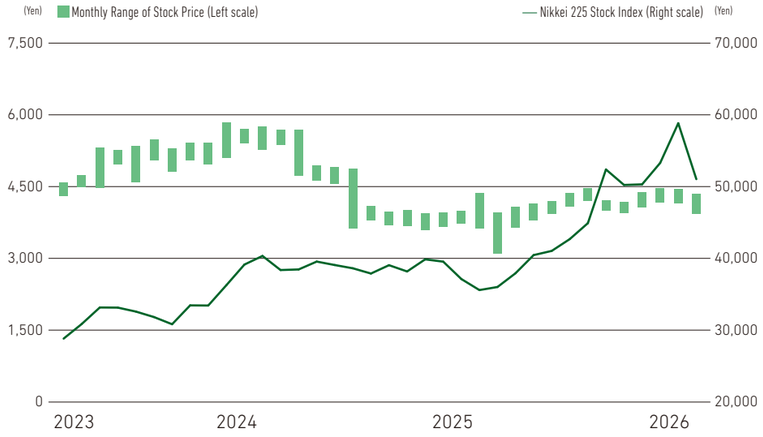
Name of Shareholders	Number of Shares Held (Thousands)	Percentage of Ownership*
MUFG Bank, Ltd.	17,650	39.41
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,834	6.32
Custody Bank of Japan, Ltd. (Trust Account)	2,374	5.30
Shareholding Association of JACCS	1,676	3.74
The Dai-ichi Mutual Life Insurance Company, Limited	1,359	3.03
Meiji Yasuda Life Insurance Company	1,275	2.84
JACCS Co., Ltd. Employee Stock Ownership Association	945	2.11
STATE STREET BANK AND TRUST COMPANY 505223	658	1.47
Nippon Life Insurance Company	588	1.31
DFA INTL SMALL CAP VALUE PORTFOLIO	426	0.95

* The percentage of ownership is calculated excluding the number of treasury stock (282 thousand shares).

Common Stock Price Range:

(FY) (Tokyo Stock Exchange)

	2023		2024		2025	
	High	Low	High	Low	High	Low
First quarter	¥5,320	¥4,300	¥5,680	¥4,625	¥4,135	¥3,095
Second quarter	5,490	4,600	4,915	3,635	4,460	3,935
Third quarter	5,420	4,825	4,005	3,600	4,385	3,950
Fourth quarter	5,840	5,100	4,375	3,630	4,465	3,935



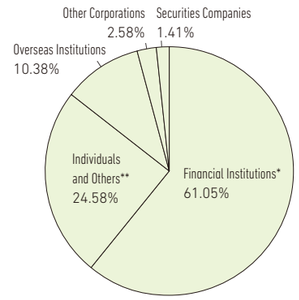
Cash Dividends:

(FY)

	2023	2024	2025
Yearly	¥220*	¥190	¥200
Interim	100	90	100

* Including a commemorative cash dividend of ¥10 per share to mark the 70th anniversary of the Company's founding

Stock Held by Investor Type



* The Financial Institutions category includes shares held under trust accounts. This includes investment trusts and pension fund trusts.

** The Individuals and Others category includes 282 thousand shares (0.62%) of treasury stock.