

COMPANY RESEARCH AND ANALYSIS REPORT

Fuyo General Lease Co., Ltd.

8424

Tokyo Stock Exchange Prime Market

12-Feb.-2026

FISCO Ltd. Analyst

Ikuo Shibata



FISCO Ltd.

<https://www.fisco.co.jp>

Fuyo General Lease Co., Ltd.
8424 Tokyo Stock Exchange Prime Market

12-Feb.-2026
<https://www.fgl.co.jp/eng/ir/>

Contents

Summary	01
1. Overview of 1H FY3/26 results	01
2. FY3/26 forecasts	01
3. Medium-term management plan	02
Company profile	03
1. Business overview	03
2. History	04
Financial results	05
1. Key points for assessing results	05
2. Past results trends	06
3. Overview of 1H FY3/26 results	07
4. Business performance and activities by business field	09
5. Summary of 1H FY3/26	12
Business outlook	12
1. FY3/26 forecasts	12
2. FISCO's view	13
Growth strategy	13
1. Direction of the medium-term management plan	13
2. The basic strategies and targets in each business field	15
3. Primary medium- to long-term focuses	17
Shareholder return policy	17

Fuyo General Lease Co., Ltd.
8424 Tokyo Stock Exchange Prime Market

12-Feb.-2026
<https://www.fgl.co.jp/eng/ir/>

Summary

Recent short-term dip in results due to renewable energy-related loss. Excluding this temporary loss, results were steady overall

Fuyo General Lease Co., Ltd. <8424> (hereafter, also “the Company”) is a comprehensive leasing company established in 1969 by six Fuyo Group companies, including The Fuji Bank, Limited (currently Mizuho Bank, Ltd.). Its strengths include real estate and energy & environment, and it has an annual newly executed contract volume of ¥1,844.0bn (FY3/25) and operating assets of ¥3,085.1bn (as of September 30, 2025). Although the Company’s recent performance temporarily declined due to losses related to its overseas renewable energy operations, it has been steadily expanding its earnings by increasing operating assets in business areas positioned as growth drivers and by broadening its business domains through M&A and collaboration with partner companies. The Company started its five-year medium-term management plan Fuyo Shared Value 2026 from FY3/23 and is aiming for sustainable growth by simultaneously “resolving social issues” and delivering “economic value.”

1. Overview of 1H FY3/26 results

In the 2Q FY3/26 results (hereafter, “1H”), there was a significant downturn due to recording overseas renewable energy-related loss, with operating profit decreasing 89.0% year on year (YoY) to ¥3.6bn, ordinary profit falling 82.7% to ¥5.9bn, and profit attributable to owners of parent declining 79.7% to ¥4.6bn. However, if the temporary loss is excluded, growth in profit before interest expenses offset increases in various costs, including higher funding costs associated with rising domestic interest rates, and ordinary profit remained at the same level YoY. In particular, the mainstay mobility/logistics area grew steadily, while BPO/ICT, healthcare, and aircraft also performed well overall. In terms of activities, the Company made progress on initiatives for the future on all fronts through continued collaboration with highly specialized partner companies, including overseas companies, as well as intra-Group cooperation and other means.

2. FY3/26 forecasts

For the FY3/26 results, the Company downwardly revised its initial forecasts due to factors such as recording renewable energy-related loss. It forecasts that operating profit will fall 47.5% YoY to ¥34.0bn, ordinary profit will decline 45.0% to ¥38.0bn, and profit attributable to owners of parent will drop 62.5% to ¥17.0bn. The reasons for revising the amounts downward included renewable energy-related loss (approximately ¥28.6bn) associated with non-recoverable debts, etc. already recorded in the 1H results, as well as conservatively factoring in risks such as the worsening renewable energy business environment in the US. Other than these two factors, there were no major revisions to the initial forecast’s assumptions. While rising domestic interest rates are expected to have an impact, the Company plans to accumulate assets, with a focus on growth areas.

Fuyo General Lease Co., Ltd. | **12-Feb.-2026**
8424 Tokyo Stock Exchange Prime Market | <https://www.fgl.co.jp/eng/ir/>

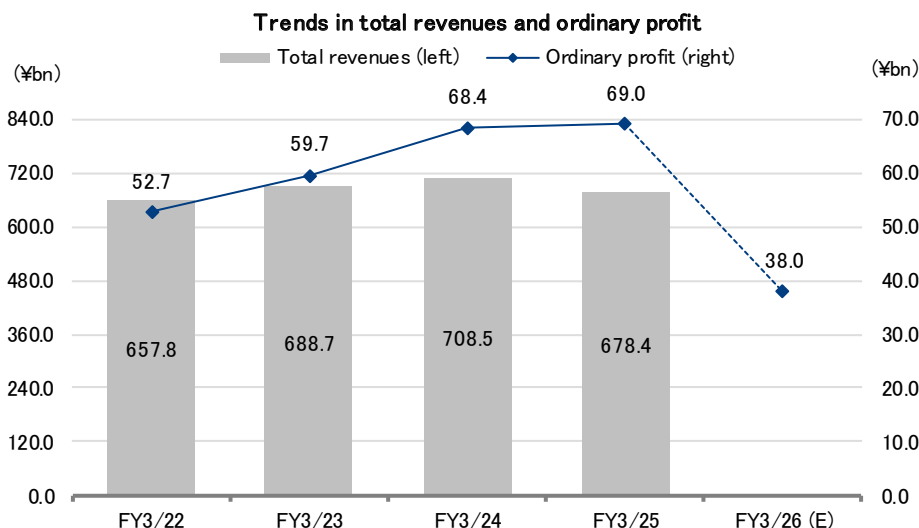
Summary

3. Medium-term management plan

Fuyo Shared Value 2026, which is the five-year medium-term management plan that was started in FY3/23, is the basis for the Company's strategy of achieving sustainable growth by solving societal problems at the same time as realizing economic value. The plan also sets various management targets, both financial and non-financial. At the moment, results have dipped temporarily due to recording renewable energy-related loss, but there is currently no change to the Company's future direction and targets for the plan's final year. Growth will be driven by: 1) the Rising Transformation ("RT") field (mobility/logistics and circular economy) that is aiming for strategic growth enabled by capturing tectonic social changes; 2) the Accelerating Transformation ("AT") field (energy & environment, BPO/ICT, and healthcare) that aims for accelerating growth based on an understanding of market trends, and; 3) the Growing Performance ("GP") field (real estate and aircraft) that is aiming for stable growth of the core fields. The Company plans to concentrate investment of management resources in the RT and AT fields, where market expansion and creation are expected. Its strategy is also to improve earnings through differentiation in the GP field. The financial targets are ordinary profit of ¥75.0bn, ROA of 2.5%, an equity ratio of 13% to 15%, and ROE of at least 10%, while the Company has also set non-financial targets for items to be addressed, centered on the environment (a decarbonized society and a recycling-based society), society and people, and human resources investment.

Key Points

- There was a significant downturn in recent results due to recording overseas renewable energy-related loss, but if this temporary loss is excluded, performance remained steady
- The FY3/26 forecasts were revised downward, with a temporary dip in results expected, but the dividend, which has continued increasing each year since the Company's listing, remains unchanged from the initial forecast
- Started the medium-term management plan Fuyo Shared Value 2026 in FY3/23. It is aiming for sustainable growth by "resolving social issues" through human growth and dialogue while at the same time delivering "economic value"



Note: The Company no longer discloses total revenue forecasts starting from FY3/25.

Source: Prepared by FISCO from the Company's financial results

Fuyo General Lease Co., Ltd.
8424 Tokyo Stock Exchange Prime Market

12-Feb.-2026
<https://www.fgl.co.jp/eng/ir/>

Company profile

Comprehensive leasing company with strengths in real estate, energy & environment, and other areas. Also working to strengthen new domains, such as BPO/ICT and the mobility/logistics

1. Business overview

The Company has three business segments—lease and installment sales, financing, and other. Lease and installment sales disclose “lease” and “installment sales” separately. The mainstay lease business accounts for 60.1% of operating assets (results at end of September 2025). As future growth drivers, the Company plans to proactively invest management resources in business fields including mobility/logistics, energy & environment, BPO/ICT, and healthcare, to differentiate in real estate and aircraft, and over the medium to long term its policy is to move away from “finance leasing” and “financial services.”

Below, we at FISCO review the Company’s business segments.

(1) Lease and installment sales

This segment handles leases of information and communications equipment, office equipment, industrial machine tools, and other equipment and installment sales of commercial facilities, production facilities, hospital facilities, and other facilities. In the lease business, the leasing company purchases and leases machinery, equipment, or other facilities selected by customers for a certain leasing fee over a relatively long period. In other words, leases constitute a funding method (financial transaction) that focuses on facility deployment. Benefits to customers, versus outright purchase (and ownership) of facilities, include efficient utilization of capital, reduction of administrative burden, avoidance of risk from outdated facilities, and cost control. Leasing companies, meanwhile, face less collection risk than ordinary loan transactions, because they possess ownership rights to the leased equipment. The Company conducts installment sales for equipment that does not qualify as leasing transactions for tax purposes and cases in which the customer wants direct ownership.

Looking at the newly executed lease contract volume by type of equipment, substantial growth has been experienced in buildings, etc. (real estate leases) and transportation equipment in the past few years. Key drivers in real estate leases are commercial properties (such as large shopping centers), an area of expertise, as well as diversification of properties including hotels, nursing care and residential, leisure, services, and logistics, following the expansion in alliance partners. The Company leverages its experience of over 30 years and an extensive network in this business given the need for expertise and know-how with tough legal hurdles and complex rights relationships. Also, the growth of transportation equipment up until recently was due to aircraft leases. However, the Company’s strengths include its track record and expertise accumulated over many years. In addition, it is aiming to strengthen the mobility/logistics, which is expected to grow in the future, through making YAMATO LEASE CO., LTD.* a consolidated subsidiary (in April 2020).

* Started making a consolidated subsidiary of YAMATO LEASE, which was a subsidiary of YAMATO HOLDINGS CO., LTD. <9064> in April 2020. The Company’s shareholding ratio became 60% and YAMATO HOLDINGS became 40%.

Fuyo General Lease Co., Ltd. 8424 Tokyo Stock Exchange Prime Market	12-Feb.-2026 https://www.fgl.co.jp/eng/ir/
---	--

Company profile

(2) Financing

This segment covers capital investment funding and other business loans, real estate financing, and securities-related management tasks. It includes fund investments in the renewable energy business and investments for retail by consolidated subsidiary Sharp Finance Corporation ("SFC"). Also, the factoring business* was added to it following the consolidation of Accretive Co., Ltd. (January 2017).

* This business mainly handles FPS (early payments service for accounts receivable) for small- and medium-sized companies, and FPS Medical (early payment service for medical and care fee credits) for medical institutions.

(3) Other

This segment includes large-scale solar power operations (renewable energy business) handled directly by the Company, silent partnership originations for aircraft leases and other businesses, and the life insurance agency business. Also, the Company has built a structure to respond to various BPO needs with the addition of an integrated billing service* provided by INVOICE INC., which was made into a consolidated subsidiary in October 2018, and wide-ranging back-office services (including accounting, human resources and salary, general affairs, and sales administration) provided by NOC Outsourcing & Consulting, Inc. (currently Fuyo Outsourcing & Consulting Inc., "FOC") which was made into a consolidated subsidiary in August 2019. In October 2021, the Company expanded its service functions with the consolidation of WorkVision Corporation, which provides IT solutions centered on cloud packages (DX support, etc.) Moreover, through a business agreement with AKARI Inc., which provides DX solutions that make use of algorithms and AI technologies, it is working on developing high-value-added BPO services that utilize AI.

* A service that handles making burdensome monthly payments for telecommunication expenses and other utilities on behalf of customers

2. History

The Company was established in 1969 with six companies from the Fuyo Group as shareholders led by Fuji Bank (now Mizuho Bank). It steadily broadened business scope thereafter and created a local entity in the US in 1988. It established a local entity in Ireland (Dublin), a major center for aircraft leases, in 1999. The Company was relatively early in its entry to aircraft business, which has recently attracted attention from many competitive companies, and accumulated a track record and know-how with leveraged leases (aircraft leases with investor subscriptions) and other formats.

The Company has also teamed up with other companies to establish joint ventures, such as Yokogawa Rental & Lease Corporation (holds a large share in measuring instruments) with Yokogawa Electric Corporation <6841> in 1987 and NIHON CREDIT LEASE CORPORATION* (holds a large share in medical equipment and welfare equipment) with NICHIIIGAKKAN CO., LTD. in 1999.

* In January 2022, the Company carried out an absorption-type merger of NIHON CREDIT LEASE with the Company as the surviving company.

Turning points were listing shares on the First Section of the Tokyo Stock Exchange (TSE) in December 2004 and acquiring SFC as a consolidated subsidiary (buying a 65% stake) in April 2008. In particular, SFC controls a strong share in the retail (vendor lease) area and has contributed substantially to broadening business scope and increasing scale.

In July 2014, the Company acquired ALM 2010 Limited (it changed the name to Fuyo Aviation Capital Europe Limited), a UK-based aircraft-related services company, as a consolidated subsidiary (buying all shares) and thereby strengthened its ability to expand aircraft business.

Company profile

In January 2017, it acquired Accretive, a subsidiary of Don Quijote Holdings Co., Ltd. (now Pan Pacific International Holdings Corporation <7532>) that operates a factoring business (purchase of accounts receivable) mainly for small and medium-sized companies, as a consolidated subsidiary. In addition to pursuing synergies through cross-selling with each company in the Group, the Company is also strengthening initiatives for new domains. In October 2018, the Company made INVOICE, an integrated billing service provider, a consolidated subsidiary and then in August 2019, it made FOC, a back-office service provider with a wide range of operations, a consolidated subsidiary in an effort to strengthen the BPO services. In April 2020, it made a consolidated subsidiary of YAMATO LEASE, a subsidiary of YAMATO HOLDINGS, establishing footholds toward the development of the mobility business, which is considered to have growth potential, and for the logistics industry.

Subsequently, it has added a series of companies to the Group, including WorkVision, which develops IT solutions (October 2021), CB Holdings Inc., which provides operation solution services focusing on the medical, nursing care, and welfare industry (January 2025), Wako Pallet Co., Ltd., which sells and rents logistics equipment (March 2025), and Japan Pallet Rental Corporation, which provides rental pallet services (April 2025), expanding into areas which are expected to grow in the future (BPO, healthcare, logistics) and strengthening its business base.

Financial results

Recent short-term dip in results due to renewable energy-related loss. Excluding this temporary loss, results were steady overall

1. Key points for assessing results

The Company's total revenues consist of lease fee revenue (over 80% of overall sales), revenue from installment sales, interest income on financing, and non-asset earnings (such as fee income). Since total revenues (excluding non-asset earnings) fundamentally fluctuate with operating assets, the Company needs to increase newly executed contract volume and accumulate more operating assets in order to expand total revenues. However, accounting of mainstay lease fee revenue reflects the purchase transaction and includes the price of the leased item. Profit before interest expenses excluding the acquisition cost of leased equipment from total revenues is the suitable indicator for assessing actual income growth as a financing business.

Meanwhile, to ascertain the profitability of the Company's main business, the most rational approach is monitoring trends in ordinary profit, in which expenses such as interest expenses (fund-raising costs), personnel and equipment expenses, and costs related to bad debts (including reversals)*, are deducted from profit before interest expenses. Ordinary profit is obtained by multiplying operating assets by ROA (ratio of ordinary profit to operating assets), so it is affected by movements in both. Also, most recently, the Company has been working to grow non-asset earnings, so it is also necessary to pay attention to the other segment.

* This is the net value of provision of allowance for doubtful accounts (SG&A expenses) and reversal of allowance for doubtful accounts (non-operating income).

Fuyo General Lease Co., Ltd. | 12-Feb.-2026
8424 Tokyo Stock Exchange Prime Market | <https://www.fgl.co.jp/eng/ir/>

Financial results

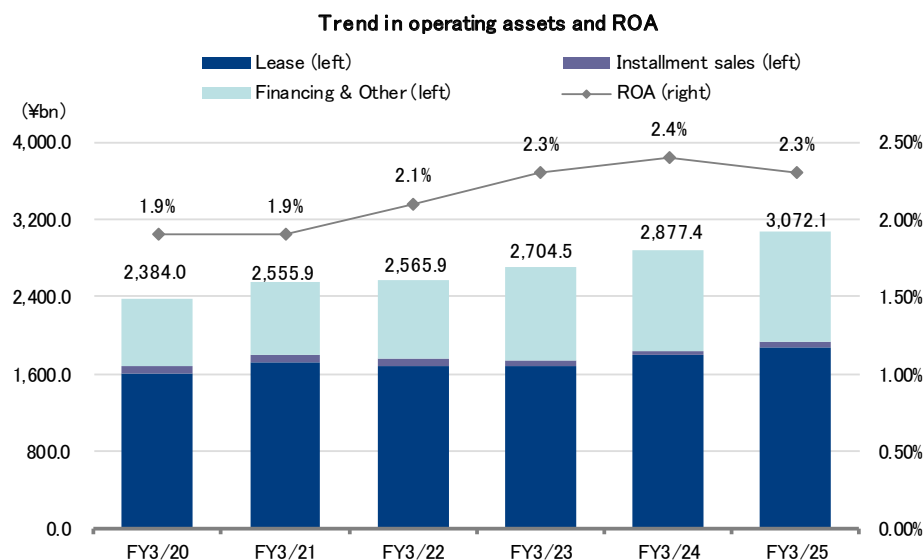
2. Past results trends

Looking back on past results trends, ordinary profit has also continued to increase from both the accumulation of operating assets and the improvement of ROA. The improvement of ROA has been particularly due to the growth of real estate leases and aircraft leases, which have comparatively high yields, while most recently, the growth of businesses (non-asset earnings), mainly BPO services, has also been contributing.

From a cost perspective, funding costs remained largely flat through FY3/23. This trend, despite growth in total funding value, is driven by a decline in interest on funding due to the effects of low interest rate policies. However, in FY3/24 interest on funding grew significantly, mainly due to an increase in funds in foreign currencies resulting from growth in overseas transactions, and in FY3/25 funding costs increasing significantly for the second consecutive year as domestic interest rates rose. On the other hand, the Company keeps personnel/equipment expenses at a certain level and has low bad debts-related costs, demonstrating the Company's strength in low-cost operations. As a result, ordinary profit for FY3/25 reached an all-time high for the eighth consecutive year.

Interest-bearing debt has increased alongside the accumulation of operating assets, but in FY3/25, the equity ratio was secured at a level of over 13%. The Company's range does not compare unfavorably to other companies in the leasing industry, which possesses large amounts of highly liquid operating assets, and should not spark concerns about stability of the Company's financial base.

In addition, ROE, which shows capital efficiency, has been increasing alongside the rise in the profit level, and has remained at around 10% since FY3/21.



Note: ROA is calculated as ordinary profit (annualized) ÷ operating assets (average balance).

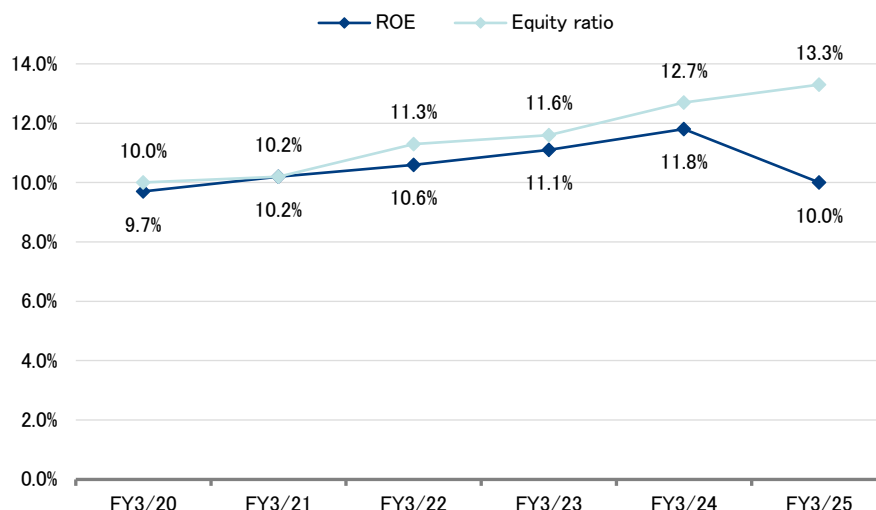
Source: Prepared by FISCO from the Company's results briefing materials

Fuyo General Lease Co., Ltd.
8424 Tokyo Stock Exchange Prime Market

12-Feb.-2026
<https://www.fgl.co.jp/eng/ir/>

Financial results

Trend in equity ratio and ROE



Note: FY3/20 reflects the values determined through accounting treatment for business combination.
Source: Prepared by FISCO from the Company's financial results

3. Overview of 1H FY3/26 results

In the 1H FY3/26 results, there was a significant downturn due to recording overseas renewable energy-related loss, with operating profit decreasing 89.0% YoY to ¥3.6bn, ordinary profit falling 82.7% to ¥5.9bn, and profit attributable to owners of parent declining 79.7% to ¥4.6bn. Furthermore, profit before interest expenses, which is a performance indicator of the Company's main business, also fell 26.8% to ¥53.4bn.

However, if the temporary loss is excluded, profit before interest expenses rose 9.0% YoY to ¥79.6bn, operating profit decreased 0.6% to ¥32.1bn, ordinary profit increased 0.6% to ¥34.5bn, and profit attributable to owners of parent grew 6.1% to ¥24.2bn. Growth in profit before interest expenses therefore offset increases in various costs, and ordinary profit remained at around the same level YoY.

Looking at ordinary profit by business field, there was a significant downturn in energy & environment due to recording overseas renewable energy-related loss (approximately ¥28.6bn)*, but there was steady growth in mobility/logistics, while BPO/ICT, healthcare, and aircraft also performed well overall.

* This loss was caused by development delays occurring due to a lack of funds in some renewable energy projects in which the Company is involved in Europe. After examining the possibility of recovering debt related to the projects involving the alliance partner leading the initiative, the Company mostly recorded it as a loss of around ¥28.6bn, excluding the portion that may be recovered through sales to third parties and other measures.

Looking at expenses, meanwhile, interest expenses went up due to a higher funding balance associated with an increase in operating assets and a rise in interest on funding. Furthermore, personnel expenses rose in conjunction with the Group's expansion, and renewable energy-related bad debts-related costs were another factor squeezing profits.*

* However, if renewable energy-related debts are excluded, bad debts-related costs remained at a low level.

Fuyo General Lease Co., Ltd. | **12-Feb.-2026**
8424 Tokyo Stock Exchange Prime Market | <https://www.fgl.co.jp/eng/ir/>

Financial results

Newly executed contract volume increased 20.1% YoY to ¥1,011.1bn. There was a large increase in medical and nursing care fee factoring through Accretive, while real estate also grew steadily. Although the impact of the stronger yen (exchange rate) and renewable energy-related loss were negative factors, operating assets recorded a steady increase mainly in mobility/logistics (domestic and overseas), which is positioned as a growth driver, up 0.4% from the end of FY3/25 to ¥3,085.1bn.

There were no significant changes in financial condition. Total assets rose 1.9% from the end of the previous fiscal year to ¥3,633.3bn, while equity fell slightly by 2.3% to ¥464.2bn. The equity ratio therefore decreased somewhat to 12.8% (from 13.3% at the end of the previous fiscal year). Also, interest-bearing debt (excluding lease obligations) increased 2.9% from the end of the previous fiscal year to ¥2,890.0bn due to the accumulation of operating assets. However, the long-term procurement ratio* was maintained at 72.0% (compared to 70.6% at the end of the previous fiscal year), and the Company has maintained a stable balance between short- and long-term debt.

* The long-term procurement ratio represents the ratio of long-term interest-bearing debt (corporate bonds + long-term borrowings + long-term payables under securitization of lease receivables) to interest-bearing debt.

Overview of 1H FY3/26 results

	1H FY3/25		1H FY3/26		YoY	
	Results	% of sales	Results	% of sales	Amount	%
Profit before interest expenses	73.0		53.4		-19.5	-26.8%
Lease	42.1		45.4		3.3	7.8%
Installment sales	0.6		0.6		0.0	0.0%
Financing	17.1		-5.7		-22.8	-133.3%
Other	13.2		13.0		-0.2	-1.5%
Interest expenses	13.7		17.6		3.9	28.5%
Gross profit	59.2		35.9		-23.4	-39.5%
SG&A expenses	26.9		32.3		5.3	20.0%
Operating profit	32.3		3.6		-28.7	-89.0%
Ordinary profit	34.3		5.9		-28.4	82.7%
Profit attributable to owners of parent	22.8		4.6		-18.2	-79.7%
Newly executed contract volume	842.0		1,011.1		169.1	20.1%
Financing & Lease	150.1	17.8%	131.4	13.0%	-18.7	-12.4%
Operating & Lease	97.5	11.6%	84.8	8.4%	-12.7	-13.0%
Installment sales	17.3	2.1%	13.8	1.3%	-3.6	-20.6%
Financing & Other	577.2	68.5%	781.1	77.3%	204.0	35.3%
	FY3/25		1H FY3/26		YoY change	
	Results	% of sales	Results	% of sales	Amount	%
Operating assets	3,072.1		3,085.1		13.0	0.4%
Financing & Lease	851.5	27.7%	848.2	27.5%	-3.2	-0.4%
Operating & Lease	1,024.6	33.4%	1,004.6	32.6%	-20.0	-2.0%
Installment sales	53.6	1.7%	55.0	1.8%	1.4	2.7%
Financing & Other	1,142.5	37.2%	1,177.3	38.2%	34.8	3.0%

Source: Prepared by FISCO from the Company's financial results and results briefing materials

Solid progress on development by business field, driven by growth areas

4. Business performance and activities by business field

(1) Mobility/logistics (RT field)

As of the end of September 2025, the balance of operating assets was ¥249.3bn (up ¥18.2bn from the end of FY3/25), ROA was 5.8% (4.0% in 1H FY3/25), and ordinary profit was ¥7.0bn (up ¥3.1bn YoY). Profit increased due to enhancement of the earnings base in conjunction with the Group's expansion^{*1}, and accumulation of operating assets also progressed steadily. Meanwhile, the EV/FCV ratio among newly contracted vehicles,^{*2} which is set as a non-financial target, was 2.2%. In terms of activities, the Company strengthened its collaboration with Wako Pallet and Japan Pallet Rental, which are new additions to the Group, and steadily expanded its business foundation in the domestic logistics domain^{*3} by teaming with alliance partners, as well as pursuing diversification^{*4} of business opportunities by expanding its strategic domains overseas.

^{*1} The Company made Wako Pallet, which sells and rents logistics equipment, a consolidated subsidiary (announced in March 2025), and made Japan Pallet Rental, which provides pallet rental services, an equity-method affiliate (announced in April 2025), which contributed to earnings growth.

^{*2} In light of the modest adoption ratio of EVs in Japan, the target was changed to this from the initial EV/FCV ownership ratio.

^{*3} The Company aims to provide optimal and sustainable solutions for the adoption, ownership, and sharing of logistics equipment and materials, and to support new logistics infrastructure.

^{*4} In May 2025, the Company made MATEHAN SIAM LAMBDA CO., LTD., a Thai forklift sales and rental company, a consolidated subsidiary, and in September 2025, it acquired 50% ownership of a North American freight car leasing company owned by the Sojitz Group.

(2) Energy & environment (AT field)

As of the end of September 2025, the balance of operating assets decreased to ¥198.3bn (down ¥19.3bn from the end of FY3/25), and an ordinary loss of ¥27.9bn (profit of ¥1.4bn in 1H FY3/25) was recorded. The reason for the ordinary loss was the recording of temporary overseas renewable energy-related loss (approximately ¥28.6bn), and operating assets also decreased by a corresponding amount. However, renewable energy power output, which is a non-financial target, is progressing steadily toward the goal of 1,000 MW. In terms of activities, the Company made concrete progress* in initiatives aimed at entering new domains (e.g., energy storage) in order to restructure its business portfolio following the recent overseas renewable energy loss.

* Started providing DER aggregation services using Tesla's Powerwall storage battery, started commercial operation of a grid-scale storage system, Shinkawa Energy Storage System, started initiatives in the renewable energy with integrated storage battery business, etc.

(3) BPO/ICT (AT field)

At the end of September 2025, the balance of operating assets was ¥63.5bn (up ¥7.7bn from the end of FY3/25), ROA was 3.1% (3.0% in 1H FY3/25), and ordinary profit was ¥2.2bn (same as 1H FY3/25). Accumulation of operating assets progressed, focusing on increased PC rental in the ICT domain and the data center field. However, while profit before interest expenses grew steadily, ordinary profit remained flat due to increased costs such as personnel and equipment expenses. Meanwhile, steady progress was made toward the non-financial target of "Work hours saved by customers (compared to FY3/22)." Furthermore, in terms of activities, the Company pursued organizational restructuring in the BPO business domain* and started handling AI-powered cloud contract management systems.

* As a first step, it consolidated operation, management, and corporate tasks for both Invoice and FOC into one intermediate holding company. It aims to improve operational efficiency, etc. through business collaboration (e.g., referring customers to each other) and consolidation of corporate divisions.

Financial results

(4) Healthcare (AT field)

At the end of September 2025, the balance of operating assets was ¥94.5bn (same as the end of FY3/25), ROA was 2.8% (versus 1.7% in 1H FY3/25), and ordinary profit was ¥1.3bn (up ¥0.6bn YoY). Profit increased due to basic earnings growth as well as recording a temporary gain on sale of property. Furthermore, while the balance of operating assets remained flat, medical and care fee credit factoring grew steadily through Accretive, which contributed to earnings growth. In healthcare facilities, the number of new rooms provided in nursing care facilities for the elderly, which is one of the Company's non-financial targets, increased to 1,207 (up 196 from the end of FY3/25), and the Company worked to expand its business areas, including developing services* in non-financial areas by making CB Holdings Inc. a consolidated subsidiary.

* Provides highly specialized management solution services (management support, succession support, etc.) specialized in the medical, nursing care, and welfare industries. It is expanding its project pipeline through collaboration with regional financial institutions, including The Shizuoka Bank, Ltd. and Ogaki Kyoritsu Bank, Ltd.

(5) Real estate (GP field)

At the end of September 2025, the balance of operating assets was ¥1,136.2bn (up ¥28.5bn from the end of FY3/25), ROA was 2.0% (versus 2.3% in 1H FY3/25), and ordinary profit was ¥11.4bn (down ¥1.1bn YoY). While the Company accumulated operating assets as it continued with asset controls with awareness of profitability and a balanced portfolio, profits decreased due to increases in funding costs and the like. However, it seems that the Company expects to record a considerable gain on sale in 2H. In terms of activities, it invested in Japan's first social impact real estate fund, QOL Fund*. Furthermore, its overseas real estate initiatives included enhancing collaboration with alliance partners in Asia and Australia, along with the US and Europe.

* A fund that will contribute to the creation and visualization of social impact as part of CSV practices.

(6) Aircraft (GP field)

At the end of September 2025, the balance of operating assets was ¥358.4bn (down ¥37.0bn from the end of FY3/25), ROA was 3.6% (3.1% in 1H FY3/25), and ordinary profit was ¥6.8bn (up ¥1.4bn YoY). Profit increased due to recording gain on sale of aircraft and progress in collecting lease fees from non-regular clients. On the other hand, operating assets decreased due to factors such as the impact of the stronger yen (exchange rate). In 1H, the Company balanced gain on sale of aircraft with accumulation of new aircraft, but in 2H, due to moving forward with accumulation of new aircraft, it expects that the number of aircraft at the end of the fiscal year will increase. In terms of activities, the Company established a dedicated aircraft sales division through organizational restructuring in April 2025, strengthening its sales functions with the aim of pursuing turnover-oriented business.

Fuyo General Lease Co., Ltd. | **12-Feb.-2026**
8424 Tokyo Stock Exchange Prime Market | <https://www.fgl.co.jp/eng/ir/>

Financial results

Results by business field (financial/non-financial)

	1H FY3/25 Results	1H FY3/26 Results	Change
(¥bn)			
Mobility/logistics			
Ordinary profit	4.0	7.0	3.1
ROA	4.0%	5.8%	1.8pp
Operating assets	231.1* ¹	249.3	18.2
EV/FCV ratio for newly contracted vehicles (after revision)	-* ²	2.2%	-
Energy & environment			
Ordinary profit	1.4	-27.9	-29.3
ROA	1.4%	-	-
Operating assets	217.6* ¹	198.3	-19.3
Renewable energy power output (including projects in development)	876 MW* ² (1,084 MW)* ²	952 MW (1,226 MW)	76 MW (142 MW)
BPO/ICT			
Ordinary profit	2.2	2.2	0.1
ROA	3.0%	3.1%	0.1pp
Operating assets	55.8* ¹	63.5	7.7
Work hours saved by customers (compared to FY3/22)	+810,000 hours* ²	+960,000 hours	+150,000 hours
Healthcare			
Ordinary profit	0.7	1.3	0.6
ROA	1.7%	2.8%	1.1pp
Operating assets	94.5* ¹	94.5	0.0
Nursing care facilities for the elderly (number of new rooms provided)	1,011* ²	1,207	196
Management support financing for the medical and social-welfare market	45.6* ²	51.3	5.7
Real estate			
Ordinary profit	12.5	11.4	-1.1
ROA	2.3%	2.0%	-0.3pp
Operating assets	1,107.7* ¹	1,136.2	28.5
Aircraft			
Ordinary profit	5.4	6.8	1.4
ROA	3.1%	3.6%	0.4pp
Operating assets	395.4* ¹	354.8	-37.0
Self-owned aircraft	66* ²	67	1
Other aircraft (management aircraft, etc.)	57* ²	56	-1

*1 Figure at end of FY3/25

*2 FY3/25 figure

Source: Prepared by FISCO from the Company's results briefing materials

5. Summary of 1H FY3/26

To summarize 1H FY3/26, the recorded overseas renewable energy-related loss was of course the biggest issue. Of particular concern are questions such as “what was the fundamental cause?” and “are there any further risks that will manifest in the future?” The Company has identified the following structural issues: 1) as projects were in the development phase, selling was difficult when risks manifested, and 2) while the projects in which the Company had invested funds were dispersed, there was a degree of concentration among the alliance partners leading the projects. On the other hand, for its current overseas energy assets, the Company’s view is that risks which could manifest in the future are limited because: 1) there are few projects that are already in the development phase, 2) the projects under construction are mainly for solar power, which is relatively low-risk, and 3) the projects are mainly in Europe, where the institutional foundation is stable and the business environment is predictable. In any event, there is no change in the Company’s approach to initiatives in the renewable energy field, so going forward, it may be said that the challenge will be to improve the precision of risk management and determine how to rebuild renewable energy into a reliable growth business. Meanwhile, if overseas renewable energy business is excluded, one may judge that mobility/logistics showed steady growth due to active expansion of the domain, while other businesses also performed well overall. That said, there is no denying the sense that profit growth is somewhat slow due to increases in various costs, including higher funding costs associated with rising domestic interest rates. Future points of interest for 2H and beyond which have the potential to increase profit include: how will the Company proceed with price pass-through to offset various cost increases (especially rising interest rates)? How will it create higher added value and increase non-asset earnings? How does it intend to recover lost ground in areas such as BPO/ICT where the slow rate of progress is a concern? Meanwhile, in terms of activities, the Company continued to make progress with future-oriented activities on all fronts through collaboration with highly specialized partner companies (including overseas), intra-Group cooperation, and other means.

■ Business outlook

Downwardly revised FY3/26 forecasts and expects profit to decrease for each profit line

1. FY3/26 forecasts

For the FY3/26 consolidated results, the Company downwardly revised its initial forecasts due to factors such as recording renewable energy-related loss. It forecasts a decrease in profit for each profit line, with operating profit falling 47.5% YoY to ¥34.0bn (downward revision of ¥32.0bn), ordinary profit declining 45.0% to ¥38.0bn (downward revision of ¥32.0bn), and profit attributable to owners of parent dropping 62.5% to ¥17.0bn (downward revision of ¥29.0bn).

The reasons for revising the amounts downward included the renewable energy-related loss (approximately ¥28.6bn) already recorded in the 1H results, as well as conservatively factoring in risks such as the worsening renewable energy business environment in the US.

Other than the above two factors, there were no major revisions to the initial forecast’s assumptions. Although the Company anticipates impacts from rising domestic interest rates, it plans to accumulate assets, centered on growth areas. Furthermore, it also intends to focus on healthcare, where signs of recovery have been observed, and making up ground in BPO/ICT (expanding non-asset earnings), where demand is growing.

Business outlook

FY3/26 forecasts

(¥bn)

	FY3/25 Results	FY3/26		YoY change	
		Initial forecast	Revised forecast	Amount	%
Operating profit	64.8	66.0	34.0	-30.8	-47.5%
Ordinary profit	69.0	70.0	38.0	-31.0	-45.0%
Profit attributable to owners of parent	45.3	46.0	17.0	-28.3	-62.5%

Source: Prepared by FISCO from the Company's financial results

2. FISCO's view

To achieve the forecasts, ordinary profit of ¥32.1bn is required in 2H. While it is necessary to continue monitoring the external environment, whose outlook is shrouded in uncertainty (e.g., the unstable international situation, the US tariff issue, rising domestic interest rates, exchange rate fluctuations), we at FISCO deem that the assumptions behind the Company's forecasts are thoroughly reasonable. This is because: 1) the temporary loss that held back the 1H results has already been recorded, 2) risks such as the worsening renewable energy business environment in the US have been conservatively factored in, 3) excluding overseas renewable energy, each business performed well overall, and 4) increases associated with further strategic developments (e.g., teaming with alliance partners, creating intra-Group synergies) may be expected. One area to pay attention to is how the Company will strengthen its earnings base ahead of the next fiscal year (FY3/27), which is the final year of the medium-term management plan. Recently, increased funding costs associated with rising domestic interest rates and various other cost increases are factors that have been curtailing earnings growth. It will therefore be necessary to monitor increases in the Company's operating assets as well as how it absorbs the increased costs (especially rising interest rates). Of particular interest is the question of how expansion of the business base in the logistics domain (provision of logistics solutions, etc.), restructuring of the Group in the BPO/ICT area, and Group collaboration in the healthcare area (strengthening of non-financial areas) will create higher added value and realize cost efficiencies.

Growth strategy

Aims at achieving sustainable growth by “resolving social issues” while at the same time delivering “economic value”

1. Direction of the medium-term management plan

The five-year medium-term management plan, which was started in FY3/23, has entered its fourth year. Recent results have dipped due to recording renewable energy-related loss, but if the temporary loss is excluded, the Company progressed well overall and has not made major changes to the direction of its strategy or numerical targets. With Fuyo Shared Value 2026 as its vision, its policy is to aim for sustainable growth by solving societal problems at the same time as realizing economic value through the growth of people and dialogues, while the plan also sets both financial and non-financial targets.

Growth strategy

(1) Growth drivers

As the axes for the strategic fields (and new domains) up to the present time, the growth drivers have been categorized into three types; 1) the RT field that is aiming for strategic growth enabled by capturing tectonic social changes, 2) the AT field that is aiming for accelerating growth based on an understanding of market trends, and 3) the GP field that is aiming for the stable growth of the core fields. Then, the strategy is to improve profitability through concentrated investment of management resources into the RT and AT fields where market expansion and creation are expected and also through differentiation in the GP field. It has positioned mobility/logistics and circular economy in the RT field; energy & environment, BPO/ICT, and healthcare in the AT field; and real estate and aircraft in the GP field.

(2) Image of the allocation of resources and the earnings portfolio

The Company is concentrating investment into the RT and AT fields, which are growth areas, and it will improve ROA at the same time as accumulating operating assets. In the GP field, which is a core field, its policy is to improve profitability that will lead to the improvement of ROA as a whole. The Company is targeting ordinary profit of ¥75.0bn in the final year of the plan. The percentage contribution from the RT field is expected to increase significantly from 6% to 13% and from the AT field from 13% to 20%, while the GP field is projected to grow modestly from 41% to 44%. Conversely, the conventional general leasing and financing field will decline greatly, from 40% to 23%, and clearly there is a trend in progress of moving away from traditional leasing and financing services.

(3) Management targets

As the business strategy's results targets through the three growth drivers, the Company has set both financial targets and non-financial targets and is aiming to simultaneously realize "corporate value" and "social value." The financial targets are ordinary profit of ¥75.0bn, ROA of 2.5%, an equity ratio of 13% to 15%, and ROE of at least 10%. It will therefore further improve profitability while maintaining a balance with a certain level of financial discipline and capital efficiency. Conversely, it has set the non-financial targets to be tackled from three perspectives—1) the environment, 2) society and people, and 3) human resources investment—and its policy is for the Company itself to sustainably improve its enterprise value through "resolving social issues," such as by realizing a decarbonized society and a recycling-based society. Also, for measures to address climate change, it continues to work on achieving carbon neutrality and RE 100* toward the 2030 targets.

* An international consortium of companies that aim to procure 100% of the energy used in their operations from renewable energy

Fuyo General Lease Co., Ltd.
8424 Tokyo Stock Exchange Prime Market

12-Feb.-2026
<https://www.fgl.co.jp/eng/ir/>

Growth strategy

2. The basic strategies and targets in each business field

(1) Mobility/logistics (RT field)

On the one hand, there is an increasing focus on EVs and FCVs aimed at realizing carbon neutrality (although the domestic EV adoption rate remains modest), but on the other hand, in the logistics industry environment, social issues are becoming increasingly severe, such as the shortage of drivers and long working hours. Based on this situation, the Company's strategy is to develop both domestically and overseas one-stop services centered on partner collaborations, mainly in the vehicle and logistics areas. In the vehicle area, it plans to build new business models, such as an EV one-stop service*¹, and to expand the non-asset business, focused on fleet BPO*². In the logistics area, it is creating collaborative projects through its collaboration with the YAMATO Group, strengthening the global mobility business through collaborations with overseas Group companies, as well as advancing collaborations with Wako Pallet and Japan Pallet Rental, which newly joined the Group, as it aims to establish a platform to provide one-stop service in the logistics domain, from asset service to DX. The financial targets are ordinary profit of ¥10.0bn (up ¥6.7bn from FY3/22) and ROA of 3.7% (up 1.8 percentage points (pp)). The Company has set an EV/FCV ratio for newly contracted vehicles of 5% as a non-financial target.

*¹ Through collaborations with partner companies, it will provide a one-stop service, from EV introduction review and consulting through to charger installation consulting and construction, financing and vehicle management, and energy management. This service is also highly compatible with energy & environment, which is one of the Company's strengths.

*² Support for improving business efficiency, such as labor saving, through telematics services and optimization consulting for the vehicle mobilization rate

(2) Circular economy (RT field)

The circular economy is an economic system that aims to conserve and maintain the value of products and resources for as long as possible and to minimize waste. The Company is progressing advanced measures for markets that are expected to grow, and its strategy is to aim to build a sophisticated circular economy platform. At the current time it has not set any financial targets, but its non-financial targets (unchanged) are 1) a returned equipment reuse and recycling rate of 100% (same as in FY3/22) and 2) a waste plastic materials/chemicals recycling rate of 100% (up 100pp).

(3) Energy & environment (AT field)

The Company's strategy is to expand the renewable energy business on a global scale and to establish a new business in the secondary energy field. Renewable energy is not limited in terms of energy type or initiative form, and domestically and overseas the business scale will grow to three times its former scale. At the same time, given the recent overseas renewable energy-related loss, it intends to pursue enhancement of its management system while rebuilding the renewable energy domain into a reliable growth business. It will also accelerate joint investments with partner companies (major energy businesses, etc.) and continue to focus on the PPA business as a tool for customers' decarbonization. For secondary energy, it continues to work on measures for the LCM business (primary use → recycling of reuse, etc.) in the storage battery field and also with a view to participating in the power demand-supply adjustment market* that is steadily growing. The financial targets are ordinary profit of ¥5.0bn (up ¥3.4bn from FY3/22) and ROA of 2.0% (up 0.2pp). The non-financial targets are: 1) a renewable energy power generation capacity of 1,000 MW (up 682 MW), and 2) investment in decarbonization of ¥300.0bn (five-year cumulative total).

* The domestic market for power demand and supply adjustments was launched in April 2021. It is a framework designed to facilitate the trading of electric power needed to adjust the supply and demand of electricity at power plants and other facilities (adjustment capacity) in a nationwide integrated market.

Growth strategy

(4) BPO/ICT (AT field)

Against the backdrop of the labor shortage that is becoming increasingly serious and the workstyle reforms, measures to improve productivity, including DX and reviews of non-core operations, are accelerating. In this situation, the Company's strategy is to aim to provide BPS (business process services) that support customers in realizing their business reforms from both the aspects of operations and systems. Specifically, through a synergistic collaboration between BPO (business consulting + solutions) and ICT (systems consulting + IT solutions), it is providing total solutions through work outsourcing and DX. The financial targets are ordinary profit of ¥7.5bn (up ¥4.1bn from FY3/22) and ROA of 5.1% (up 3.6pp), while the non-financial target is to reduce customers' work hours by 1 million hours.

(5) Healthcare (AT field)

In addition to management issues such as the decrease in medical revenue, the labor shortage, and the lack of successors, needs for medical and social welfare are expected to further increase and become more sophisticated due to the 2025 problem*. In this situation, the Company's strategy is to maximize the value of businesses' management resources in the healthcare markets, including for medical, nursing care, and dispensing pharmacy businesses, by continuing to provide one-stop services based on the Fuyo Lease Platform Concept. The financial targets are ordinary profit of ¥2.5bn (up ¥0.7bn compared to FY3/22) and ROA of 2.1% (up 0.1pp), while the non-financial targets are: 1) 1,330 rooms in nursing care facilities for the elderly, and 2) financing of ¥56.0bn to support management in the medical and social welfare markets (up ¥32.7bn).

* Japan has become a "super-aging society" and its social structure and systems are approaching a major turning point that is expected to have an impact on various fields, including employment, medical care, and welfare.

(6) Real estate (GP field)

The Company's strategy focuses on enhancing sophistication and differentiation, aiming for stable profit growth through improved profitability. Against the backdrop of a robust real estate market, particularly in metropolitan areas, it plans to strengthen profitability and expand the business by reinforcing collaboration with partners and deepening business domains. Moreover, toward the realization of a decarbonized society, it is progressing measures targeting environmentally friendly real estate*. The financial targets are ordinary profit of ¥24.0bn (up ¥3.7bn from FY3/22) and ROA of 2.3% (unchanged YoY). No non-financial targets have been set.

* Green buildings, such as buildings with CASBEE evaluation certification or with environment-friendly facilities installed (energy saving, solar panels, etc.).

(7) Aircraft (GP field)

It is anticipated that the business environment will gradually recover, and based on this, the Company is aiming to steadily grow profits through escaping from the effects of the COVID-19 pandemic and progressing the asset turnover-type business. At the same time, it plans to convert from a business model that assumes long-term holdings of aircraft to an asset turnover-type business model of flexibly selling aircraft based on the market environment and other factors. Conversely, it plans to enhance the earnings structure by accumulating excellent assets through strengthening competitiveness. It is also progressing measures for new technological fields that will contribute to "resolving social issues," such as sustainable aircraft fuel (SAF). Its financial targets are ordinary profit of ¥9.0bn (up ¥7.5bn from FY3/22) and ROA of 2.4% (up 1.7pp). No non-financial targets have been set.

Fuyo General Lease Co., Ltd.
8424 Tokyo Stock Exchange Prime Market

12-Feb.-2026
<https://www.fgl.co.jp/eng/ir/>

Growth strategy

Focusing on turning resolving social issues into earnings opportunities and KPI progress

3. Primary medium- to long-term focuses

FISCO thinks that as the business environment continues to undergo significant change, it is very practical and sensible for the Company to aim to create new value through alliances with partner companies in high-growth fields that are also highly compatible with domains in which the Company has built up its business over the years. In particular, one key point will be how the Company links its initiatives aimed at “resolving social issues,” including tackling climate change in which it has been the industry leader, to growth opportunities. The medium-term management plan will reach its final year in the next fiscal year (FY3/27). Although progress varies slightly between businesses, we at FISCO will continue to focus on the process of how the Company will strengthen its growth drivers, which are the RT (mobility/logistics) and AT (energy & environment, BPO/ICT, healthcare) fields, in order to evolve its desired earnings portfolio. It will be necessary to monitor their respective progress with a view to determining the focus for the next medium-term management plan. In addition, FISCO believes that improving ROA will continue to be the key to increasing return on equity (ROE), which is an important factor in improving corporate value (improving PBR), and also believe that what kind of impact the expansion of new fields and strengthening non-asset earnings will have on future profit growth and ROA will be important factors in predicting the future. Also, with respect to initiatives for “resolving social issues,” we at FISCO will follow the progress on KPI set as non-financial targets, and also pay close attention from a medium- to long-term perspective on the path the Company takes in terms of how it will link those KPI to creating new markets, strengthening competitiveness, and building new business models and other initiatives, and thereby connect to economic value (profit growth, etc.).

Shareholder return policy

Executed a stock split (1:3) on April 1, 2025. Plans to continue to raise the dividend for FY3/26

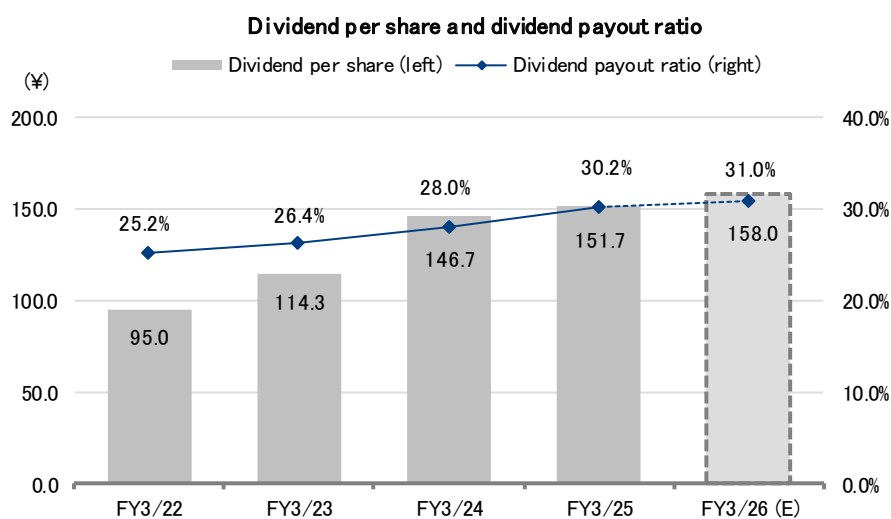
The Company follows a fundamental policy of striving to return profits to shareholders by reinforcing shareholders' equity and continuing long-term, stable dividends to ensure a solid business foundation and robust financial position, considering its profits and business goals. Supported by strong profits, the Company has been continuously increasing its dividend since its shares were listed in 2004.

For FY3/26, the Company expects to increase the dividend by ¥6.3* YoY to ¥158 per share (interim dividend of ¥79 already paid; fiscal year-end dividend of ¥79). Despite the downward revision of the forecasts, the Company still expects to increase the dividend, most likely because the loss was temporary and it wants to show a shareholder-oriented approach. Going forward, it plans to pursue stable earnings growth while enhancing returns to shareholders with the newly set dividend payout ratio target (32% or more) in mind.

* Figures retroactively revised to account for the impact of the stock split (1:3) the Company conducted with an effective date of April 1, 2025.

Fuyo General Lease Co., Ltd. | 12-Feb.-2026
 8424 Tokyo Stock Exchange Prime Market | <https://www.fgl.co.jp/eng/ir/>

Shareholder return policy



Source: Prepared by FISCO from the Company's financial results

Disclaimer

FISCO Ltd. ("FISCO") offers stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Exchange, and Nikkei Inc.

This report is provided solely for the purpose of offering information and is not a solicitation of investment nor any other act or action.

FISCO has prepared and published this report based on information it deems reliable. However, FISCO does not warrant the accuracy, completeness, certainty, nor reliability of the contents of this report or the said information.

The issuers' securities, currencies, commodities, and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs, and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

This report was prepared at the request of the subject company, with information provided by the company through telephone interviews and other means, and with compensation from the company. Hypotheses, conclusions and all other content contained in this report are based on FISCO's analysis. The contents of this report are current as of the date of preparation and are subject to change without notice. FISCO is not obligated to update this report.

The intellectual property rights, including the copyrights to the main text, data, and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers, and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report with an understanding and acceptance of the above points.

■ For inquiries, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: support@fisco.co.jp