COMPANY RESEARCH AND ANALYSIS REPORT

# NEC Capital Solutions Limited

## 8793

Tokyo Stock Exchange Prime Market

2-Sep.-2025

FISCO Ltd. Analyst

**Tomokazu Murase**

FISCO Ltd.

https://www.fisco.co.jp

# Contents

# Summary

## Formed business alliance with SBI Shinsei Bank and others, aiming to enhance corporate value through collaborative initiatives

NEC Capital Solutions Limited <8793> (hereafter, also "the Company") was established for handling sales financing for NEC <6701> that offers leasing, installment and factoring (purchasing sales credits) of information and communications equipment, including NEC products, office equipment, industrial machinery and facilities and other various types of equipment and facilities, as well as lending, and collection agent services. Up until now, it has steadily increased handling of non-ICT products and expanded service areas. Furthermore, it aims to shift to high value-added businesses and pursue diversification with investments and loans, fund formation, and other financial services. In October 2024, the company transitioned from being an NEC affiliate to becoming an affiliate of SBI Shinsei Bank, Limited. Ahead of this change in major shareholders, the company announced a business alliance with SBI Shinsei Bank and Showa Leasing Co., Ltd., and is now working to further expand its business domains.

**1. FY3/25 results**

In the Company's FY3/25 results, revenues were ¥254,879mn (down 0.4% year on year (YoY)), operating income was ¥7,782mn (down 33.5%), ordinary income was ¥9,437mn (down 20.1%), and profit attributable to owners of parent was ¥6,611mn (down 6.0%). The achievement rates versus the initial forecasts were 98.0% for revenues, 64.9% for operating income, 75.5% for ordinary income, and 82.6% for profit attributable to owners of parent, meaning that all metrics fell short of targets. Despite a firm environment in the leasing industry, which supported revenue in the core Leasing Business with revenues essentially flat YoY at ¥229,195mn, and a 0.8% increase in the Investment Business to ¥13,818mn, revenues declined in the Finance Business by 16.5% YoY to ¥7,603mn due to a decline in dividend income, weighed on overall revenues. Revenues in the Other Business also declined 6.7% YoY to ¥4,378mn. On the profit front, several unanticipated factors contributed to the decline, including temporary funding costs and system development expenses associated with the change in major shareholders, a delay in the booking of asset sales in the Investment Business, and an increase in credit costs. Although there were some positive factors such as increased earnings from investment partnerships and equity-method investments, they were not sufficient to offset the negative impact.

### 2. FY3/26 forecasts

For the FY3/26 results, the Company forecasts revenues of ¥295,000mn (up 15.7% YoY), operating income of ¥15,500mn (up 99.2%), ordinary income of ¥16,000mn (up 69.5%), and profit attributable to owners of parent of ¥10,000mn (up 51.2%). FY3/26 marks the final year of Medium-term Plan 2025, and the Company has set a target of ¥10,000mn for profit attributable to owners of parent, in line with the plan's goals. The basic policy is to achieve this target through sustained growth in the Leasing and Finance Businesses and expanded earnings in the Investment Business. The Company also expects further growth through business synergies generated by collaboration with SBI Shinsei Bank. On the revenue side, while continued growth is expected in the Leasing Business, the outlook for the private sector remains uncertain amid domestic interest rate trends, high inflation, and the impact of US tariff policies, making credit management increasingly important. Orders from government offices and local governments are expected to remain firm through continued collaboration with NEC, but for the private sector, the Company plans to proceed cautiously with new orders, taking into account the business conditions of its customers. On the profit side, while higher revenues are expected to lift earnings, the Company also anticipates increased credit costs and the continued burden of system-related expenses that began in FY3/25. Areas of focus include orders for the second phase of the GIGA School Program* in the Leasing Business, collaboration with SBI Shinsei Bank in the Finance Business, and efforts to increase income gains and manage investment risks in the Investment Business.

* An initiative announced by Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT) in December 2019 to provide ICT devices to elementary and junior high school students.

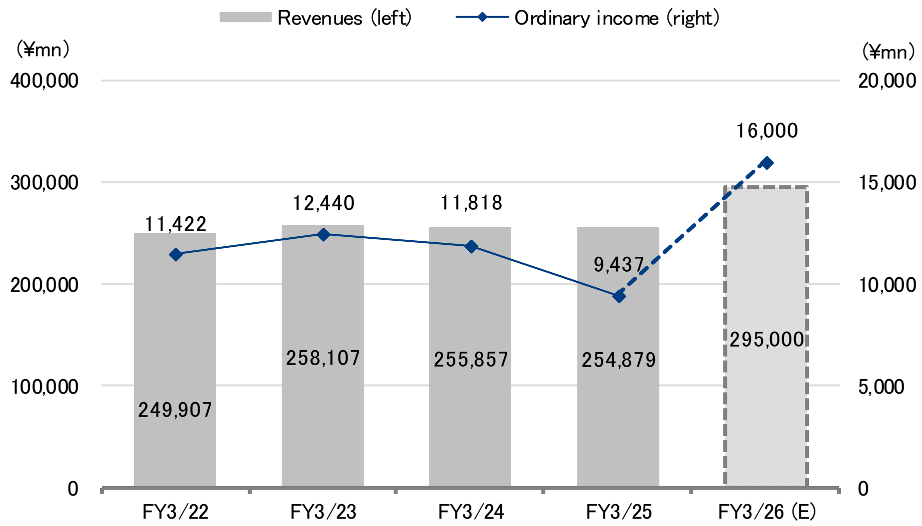
### 3. Changes in major shareholders and business alliance with SBI Shinsei Bank and Showa Leasing

In July 2024, the Company reached a basic agreement on a three-party business alliance with SBI Shinsei Bank and Showa Leasing, and announced that SBI Shinsei Bank would acquire a portion of the Company's shares held by NEC and Sumitomo Mitsui Finance and Leasing Company, Limited. On May 26, 2025, SBI Shinsei Bank announced a tender offer to acquire additional shares, resulting in SBI Shinsei Bank becoming the Company's largest shareholder with a 43.48% voting rights ratio. The Company also entered into a business alliance agreement with NEC, under which it will continue to use the "NEC" trademark and maintain its business partnership. SBI Shinsei Bank intends to treat the Company as an equity-method affiliate and aims to maximize business synergies through a stronger capital and business alliance, foster a sense of unity within the group, and promote mutual understanding through greater personnel exchange. It has been stated by both SBI Shinsei Bank and the Company that the tender offer is not intended to result in the Company's delisting.

**Key Points**

- Continued close collaboration with NEC as a key partner
- FY3/25 results showed declines in both revenue and profit, affected by higher costs associated with the business alliance
- Medium-term Plan 2025 targets profit attributable to owners of parent of ¥10.0bn, ROA of 0.9%, and ROE of 8%
- Transitioned from an NEC affiliate to an SBI Shinsei Bank affiliate with significant growth expected through the business alliance and resulting synergies

Results trends




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

# Company profile

## Provides services that combine finance with the latest information and communications technologies (ICT)

The Company is a partner company of NEC Corporation, which possesses cutting-edge technology such as biometrics and AI. It offers leasing of information and communications equipment, including NEC products centering on ICT (information and communication technology) devices, leasing and installment sales of office equipment, industrial machinery and facilities, other various types of equipment and facilities, factoring (purchasing sales credits), lending, and collection agent services and is expanding its financing services offerings to help companies solve their management issues. In addition to promoting the development of social infrastructure in transactions with government offices and local governments, which has been a strength for many years, the Company has steadily increased handling of non-ICT products and expanded service areas with additions of investments and loans, fund formation, and other services and aims to transition to high value-added business. In addition, in July 2024, the Company reached a basic agreement on a business alliance with SBI Shinsei Bank and Showa Leasing, and following the change in its largest shareholder in October 2024, it became an affiliate of SBI Shinsei Bank and is working to expand its business domains.

It has cultivated three strengths of “strategic relationship with NEC,” “wealth of ICT knowledge,” and “broad range of financial solutions.” The Company strives to create and supply high-value-added services that integrate these elements and pursue initiatives to realize CSV management that targets sustainable growth while enhancing “social value” and generating “economic value.” Through the practice of CSV management, the Company aims to realize a “next-generation circular economy” by providing services that lead to a virtuous cycle of environment and growth. The Company started in 1978 as an entity handling sales financing for NEC products. Since its founding, it has supplied a menu of financing services centered on leases for various kinds of equipment and facilities such as ICT. It was listed on the Tokyo Stock Exchange’s Second Section (TSE-2) Market in 2005 and was transferred to the First Section (TSE-1) Market in 2006. It moved to the new market category known as the Prime Market in April 2022 due to the reevaluation of new market classifications. After broadening the scope of financial solutions, it changed the company name to NEC Capital Solutions Limited in 2008. The Company formed a capital and business alliance with RISA Partners, Inc.* in 2009 and promoted a shift to higher value-added business. It actively diversified business even during economic slowdowns from the global financial crisis and Great East Japan Earthquake.

* Acquired as a wholly owned subsidiary in December 2010.

### History

| Date | History |
|---|---|
| November 1978 | NEC Leasing, Ltd. started operation of finance lease and installment sales transactions primarily of information related equipment (with a capitalization of ¥72mn) |
| March 1979 | Joined the Japan Lease Association as an associated member |
| September 1979 | Capital increased to ¥100mn |
| September 1987 | Joined the Japan Lease Association as a regular member |
| April 1989 | Capital increased to ¥400mn |
| March 1996 | Outstanding value of active assets (purchase price basis) surpassed ¥1,000,000mn |
| May 1999 | Capital increased to ¥800mn |
| December 1999 | Obtained “ISO14001” certification, international standard for environmental management systems |
| February 2002 | Changed name to NEC Leasing, Ltd. |
| July 2004 | Capital increased to ¥1,041mn |
| February 2005 | Capital increased to ¥3,776mn<br>Listed in the Second Section of the Tokyo Stock Exchange |
| March 2006 | Listed in the First Section of the Tokyo Stock Exchange<br>Obtained “ISO27001” certification, international standard for Information Security Management Systems (ISMS) |
| October 2007 | Established NL Asset Service, Ltd. |
| April 2008 | Established Reboot Technology Services |
| November 2008 | Changed name to NEC Capital Solutions Limited |
| December 2010 | Acquired RISA Partners Inc. |
| April 2012 | Changed the name of Asset Service, Ltd. to Capitech Limited<br>Established Innovative Venture Fund Investment Limited Partnership |
| October 2015 | Reboot Technology Services merged Capitech Limited and changed the name to Reboot Technology Services and Capitech Limited |
| September 2018 | Obtained “ISO9001” certification, international standard for Quality Management System (Government, Public and Social System Sales Division) |
| April 2020 | Obtained Privacy Mark certification |
| November 2020 | Made NEC Financial Services, LLC, of the US a consolidated subsidiary |
| April 2022 | Moved to the TSE Prime Market in conjunction with the Tokyo Stock Exchange’s revision of its market classifications |
| July 2024 | Established NCS RE Capital Limited |
| October 2024 | Transferred to an equity-method affiliate of SBI Shinsei Bank, Limited |

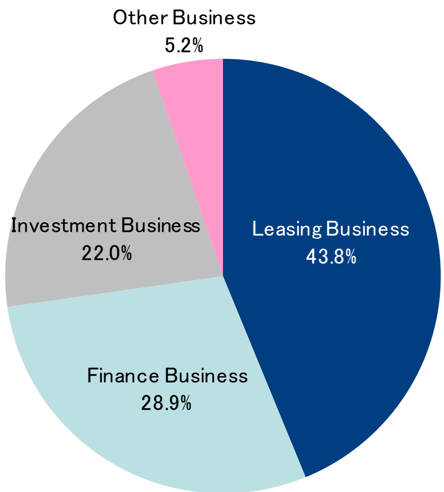
Source: Prepared by FISCO from the Company’s website

# Business overview

## Provides services integrating ICT equipment and financial solutions

The Company provides a broad range of financial solutions from leases to corporate loans, securitization, and fund formation and equity investments. The Company has grown while closely collaborating with NEC due to its history of being established to handle sales financing services for NEC products. In the case of transactions with government offices and local governments, which accounts for approximately 62% of the total contract value by industry in the Leasing Business (based on FY3/25 results), NEC and other vendors deliver solutions that utilize ICT technology to improve business efficiency and enhance the quality of public services. The Company supports these solutions financially with contract formats tailored to single fiscal-year budgets of government offices and local governments. It has transactions with government offices and local governments, and these are key components of the customer base as seen in its roughly 30 sites around the country and registration as a designated bidder with about 1,800 local entities. The Company has accumulated knowhow on the work process and other characteristics of government offices and local governments through experience in transactions over many years, and it is leveraging those strengths in the PFI and PPP (formats for private-sector participation in provision of public services) business. In contracts executed by product type in the Leasing Business in FY3/25, ICT equipment accounted for approximately 84%, reflecting the Company's strength in ICT equipment due to its history of having grown alongside NEC. The Company has assembled operations that meet a variety of customer requests, including provision of services that integrate its experience with ICT transactions over many years and financial services such as PIT Managed Service that provides from deployment to management and operation of ICT equipment utilizing a service-fee payment format. The composition of operating income (based on FY3/25 results) will be 43.8% from the Leasing Business, 28.9% from the Finance Business, 22.0% from the Investment Business and 5.2% from Other Business.

Operating income by business segment
(FY3/25)




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

**(1) Leasing Business**

Leasing, rental and installment sales of information and office equipment, industrial and civil engineering and construction equipment, and other equipment. Handles buying/selling of goods, property sales related to leasing contract completion and early terminations, leased equipment maintenance services and others.

**(2) Finance Business**

Finance Business handles money lending business, factoring business, and investment business for securities held for trading purposes. It loans funds to established specific purpose companies (SPC), and it also provides funds in the form of investing in SPCs.

**(3) Investment Business**

Invests in venture companies, etc. with the objective of receiving gains from the sale of securities. Subsidiary RISA Partners will develop business in corporate investment, credit investment, real estate, financial services and the advisory business.

**(4) Other Business**

The businesses in the fields of energy and healthcare. It also promotes PFI and PPP business with support from the customer base of government offices and local governments. It mainly participates in projects in forms such as constructing structures optimized for businesses, supporting fund raising with low interest rates, and preparing proposals for government offices and local governments.

# Strength

## Strategic relationship with NEC. Future collaboration with the SBI Group also in view

The Company provides services that combine its three strengths, which are “strategic relationship with NEC,” “wealth of ICT knowledge,” and “a broad range of financial solutions.” The Company was established for the purpose of providing sales financing for NEC products, and has grown in collaboration with NEC. As an important partner of NEC, it is promoting its business under a new business partnership agreement. Approximately 60% of the Company’s customer base consists of government agencies and local governments, which is one of its characteristics due to its history of growing alongside NEC. The Company has extensive knowledge related to ICT as evidenced by the presence of ICT equipment as 80% or more of executed lease contract value (FY3/25 results; contracts executed by equipment type). It hence goes beyond just leasing to provision of a wide range of service utilizing broad knowhow, including procurement and installation as well as operation and management of ICT equipment. It also delivers services coordinated to LCM (lifecycle management) to meet rising needs because ICT equipment, an area with rapid technology innovation, has a higher frequency of upgrades to the latest model than other equipment. Additionally, it supports one-stop provision of peripheral businesses related to ICT products (above-mentioned PIT Managed Service) via group member Reboot Technology Services and Capitech Limited (CRTS) that handles ICT equipment kitting (set-up work for installing PCs and other products) and sales of ICT-related equipment that has finished the lease period.

Another strength is provision of a broad range of financial solutions. The Company offers financing programs designed from the standpoint of manufacturers and sales companies, such as vendor finance that supports product sales by manufacturers and sales companies offering with financial options including customer payment terms. It is bolstering its service menu as a financial services company engaged in corporate loans, securitization, fund formation, and equity investments. RISA Partners, a professional services company in investments and loans and advisory services, delivers solutions that combine “investments and loans” as capital assistance and “advisory” as advice on financing, real estate, and other matters from an expert perspective. FISCO sees growth opportunities from expansion of business scope considering the different customer bases of RISA Partners, which has a network with regional financial institutions, and the Company, which focuses on government offices and local governments, and corporate clients.

The Company has been involved in the venture fund business since 2012, investing in venture companies. In 2012, it established the Innovative Venture Fund Investment Limited Partnership to invest in venture companies with strengths in technology; in 2016 and 2018, it established the CSV Venture Fund and the CSV Venture Fund 2, respectively, with investments targeting venture companies in the social solutions field. The Company has successfully completed multiple exits via IPO and M&A. Having acquired knowledge and established a solid track record through investments in venture companies, the Company established a new fund in February 2022 called NVC1 fund. It invests in startups in solutions and services whose main focus is to solve social problems, materials and device technologies that contribute toward pioneering new technologies, and new business areas such as digital transformation (DX) and responding to climate change. Details will be discussed later, but in July 2024, the Company entered into a basic agreement on a three-party business alliance with SBI Shinsei Bank and Showa Leasing, and in October 2024, SBI Shinsei Bank became the Company’s largest shareholder. In addition to initiatives with SBI Shinsei Bank and Showa Leasing, collaboration with the broader SBI Group has the potential to become a key strength in the future.

# Results trends

## Although the core leasing business remained firm in FY3/25, revenues declined slightly and profits decreased due to factors including the response to the change in major shareholders

### 1. FY3/25 results

In the Company's FY3/25 results, revenues were ¥254,879mn (down 0.4% YoY), operating income was ¥7,782mn (down 33.5%), ordinary income was ¥9,437mn (down 20.1%), and profit attributable to owners of parent was ¥6,611mn (down 6.0%). The achievement rates versus the initial forecasts were 98.0% for revenues, 64.9% for operating income, 75.5% for ordinary income, and 82.6% for profit attributable to owners of parent, meaning that all metrics fell short of the Company's targets. In terms of the market environment, the volume of lease transactions industry-wide in FY3/25 increased 9.8% YoY to ¥5,084.7bn*, indicating steady growth. Against this favorable backdrop, the core Leasing Business supported revenue with revenues essentially flat YoY at ¥229,195mn, while the Investment Business also contributed, with revenues rising 0.8% YoY to ¥13,818mn. On the other hand, revenues in the Finance Business declined 16.5% YoY to ¥7,603mn, mainly due to a decrease in dividend income, which weighed on overall revenues. Revenues in the Other Business also declined 6.7% YoY to ¥4,378mn. On the profit front, results fell significantly short of initial expectations. The main factor was the incurrence of one-time costs associated with the change in major shareholders. These included funding costs such as arrangement fees incurred as a result of adding SBI Shinsei Bank as a new main bank alongside Sumitomo Mitsui Banking Corporation, as well as system development costs due to the inability to continue using NEC's network infrastructure. Other contributing factors included a delay in the timing of recording asset sales in the Investment Business and an increase in credit costs. None of these were anticipated in the initial forecast, and although there were some positive factors—such as higher earnings from investment partnerships and equity-method investments—they were not sufficient to offset the overall decline in profits.

* From leasing statistics published by the Japan Leasing Association (FY2024)

FY3/25 results

(¥mn)

| | FY3/24 Results | FY3/25 | |
|---|---|---|---|
| | | Results | YoY |
| Revenues | 255,857 | 254,879 | -0.4% |
| Operating income | 11,694 | 7,782 | -33.5% |
| Ordinary income | 11,818 | 9,437 | -20.1% |
| Profit attributable to owners of parent | 7,034 | 6,611 | -6.0% |

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

Earnings by business

(¥mn)

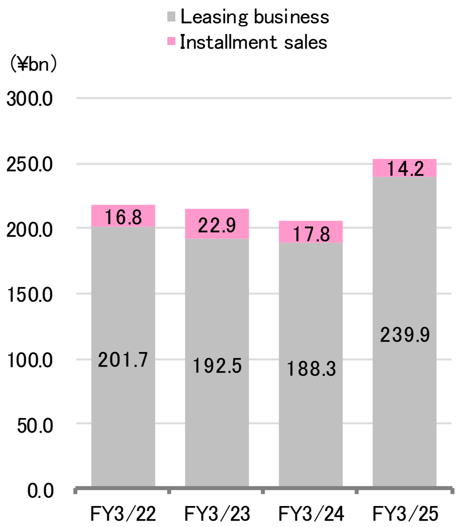
| | | FY3/24 | FY3/25 | YoY |
|---|---|---|---|---|
| Leasing Business | Revenues | 228,437 | 229,195 | 0.3% |
| | Gross profit | 16,521 | 15,995 | -3.2% |
| | Operating income | 5,464 | 4,366 | -20.1% |
| Finance Business | Revenues | 9,110 | 7,603 | -16.5% |
| | Gross profit | 6,517 | 4,785 | -26.6% |
| | Operating income | 3,320 | 2,884 | -13.1% |
| Investment Business | Revenues | 13,705 | 13,818 | 0.8% |
| | Gross profit | 7,527 | 6,915 | -8.1% |
| | Operating income | 4,073 | 2,194 | -46.1% |
| Other Business | Revenues | 4,693 | 4,378 | -6.7% |
| | Gross profit | 2,065 | 2,055 | -0.5% |
| | Operating income | 627 | 523 | -16.5% |
| Total | Revenues | 255,857 | 254,879 | -0.4% |
| | Gross profit | 32,589 | 29,660 | -9.0% |
| | Operating income | 11,694 | 7,782 | -33.5% |

Note: Information on financial results segments excluding adjustment amounts
Source: Prepared by FISCO from the Company's financial results and results briefing material

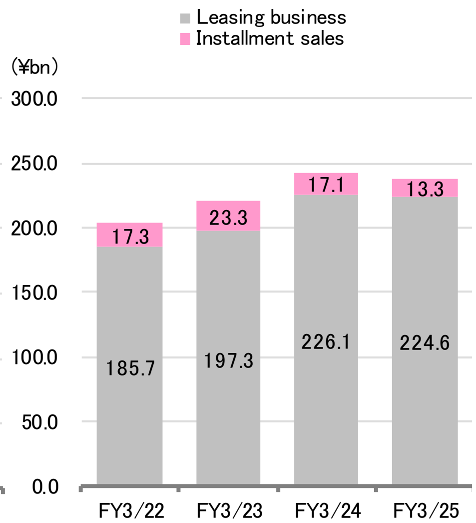
### 2. Results trends by business

In the Leasing Business, revenues came to ¥229,195mn (up 0.3% YoY) and gross profit was ¥15,995mn (down 3.2%), and operating income was ¥4,366mn (down 20.1%). The decline in profit was mainly due to a recoil from the sale of large leased assets in the previous fiscal year, as well as temporary increases in funding costs and system development expenses related to the change in major shareholders. Looking at performance by contract volume, the value of contracts executed in the Leasing Business increased 27.4% YoY to ¥239.9bn, while new transactions totaled ¥224.6bn, down just 0.7% YoY, indicating stable performance overall. Despite the profit decline due to temporary expenses, the Company monitors interest rate application status across all contracts. It has been able to successfully pass on increases in procurement costs linked to rising market interest rates, and no deterioration in profitability has been observed.

Contracts executed in Leasing Business



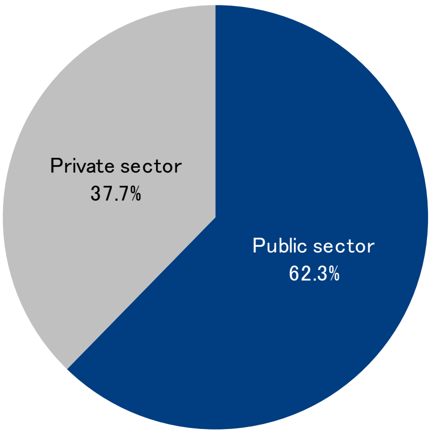

New transactions in Leasing Business



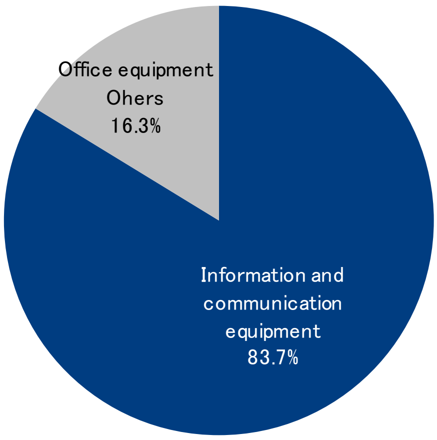

Source: Prepared by FISCO from the Company's results briefing material

By customer sector, the ratio of contracts executed in the Leasing Business was 62.3% for government offices and local governments (50.5% in FY3/24), and 37.7% for the private sector—including the service, distribution, manufacturing, and other industries (49.5% in FY3/24). The share for government offices and local governments increased, driven by continued orders for large-scale projects, with the execution volume rising 52.1% YoY to ¥158.3bn. In the private sector, execution volumes declined across the board: the service industry fell 12.0% YoY, distribution fell 8.3%, manufacturing fell 0.1%, and other industries fell 1.6%. By equipment type, information and communications equipment (including computers and related devices, software, and telecommunications equipment) accounted for 83.7% of contracts executed (76.3% in FY3/24), while office equipment and other equipment made up 16.3% (23.7% in FY3/24), indicating a higher proportion of ICT-related assets. Although execution volumes for telecommunications equipment declined, those for computers and related devices and software increased. By contract value (new transactions), orders from government offices and local governments remained strong, rising 1.0% YoY due to the acquisition of new large-scale projects. In contrast, orders from the private sector declined 6.7% YoY. Within the private sector, distribution rose 5.4%, and manufacturing increased slightly by 0.3%, while the service industry declined 11.6% and other industries fell 15.2%.

**Contracts executed by customer sector (FY3/25)**

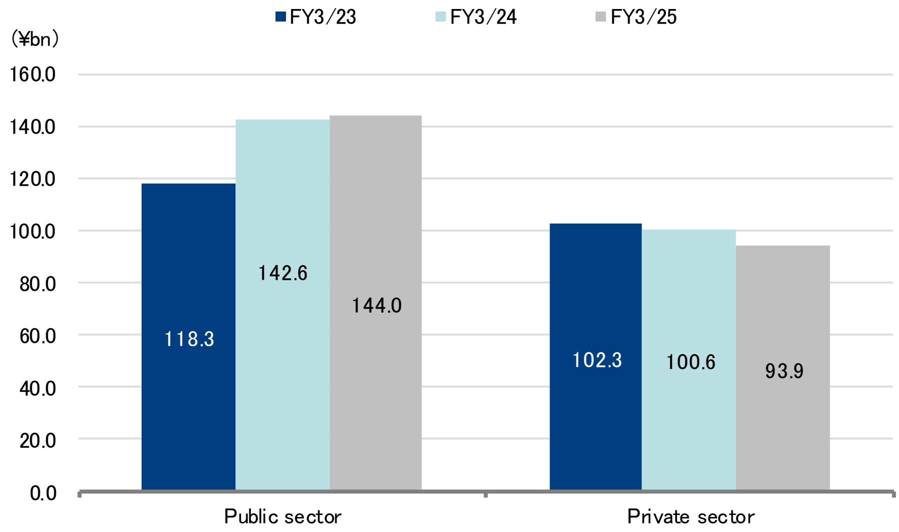



**Contracts executed by equipment type (FY3/25)**



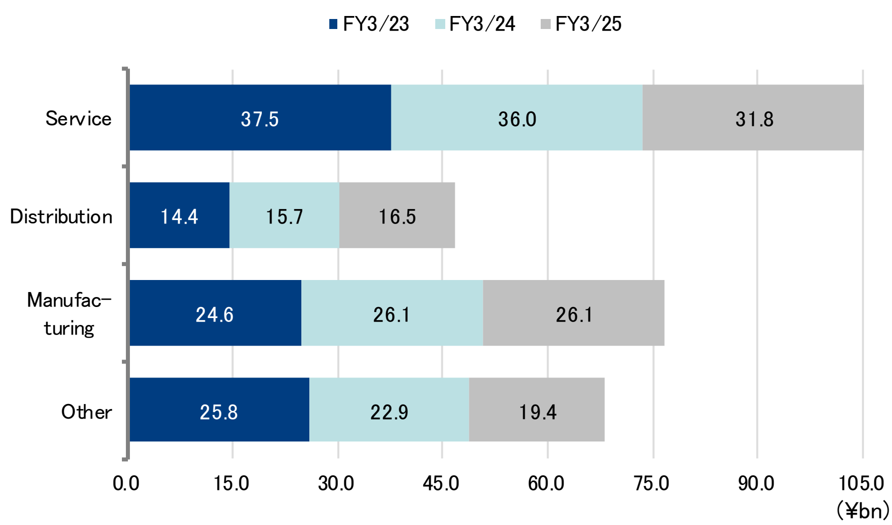

Source: Prepared by FISCO from the Company's results briefing material

New transactions in Leasing Business by sector



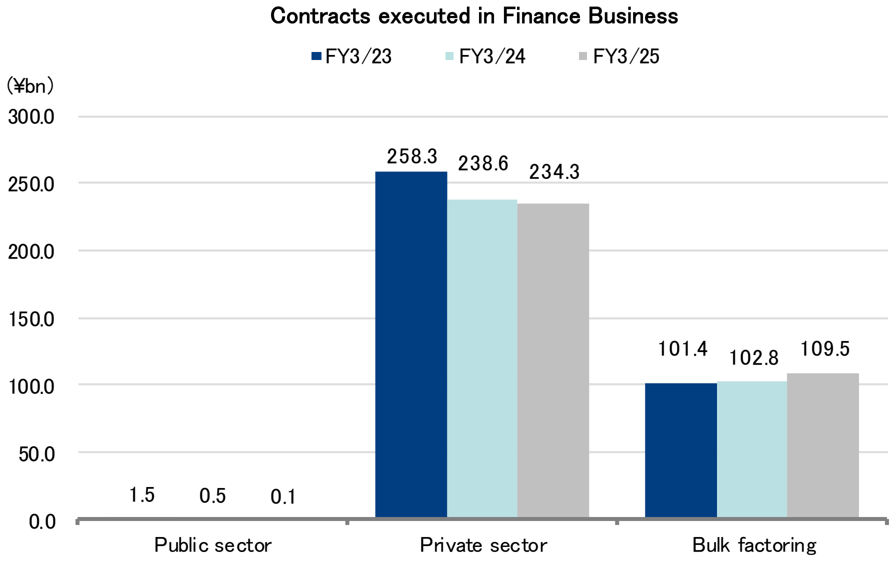

Source: Prepared by FISCO from the Company's results briefing material

Detail of new transactions in the Leasing Business by sector (Private sector)

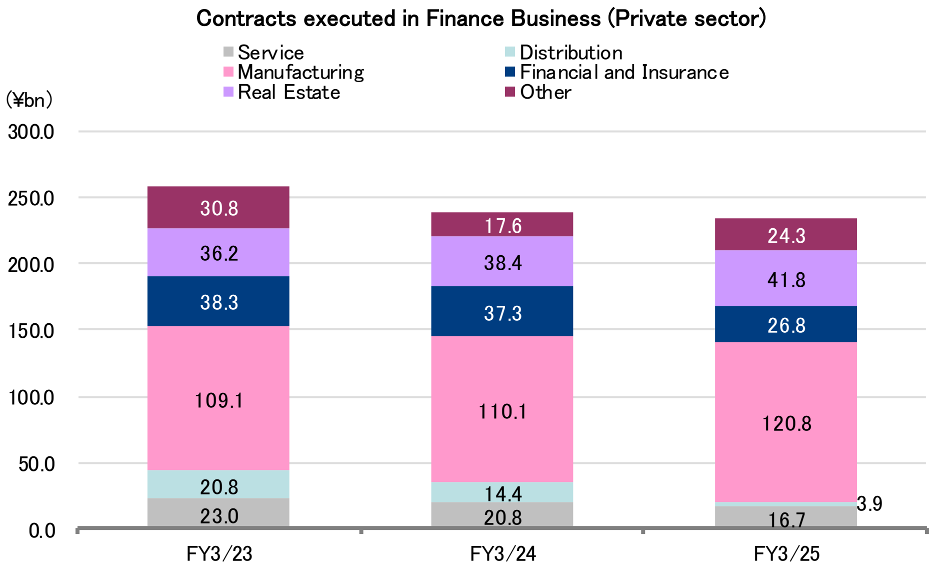



Source: Prepared by FISCO from the Company's results briefing material

In the Finance Business, revenues were ¥7,603mn (down 16.5% YoY), gross profit was ¥4,785mn (down 26.6%), and operating income was ¥2,884mn (down 13.1%). Although provision of allowance for doubtful accounts declined, the business posted lower revenues and profits overall, mainly due to a decrease in dividend income and a temporary increase in funding costs associated with the change in major shareholders. Total contract execution volume remained roughly flat, up 0.6% YoY. By contract type, bulk factoring performed well with a 6.6% increase, while business loans declined 8.0%. The Company is steadily progressing with asset replacement, financing methods in LBO finance and equity finance. Notably, projects introduced through the business alliance with SBI Shinsei Bank have already led to deals totaling approximately ¥14.0bn. Although revenues temporarily declined in FY3/25, the positive effects of the alliance are expected to continue and contribute to improved performance going forward.




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




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

In the Investment Business, revenues increased slightly to ¥13,818mn (up 0.8% YoY), supported by income from the sale of real estate for sale, rental income from income-producing properties, and interest income from operating loans, despite a recoil from the sale of large-scale investment securities in FY3/24. However, gross profit declined to ¥6,915mn (down 8.1%), and operating income fell sharply to ¥2,194mn (down 46.1%) due to factors such as increased provision of allowance for doubtful accounts. By business, the asset business saw both revenues and profit decline, with revenues at ¥6.6bn (down 28.3% YoY) and operating income at ¥0.4bn (down 87.9%), as a result of a recoil from multiple exits (recovery of invested capital) in FY3/24 and the booking of credit costs. The real estate business recorded strong results, with revenues at ¥6.6bn (up 65.0%) from sales of real estate for sale and income gains from owned assets, and operating income at ¥1.8bn (up 125.0%). In the advisory services business, revenue was ¥0.5bn, on par with the previous fiscal year.

**Investment Business trends**

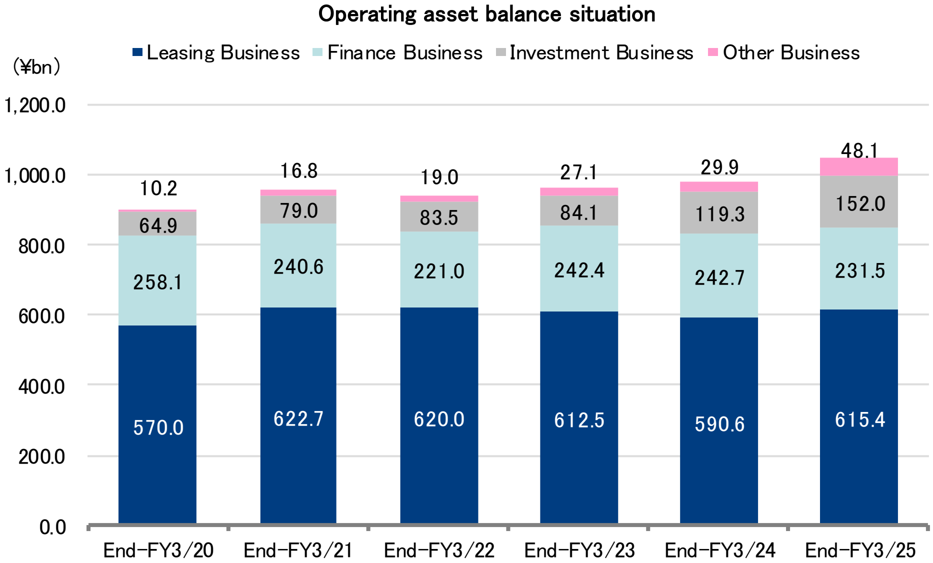
(¥bn)

| | | FY3/23 | FY3/24 | FY3/25 | YoY |
|---|---|---|---|---|---|
| Asset business | Revenues | 10.6 | 9.2 | 6.6 | -28.3% |
| | Gross profit | 6.5 | 5.3 | 2.3 | -56.6% |
| | Operating income | 3.2 | 3.3 | 0.4 | -87.9% |
| Real estate business | Revenues | 11.8 | 4.0 | 6.6 | 65.0% |
| | Gross profit | 2.0 | 1.7 | 2.4 | 41.2% |
| | Operating income | 1.4 | 0.8 | 1.8 | 125.0% |
| Advisory services business | Revenues | 0.4 | 0.5 | 0.5 | 0.0% |
| | Gross profit | 0.4 | 0.5 | 0.5 | 0.0% |
| | Operating income | -0.1 | -0.0 | 0.0 | - |
| Consolidated basis total | Revenues | 22.8 | 13.7 | 13.8 | 0.8% |
| | Gross profit | 8.8 | 7.5 | 6.9 | -8.1% |
| | Operating income | 4.4 | 4.1 | 2.2 | -46.1% |

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

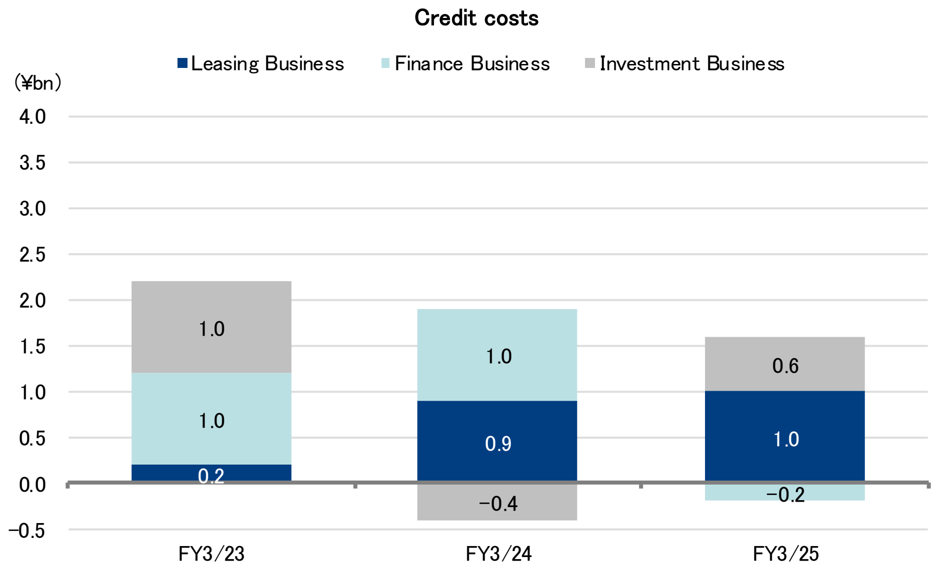
### 3. The operating asset balance situation

As of the end of FY3/25, the balance of operating assets stood at ¥1,047.0bn, an increase of ¥64.5bn YoY. In the Leasing Business, assets rose ¥24.8bn YoY to ¥615.4bn, driven by steady accumulation through large project orders. In the Finance Business, assets declined ¥11.2bn YoY to ¥231.5bn, but this appears to be a temporary dip due to asset replacement, and the Company expects growth going forward through an increase in highly profitable structured finance transactions. In the Investment Business, assets increased ¥32.7bn YoY to ¥152.0bn, reflecting accumulation of income-gain-oriented assets at RISA Partners. In Other Business, assets rose ¥18.2bn YoY to ¥48.1bn, mainly due to growth in residential real estate and solar power-related assets.



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

With respect to credit costs, while provision for allowance increased in the Investment Business, reversal of allowance was recorded in the Finance Business, resulting in an overall improvement from ¥1.5bn to ¥1.4bn.



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

## 4. Financial position

### (1) Financial situation

At the end of FY3/25, total assets were ¥1,224,797mn, an increase of ¥107,434mn compared to the end of FY3/24. The main factors behind this increase were a ¥56,453mn rise in cash and deposits, a ¥22,635mn increase in lease receivables and investment in leases, a ¥17,035mn rise in real estate for sale, and a ¥14,790mn increase in leased assets. Total liabilities rose ¥101,839mn YoY to ¥1,082,412mn, primarily due to a ¥50,853mn increase in long-term debt (including the current portion of long-term debt) and a ¥48,154mn rise in short-term debt. Net assets increased ¥5,595mn YoY to ¥142,385mn, driven mainly by a ¥3,596mn increase in retained earnings and a ¥1,765mn increase in deferred gains or losses on hedge. As a result, the equity ratio at the end of FY3/25 declined 0.5 percentage points YoY to 9.9%.

**Simplified balance sheets (consolidated)**

(¥mn)

| | End-FY3/24 | End-FY3/25 | YoY |
|---|---|---|---|
| Current assets | 929,587 | 1,002,303 | 72,716 |
| Cash and deposits | 53,844 | 110,298 | 56,453 |
| Lease receivables and investment in leases | 489,455 | 512,090 | 22,635 |
| Accounts receivable, loans | 230,267 | 220,537 | -9,730 |
| Real estate for sale | 33,969 | 51,005 | 17,035 |
| Fixed assets | 187,775 | 222,494 | 34,719 |
| Property and equipment, net | 92,953 | 110,542 | 17,589 |
| Intangible assets | 11,149 | 12,966 | 1,817 |
| Investments and other assets | 83,672 | 98,985 | 15,313 |
| Total assets | 1,117,363 | 1,224,797 | 107,434 |
| Current liabilities | 486,101 | 571,751 | 85,650 |
| Accounts payable, trade | 12,009 | 13,113 | 1,104 |
| Short-term debt | 40,366 | 88,520 | 48,154 |
| Current portion of long-term debt | 110,145 | 151,367 | 41,222 |
| Commercial paper | 272,000 | 266,000 | -6,000 |
| Long-term liabilities | 494,471 | 510,661 | 16,190 |
| Long-term debt | 392,982 | 402,613 | 9,631 |
| Total liabilities | 980,573 | 1,082,412 | 101,839 |
| Total net assets | 136,790 | 142,385 | 5,595 |
| Total liabilities and net assets | 1,117,363 | 1,224,797 | 107,434 |

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

### (2) Status of cash flows

At the end of FY3/25, cash and cash equivalents were ¥110,097mn, a YoY increase of ¥56,375mn. Net cash used in operating activities was ¥34,005mn (compared to ¥21,344mn used in the previous fiscal year). Although the Company recorded ¥8,864mn in income before income taxes and ¥30,253mn in depreciation, cash outflows included a ¥22,635mn increase in lease receivables and investment in leases, ¥37,745mn in purchases of leased assets, and a ¥17,629mn increase in real estate for sale. Net cash used in investing activities was ¥15,010mn (compared to ¥8,313mn used in the previous fiscal year), primarily due to ¥19,205mn in proceeds from redemption of investment securities and ¥30,987mn used in purchases of investment securities. Net cash provided by financing activities was ¥105,641mn (compared to ¥49,343mn provided in the previous fiscal year). The main factors were ¥178,645mn in repayments of long-term debt, ¥229,750mn in proceeds from long-term debt, and a net increase of ¥51,299mn in short-term debt. The Company mainly procures funds for its leasing and finance operations through a combination of long-term and short-term debt and corporate bonds. However, interest rate trends remain fluid, and the Company intends to continue monitoring the environment closely.

Simplified cash flow statement

(¥mn)

| | FY3/24 | FY3/25 | YoY |
|---|---|---|---|
| Cash flows from operating activities (a) | -21,344 | -34,005 | -12,661 |
| Cash flows from investing activities (b) | -8,313 | -15,010 | -6,697 |
| Cash flows from financing activities | 49,343 | 105,641 | 56,298 |
| Free cash flow (a) + (b) | -29,657 | -49,015 | -19,358 |
| Cash and cash equivalents at the end of the fiscal year | 53,722 | 110,097 | 56,375 |

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

### 5. Business alliance with SBI Shinsei Bank and Showa Leasing

#### (1) Business alliance

In July 2024, the Company reached a basic agreement on a three-party business alliance with SBI Shinsei Bank and Showa Leasing, and announced that SBI Shinsei Bank would acquire a portion of the Company's shares held by NEC and Sumitomo Mitsui Finance and Leasing. As a result, as of October 2024, SBI Shinsei Bank became the largest shareholder with a 33.32% voting rights ratio, followed by NEC with 17.63% and Sumitomo Mitsui Finance and Leasing with 11.68%. In addition, the Company concluded a business alliance agreement with NEC and will continue to use the "NEC" trademark while maintaining its cooperative business relationship with NEC going forward.

The Company has outlined the following areas of focus for the business alliance:

(1) Creating new business opportunities in the leasing business through complementary collaboration with Showa Leasing

(2) Strengthening investment and lending operations through collaboration with SBI Shinsei Bank in the area of structured finance

(3) Collaborating with regional financial institutions and their leasing subsidiaries to meet diverse customer needs in areas such as real estate leasing, healthcare assets, and renewable energy

Under Medium-term Plan 2025, the Company aims to accelerate growth through strategic investments in ICT services and financial product businesses, and intends to achieve the plan's targets by maximizing synergies through the business alliance. In ICT services, the Company will engage in joint sales efforts by leveraging the SBI Group's extensive corporate network to expand services covering the full lifecycle of information and communication equipment —including procurement, management, and disposal—and promote the IT asset management business. In financial products, the Company will collaborate with SBI Shinsei Bank to strengthen investment and lending operations in fields such as real estate, M&A, domestic and overseas infrastructure, healthcare, and renewable energy. Additionally, in areas such as regional contribution and revitalization, the Company plans to work with Showa Leasing to play a central role in lease structuring, leveraging the SBI Group's financial capabilities and network with regional financial institutions to support local economic recovery.

Since the business alliance agreement came into effect in October 2024, the Company has been holding regular trilateral meetings with SBI Shinsei Bank and Showa Leasing to identify and advance specific areas of collaboration. Results began to materialize as early as FY3/25, with the scale of alliance-related project discussions reaching approximately ¥90.0bn. Of these, 11 deals were successfully closed, with a total value of ¥14.4bn. For FY3/26, discussions are already underway on numerous pipeline projects and themes, and expectations are high for further improvements in performance. This business alliance represents a significant opportunity for the Company to enhance its corporate value over the long term.

**(2) Implementation of tender offer by SBI Shinsei Bank**

In May 2025, SBI Shinsei Bank announced a tender offer for the Company's shares, which was completed in June 2025. The Company had previously stated its position of expressing support for the tender offer while withholding judgment on the appropriateness of the tender offer price per share, and announced that whether or not to tender shares would be left to the discretion of individual shareholders. The purpose of the tender offer was not to delist the Company's shares, and the shares are expected to remain listed after the tender offer.

In the tender offer, SBI Shinsei Bank aimed to acquire a portion of the shares held by the Company's second-largest shareholder, NEC (holding ratio: 17.62%), and by the third-largest shareholder, Sumitomo Mitsui Finance and Leasing (holding ratio: 10.19%), setting these as the upper limits of acquisition. As a result, SBI Shinsei Bank's voting rights ratio in the Company rose to 43.48%. SBI Shinsei Bank has positioned the Company as an equity-method affiliate and seeks to strengthen the capital and business alliance to foster a sense of unity within the group, deepen mutual understanding through active personnel exchange, and maximize business synergies between both parties. The reason SBI Shinsei Bank set its ownership ratio below 50% lies in the differing nature of the Company's business domains—such as real estate, power generation and electricity sales, and building leases with land—compared to those of a typical banking institution. This capital structure is expected to preserve the Company's operational flexibility while still enabling the generation of synergies through collaboration with the SBI Shinsei Bank Group. Looking ahead, further expansion in synergy-generating fields and reinforcement of the customer base are anticipated to contribute to enhanced earning power across the entire group.

# Outlook

## Sustained expansion of each business toward the final year of Medium-term Plan 2025

**1. FY3/26 forecasts**

For the FY3/26 results, the Company forecasts revenues of ¥295,000mn (up 15.7% YoY), operating income of ¥15,500mn (up 99.2%), ordinary income of ¥16,000mn (up 69.5%), and profit attributable to owners of parent of ¥10,000mn (up 51.2%). FY3/26 marks the final year of Medium-term Plan 2025, and the Company has set a target of ¥10,000mn in profit attributable to owners of parent in line with the plan's goals. The basic strategy is to achieve this target through sustained growth in the Leasing Business and Finance Business and earnings expansion in the Investment Business. While the Company expects to realize significant growth through synergies from its collaboration with SBI Shinsei Bank, it also plans to incur various expenses related to the transition into the SBI Group, which are not expected to contribute to performance in the current fiscal year. On the revenue side, demand recovery in both the public and private sectors is expected to support continued growth in the Leasing Business. However, the outlook for the private sector remains uncertain amid domestic interest rate trends, high inflation, and the impact of US tariff policies, making credit management increasingly important. Orders from government offices and local governments are expected to remain firm through continued collaboration with NEC, while for the private sector, the Company will proceed cautiously with new orders, taking into account the business conditions of its customers. On the profit side, earnings are expected to increase on the back of higher revenues, although credit costs are projected to rise, and system-related expenses carried over from FY3/25 will continue to be booked.

In the Leasing Business, the Company will focus on securing orders from government offices and local governments based on its strategic partnership with NEC. In addition to system investment projects for government offices and local governments, the Company aims to capture demand for PC replacements and other equipment upgrades driven by the end of Windows 10 support, which began to increase in FY3/25. Furthermore, FY3/26 will mark the full-scale launch of the second phase of the GIGA School Program, which is expected to total approximately ¥60.0bn. As schools and other institutions begin large-scale equipment deployments between FY3/26 and FY3/27, the Company will actively work to secure the largest market share in the leasing industry. In the private sector, attention is focused on the Company's collaboration with SBI Shinsei Bank, as well as on its newly launched sales initiative for manufacturer-refurbished reused PCs (with optional warranty), which began in FY3/25. These PCs, which were previously leased or rented, are repaired or serviced as needed by the manufacturer before being resold. An optional six-month manufacturer warranty can be added. Owing to their excellent cost performance, demand is increasing from both public and private sector clients, and the Company has set a shipment target of approximately 1,000 units.

In the Finance Business, the Company continues to pursue new initiatives such as LBO finance, and expectations remain high for collaboration with SBI Shinsei Bank. Building on FY3/25, the Company anticipates executing approximately ¥20.0bn in collaborative projects in FY3/26. In addition, several other projects under consideration amount to several tens of billions of yen, and further deal closures are expected as these collaborations materialize. Leveraging the customer base of SBI Shinsei Bank and drawing on the Company's accumulated expertise in areas such as project credit management, the Company aims to contribute to performance through new deal acquisition and expansion of its own customer base.

In the Investment Business, the Company aims to expand earnings by continuing to invest in income-gain assets. In FY3/25, it acquired such assets including rental apartments for students (approximately 10 buildings leased to student associations and similar entities for 10 years) and hotels. In FY3/26, the Company plans to acquire additional properties and steadily build a stable earnings base. On the revenue side, some projects initially scheduled for sale in FY3/25 were delayed and are expected to be sold in FY3/26, which should contribute to results. The Company also intends to expand its presence in the debt collection business. In April 2025, RISA Partners announced plans to acquire shares and other interests in ORIX Asset Management & Loan Services Corporation and seven other companies to grow this business area. Going forward, the Company plans to engage in detailed discussions to develop specific collaborative initiatives and drive further earnings growth.

**FY3/26 forecast**

(¥mn)

| | FY3/25 Results | FY3/26 | |
|---|---|---|---|
| | | Forecast | YoY |
| Revenues | 254,879 | 295,000 | 15.7% |
| Operating income | 7,782 | 15,500 | 99.2% |
| Ordinary income | 9,437 | 16,000 | 69.5% |
| Profit attributable to owners of parent | 6,611 | 10,000 | 51.3% |

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

### 2. Medium-term Plan 2025 and status of progress

In April 2023, the Company unveiled its Medium-term Plan 2025 as the first step towards realizing the new Group Vision 2030 of becoming a "Solution Company leading the next-generation circular economy." The plan sets financial targets for FY2025 of ¥10.0bn in net income, ROA of 0.9%, and ROE of 8%. In terms of non-financial targets, the Company has committed to reducing $CO_2$ emissions by 20% compared to FY2022 levels as part of its efforts toward carbon neutrality. Additional goals include promoting the development of social infrastructure, encouraging resource circulation alongside the expansion of its ICT business, and advancing climate change initiatives. The Company is advancing three core business strategies: expand service business and creating new cyclical services; accelerate growth through strategic investment in core businesses; and strengthen vendor finance and expand customer base.

#### (1) Business Strategy

**a) Expand service business and create new cyclical services**

In Other Business, the Company's subsidiary NCS RE Capital Limited is expanding its rental residence business as part of its warehousing business. Under the CLARITIA brand, the Company began leasing activities and, as of the end of FY3/25, had acquired 13 properties mainly in Tokyo's 23 wards, with 7 of them completed. Depending on future market conditions, these properties may become candidates for sale to realize capital gains, which could contribute to earnings. In the power generation business, the Company is expanding its network of partners in the renewable energy field and increasing opportunities to participate in power source development and acquire secondary projects. As a new circular service, the Company has also launched sales of manufacturer-refurbished reused PCs (with optional warranty) in the Leasing Business and is stepping up sales activities accordingly.

**b) Accelerate growth through strategic investment in core businesses**

In the Leasing Business, the Company is working to enhance customer value and improve profitability through both discussions with external vendors and in-house development of services related to LCM. These services comprehensively manage processes such as kitting, maintenance, software management, and end-of-lease removal and data erasure for PCs and other devices leased or rented by clients. The Company is also considering offering these services not only to its existing clients but also to new partners, including Showa Leasing. In the Finance Business, the Company is strengthening its product offerings and accumulating high-quality assets in the corporate finance domain. Particular focus is being placed on actively handling LBO mezzanine finance and acquiring origination deals. At the same time, the Company is enhancing its risk management capabilities through improved monitoring functions and stronger governance systems. In the Investment Business, the Company is focusing on strengthening domestic finance operations and expanding its real estate business, particularly in Southeast Asia.

**c) Strengthen vendor finance and expand customer base**

In the Leasing Business, the Company is expanding solutions through collaboration with vendors. These efforts include proposals to provide equipment through leasing in system investment projects and support for the previously mentioned second phase of the GIGA School Program.

#### (2) Other

**a) Strategy to strengthen the management foundation**

The Company is working to enhance the quality and efficiency of its operations through DX promotion, IT talent development, and process standardization. In terms of organization and human resources, measures such as the introduction of a new personnel system have been implemented. Additionally, in response to the change in major shareholders and the business alliance during FY3/25, the Company carried out organizational transition procedures and strengthened its Group compliance management framework in conjunction with the partial business transfer to NCS RE Capital.

b) Non-financial targets and status of progress

Under the aforementioned Group Vision, the Company is promoting CSV management, in which its business activities create social value while at the same time creating the economic value that a Company should seek, thereby generating shared value for both society and the Company. The goal for the Group Vision is FY2030, but as the first step toward that goal, the Company has established non-financial targets in its Medium-term Plan 2025, clearly showing the connection between materiality (important issues for the organization) and its business strategy. The non-financial targets consist of five items related to “environmental and social issues” and two items related to “human capital.” Progress in FY3/25 was generally in line with plan.

Non-financial targets and status of progress

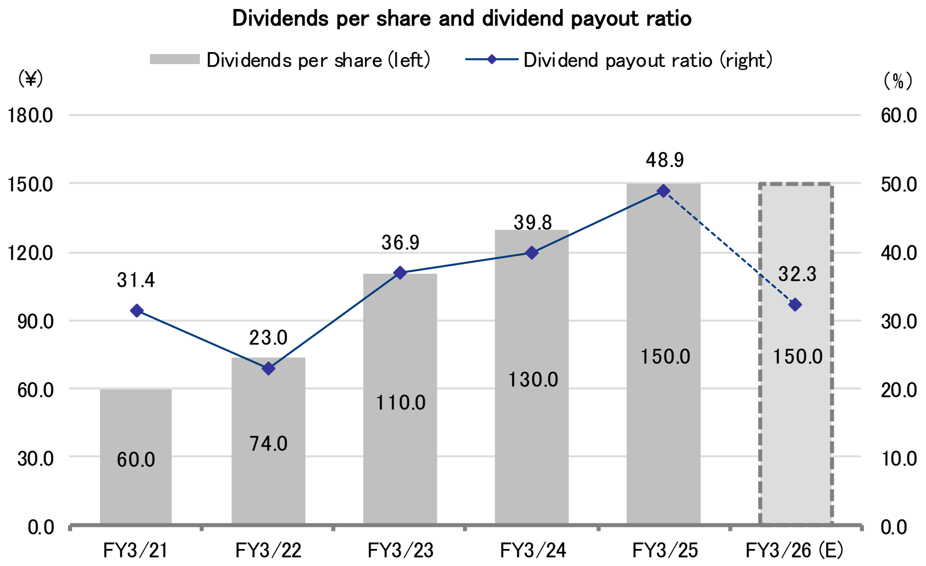
| | Objective | Description | FY2024/3 (Actual) | FY2025/3 (Target) | FY2025/3 (Actual) | FY2026/3 (Target) |
|---|---|---|---|---|---|---|
| Environmental and social issues | CO2 reductions to achieve carbon neutrality | Scope 1+2: Rate of decline compared to FY2023 | 13%reduction 137t-CO2 (incl. offsets) | 17% reduction 130t-CO2 | 17% reduction 130t-CO2 (incl. offsets) | 20%reduction |
| | Establishment of social infrastructure | Cumulative contracts for government offices and local governments | ¥148.4 bn | ¥284.3bn (cumulative) | ¥294.4bn (cumulative) | ¥400.0bn (cumulative) |
| | Promotion of cyclical use following expansion of ICT business | Total number of disposals of products whose lease has ended | 250,000units | 470,000 units (cumulative) | 590,000 units (cumulative) | 700,000 units (cumulative) |
| | Promotion of response to climate change | Renewable energy power generation capacity (power generators owned) | 59MW | 80 MW (cumulative) | 90 MW (cumulative) | 100 MW (cumulative) |
| | Promotion of activities contributing to society with natural capital in mind | School biotope education total in crease in number of schools | 3 schools | 6 schools (cumulative) | 5 schools (cumulative) | 10 schools (cumulative) |
| Human capital | Improve employee engagement | Employee engagement score | 21% | 29% | 17% | 34% |
| | Promotion of diversity | Ratio of female managers | 6.7% | 7.5% | 8.5% | 10% |

Source: The Company’s securities report

# Shareholder return

## For FY3/26, the Company forecasts an annual dividend of ¥150 per share, with an expected dividend payout ratio of 32.3%

The Company’s dividend policy adheres to sustaining a stable dividend as the core approach and suitably adjusts the dividend based on an assessment of the fair level in consideration of market trends and fluctuations in business results while securing enough retained profits to invest in growth strategy and reinforce its financial standing. In FY3/25, the Company increased the dividend per share by ¥20.0 to ¥150.0 (including a ¥75.0 interim dividend). For FY3/26, based on its earnings forecast, the Company plans to maintain the same annual dividend of ¥150.0 per share (including a ¥75.0 interim dividend). Although the earnings forecast calls for a record-high profit, the Company has prioritized enhancing internal reserves to support future growth, resulting in an expected dividend payout ratio of 32.3%.




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

The Company also provides online catalog gifts as a shareholder benefit program. It gives benefits to shareholders who own at least 100 shares and who are registered on the shareholder register as of March 31 each year. The value differs depending on the number of owned shares and ownership period. Shareholders with more 100 shares and fewer than 500 shares receive an online catalog gift worth roughly ¥2,000 for ownership period of less than one year and roughly ¥3,000 for period of one year or longer. Shareholders with at least 500 shares receive an online catalog gift worth roughly ¥10,000 for ownership period of less than one year and roughly ¥15,000 for period of one year or longer.

Shareholder benefit program

| Number of shares owned | At least one unit (100 shares) to fewer than five units (500 shares) | |
|---|---|---|
| Period of ownership | Less than one year | One year or more*1 |
| Online catalog gift | Worth ¥2,000 | Worth ¥3,000 |

| Number of shares owned | At least five units (500 shares) | |
|---|---|---|
| Period of ownership | Less than one year | One year or more*2 |
| Online catalog gift | Worth ¥10,000 | Worth ¥15,000 |

*1 Shareholders consecutively recorded as owning at least 100 shares under the same shareholder number in the shareholder register on March 31 each year and in the shareholder register at the end of the previous fiscal year as well as the end of the interim period of the fiscal year under review.
*2 Shareholders consecutively recorded as owning at least 500 shares under the same shareholder number in the shareholder register on March 31 each year and in the shareholder register at the end of the previous fiscal year as well as the end of the interim period of the fiscal year under review.
Source: Prepared by FISCO from the Company's website

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■ 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