Seed the Future.

JACCS

INTEGRATED REPORT 2025

For the Fiscal Year Ended March 31, 2025

A member of MUFG

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Reporting Period

Fiscal 2024 (April 1, 2024–March 31, 2025)

A portion of the content of this report includes information about periods up to and including fiscal 2023 (April 1, 2023–March 31, 2024), and information about and activities planned for periods from fiscal 2025 (April 1, 2025–March 31, 2026), onward.

Scope of the Report

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

Forward-Looking Statements

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

Message from the President

Through expanded cooperation with the MUFG Group, we will seek “transformation” and “renewed growth.”

Ryo Murakami
President and Representative Director

Evaluation of Operating Performance in Fiscal 2024, and Summary of the “MOVE 70” Three-Year Medium-Term Business Plan

In fiscal 2024, while growing the top line, we made steady preparations for the new medium-term business plan.

Review of fiscal 2024

Fiscal 2024 was an extremely difficult year for the overseas business. The slump in Vietnam and Indonesia had a particularly large impact. From early in the year, the volume of new contracts exhibited a weak trend, and this was further exacerbated by a substantial increase in expenses related to doubtful accounts in Indonesia. Faced with this situation, we had no choice but to revise downward our operating performance forecasts. Ultimately, the ordinary income result for the overseas business was approximately ¥200 million below the revised forecast that we announced in August 2024.

In contrast, on a non-consolidated basis, operating revenue and ordinary income final results exceeded initial forecasts by approximately ¥2.1 billion and ¥1.7 billion, respectively. Within a rising trend for fundraising interest rates, although our decision to raise interest rates in the credit business ahead of our competitors led to a decrease in the volume of new contracts, we were able to limit the decrease to a lesser amount than expected through the execution of our regular sales programs as well as a range of marketing initiatives. In addition, we succeeded in growing operating revenue, which was underpinned by a reversal in the balance of deferred installment income centering on auto loans—which had been robust until the previous fiscal year—and the buildup in the balance of housing loan guarantees. Although the volume of new contracts in the credit business recorded a double-digit decline, I would like to make a positive assessment of the fact that we were able to maintain growth in operating revenue.

Remarks on the conclusion of the "MOVE 70" three-year medium-term business plan, and issues we recognized

Two issues that remain unresolved may be summarized as follows. First, how will the Company respond to further increases in the Bank of Japan's (BOJ) policy interest rate. Second, how will the JACCS Group rebuild its overseas business. With regard to the domestic business, while we were able to complete interest-rate increases at an early stage—as I mentioned previously—structural reform of the credit business is an ongoing theme for us. Although several branches have still to be covered by the streamlining and reorganization of our sales branch network, we anticipate that this process will be completed during the first half of fiscal 2025. Based on this reorganization, we will be able to re-allocate sales resources previously allocated to the credit business to other growth businesses. Apart from this, I believe that we have been able to carry out the actions we needed to take. For example, we rolled out products that reduce interest-rate risk, such as variable interest-rate products, and we overhauled our portfolio in the overseas business. Furthermore, the year under review was one in which we expanded our capital and business alliance agreement with MUFG Bank, Ltd., and were able to lay the groundwork for the new medium-term business plan.

With regard to KPIs, although we achieved a new record-high for profit in the second year of "MOVE 70" and hence met our target for the third year of the plan ahead of schedule, regrettably, in the final year of the plan we failed to reach our profit target. The key external factor affecting this result was the rising interest-rate scenario, which had not been factored in during the formulation of "MOVE 70." The main internal factor contributing to this outcome was the larger-than-expected loss recorded in the overseas business.

New Three-Year Medium-Term Business Plan, "Do next!"

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

The JACCS Group has embarked on its 15th three-year medium-term business plan, which we have named "Do next!" The plan runs from April 1, 2025, through March 31, 2028. Under "Do next!" we have set out three key strategies: "Acceleration of growth strategies through cooperation and M&A with Mitsubishi UFJ Financial Group, Inc. (MUFG Group)" (growth strategy); "Promotion of fundamental business structural reform through a transition from quantity to quality" (business restructuring); and "Improvement of financial soundness and capital efficiency through advanced asset and liability management (ALM)" (financial strategy). By expanding cooperation with the MUFG Group, we will seek "transformation" and "renewed growth" during the plan's three-year period. Furthermore, we will aim to realize the JACCS Group's long-term vision to "Establish JACCS' position as a leading brand among Asian consumer finance companies."

Third-party allocation of new shares accompanying a capital and business alliance agreement with MUFG Bank

Under the MUFG Group's current medium-term business plan, the primary growth strategy being pursued is the strengthening of its domestic retail customer base. To realize this objective, in the past year the MUFG Group has undertaken a restructuring of its group affiliate companies to strengthen unified management. As part of this process, to respond to changes in the operating environment while taking into account the success of collaboration to date, JACCS reached an agreement with MUFG Bank, Ltd. regarding the expansion of their capital and business alliance, and the execution of a third-party allocation of new shares. At around the same time, JACCS was carrying out discussions focusing on the formulation of "Do next!", which included such issues as its response to the rise in interest rates and policies for rebuilding the overseas business. At that point, we had already decided to adopt the theme of "Three years in which we will seek transformation and renewed growth," and settled on the following three key strategies comprising: "growth strategy / business restructuring / financial strategy." However, we were able to further refine the plan's focus and content by including expanded cooperation with the MUFG Group. This result further reinforced the fortuitous timing of our agreement with the MUFG Group, and increased the potential for solving existing issues.

Through the recent third-party allocation of new shares, JACCS raised approximately ¥38.8 billion. We will utilize the majority of these funds for growth-focused investments (M&A, etc.) in Japan and overseas. Furthermore, JACCS' largest shareholder—MUFG Bank—increased its equity stake in the Company from 20.20% to 38.01%, and JACCS was pleased to be able to welcome a new director to its Board who is highly knowledgeable in the area of international business. I believe that these developments further raise the feasibility of "Do next!".

Main points of the growth strategy

As a core assumption, the formulation of JACCS' growth strategy rests on the foundation of the Group's financial strategy—which in turn anticipates future domestic interest rate increases.

Moreover, we have defined the "environmental field," the "guarantees field," and the "overseas business" as the Group's growth fields, and are aggressively investing in these fields. First of all, in the environmental field, we are focusing on housing-related products (home renovation loans, solar loans, etc.) and auto loans. Housing-related products have a high average transaction amount, and they tend to have long repayment periods. Hence, it is a field in which large borrowing amounts require long-term loans. By strengthening our shift to low-interest fundraising through securitization of receivables and affiliated loans—which do not requite fundraising—we will expand the volume of new contracts while improving profitability. The imported-vehicle field within auto loans has long been one of JACCS' strengths. We are planning to introduce new sales-support tools and other IT system-related enhancements, as we work to further increase our competitive advantage in this field. Through collaboration with Mitsubishi Auto Leasing Corporation and strengthening of our sales structure, we will strive to expand the volume of new contracts in auto leasing, and capture a greater share of the electric vehicle (EV) market. Next, in the guarantees field, which does not require fundraising, we believe that there is still ample potential for market growth. Consequently, we aim to expand the number of new alliance partners through such methods as M&A and collaboration with IT vendors. Finally, in the overseas business, while leveraging the knowledge and network of the MUFG Group, we will develop a robust, forward-looking growth strategy, and restore the business to a growth track. One of the new keys within this rebuilding process is JACCS' collaboration with CARSOME Sdn.Bhd., accompanying our entry into the financial services market in Malaysia. I personally hold very high expectations for the future of this partnership.

Basis for the formulation of quantitative targets

We are forecasting increases in total operating revenue across all three years of the plan. In contrast, for ordinary income, in the first year we are forecasting a decrease, owing to the expectation that financial expenses will further rise, driven by anticipated increases in the BOJ's policy interest rate. One of the assumptions we used in the formulation of "Do next!" is that the policy interest rate will be raised in July 2025 and January 2026 by 0.25% on each occasion, and that the rate will remain at 1.00% thereafter. However, in light of the most recent situation, the forecasts on which our KPIs are based may be somewhat on the conservative side. If the aforementioned interest-rate scenario does not eventuate, financial expenses in the second and third years of the plan will decrease by several billion yen, and this will lead to higher-than-forecast profit results.

With regard to the volume of new contracts in the credit business—centering on auto loans—owing to JACCS' early move to raise its fees ahead of other industry participants, the reality is that we have faced harsh conditions up to this point. However, since other companies have recently begun to show signs of initiating interest-rate increases, JACCS' market share is on a recovery trend. Even if the current volume of new contracts performs better than expected, since that has the effect of deferring profits, I think it is reasonable to recognize this as steady progress in building assets for the future—particularly the second and third years of the plan.

Entry into Malaysia's Financial Services Market

Partnership with CARSOME is a very good fit—in terms of both business and corporate culture

As previously announced, in February 2025 JACCS acquired a 49% equity stake in CARSOME Capital Sdn. Bhd.—a finance company that is part of the CARSOME Group, which is headquartered in Malaysia. Through this investment, JACCS embarked on participation in the management of CARSOME Capital. CARSOME Capital provides retail finance through CARSOME's directly operated centers, as well as wholesale finance for auto dealers. JACCS will provide business know-how in installment sales finance—accumulated over 70 years—and the two companies will work to expand operations through their collaboration. In addition to Malaysia, CARSOME operates its used-car e-commerce platform in Singapore, Thailand, and Indonesia, and at present the group handles more than 150,000 vehicles annually. In the future, based on a strategic partnership agreement with CARSOME, JACCS is discussing and studying the possibility of expanding this business tie-up to include other countries in addition to Malaysia.

This partnership agreement was realized thanks to the support JACCS received from the MUFG Group. The background to this is that CARSOME has received equity investment from a fund operated by MUFG Innovation Partners Co., Ltd. (MUIP), which is a member of the MUFG Group. Through our communications to date, I have gained a strong sense of CARSOME's integrity, and I believe that the company is a very good fit with JACCS.

Although the overseas business is grappling with somewhat harsh circumstances, as we strive to rebuild the overseas business, I believe that we need to be proactive about examining opportunities for strategic M&A. As we pursue such an approach, we should also look for ways to further utilize the strengths of the MUFG Group, which is solidifying its business base in the ASEAN region.

Policy on Shareholder Return

DOE ratio becomes a new indicator with our policy on shareholder return

The Company made a downward revision to its operating performance in fiscal 2024, and regrettably there was a reduction in cash dividends. On this point I must apologize to all our shareholders, since we were unable to maintain our record of incremental increases in cash dividends.

With regard to our policy on future shareholder return, we have adopted an approximate guideline under which the higher of the following two indicators will be used as the basis for determining cash dividends: a dividend payout ratio of 40%, or dividend on equity (DOE: total dividends / shareholder equity) ratio of 3%. Furthermore, a cash dividend per share of at least ¥200.00 will be implemented under this policy to ensure stable shareholder return. We anticipate such factors as a decrease in profit in the first year of “Do next!” and a certain amount of dilution owing to the recent third-party allocation of new shares. In light of this situation, to return to an increasing dividend trend, we newly adopted DOE as an indicator to be considered when setting the cash dividend amount. If the Company achieves the profit plan laid out under “Do next!”, it seems certain there will be a year in which the cash dividend exceeds ¥200.00 per share. Hence, we are working to respond resolutely to the expectations of our shareholders.

Practicing Management that Is Conscious of Cost of Capital and Stock Price

We will steadily implement our key strategies and dividend policy as we work to regain the appraisal of the capital markets.

At the end of fiscal 2023—the middle year of “MOVE 70”—the Company's share price stood at ¥5,580, while the price-to-book (P/B) ratio stood at 0.8 times. Hence, we were able to improve appraisal from the market as we steadily worked toward a P/B ratio of 1.0 times. However, in fiscal 2024—the plan's final year—there was significant impact from changes in the operating environment of the overseas business. Coupled with a downward revision to operating performance, this led to a large decline in market appraisal. Frankly speaking and without fear of misunderstanding, I believe that it would be very difficult for JACCS to achieve a P/B ratio of 1.0 times or greater within the next three years, based on such factors as a significant decline in ROE and an anticipated fall in profit in the first year of “Do next!”. Notwithstanding, under “Do next!”, to move closer to the ROE expectations of investors, we will steadily implement our key strategies and dividend policy. Underpinned by these efforts, we aim to regain the appraisal of the capital markets and enhance corporate value.

DX Initiatives

JACCS' deepening relationship with the MUFG Group expands the scope of app functional enhancement

One of the most important elements of JACCS' DX promotion is its initiatives in the app sphere. Although currently JACCS has only deployed apps for services aimed at credit card members, during the implementation period of “Do next!” we plan to raise the value of apps as touch points for a broad array of customers. This includes apps to enable shopping credit and auto loan customers to receive a diverse range of services. Based on these initiatives, we believe that the potential for cross-selling will greatly increase. For example, we will be able to send an auto loan promotional offer to a new customer who has become an app user.

Furthermore, deepening JACCS' capital relationship with the MUFG Group also significantly broadens the potential for collaboration linking services provided by MUFG Group member companies and JACCS' apps. For example, we will be able to roll out the reciprocal provision of products and services in conjunction with Mitsubishi UFJ NICOS Co., Ltd., in a way that does not risk cannibalization. In addition, since there are many JACCS customers who use investment in condominiums to build their asset portfolio, it is likely we will be able to identify new potential for collaboration with WealthNavi Inc., which provides wealth management services. Of course, there are also ample possibilities for cooperation between the MUFG Group's own apps and JACCS' apps.

As illustrated by these examples, there are increasing expectations that the scope of app functional enhancement can be effectively expanded through external partnerships. Meanwhile, regarding the internal environment for DX promotion, I am very confident that we will not lag in this area and that our development of DX human resources is proceeding smoothly.

Sustainability Initiatives

Implementation of a revision of the Group's areas of materiality

Under "Do next!", one of the foundational management areas that supports the plan's three key strategies is "sustainability management." As part of our efforts to strengthen this foundation, we revised the areas of materiality identified by the Group, based on such factors as changes in the JACCS Group's operating environment, and the sustainability initiatives and progress carried out to date.

In payment services—one of JACCS' core businesses—we aim to provide services that are very familiar and close to our customers. In addition, we are steadily implementing a range of programs in accordance with the revised materiality areas, including through further promotion of human capital management, in which we have already built a solid base.

Message to All Our Stakeholders

We are committed to accomplishing "transformation" and "renewed growth" during the next three years.

The decision by the BOJ in January 2025 to raise its policy interest rate for the first time in 17 years has had a major impact on the credit business, which until now has been a driver of the JACCS Group and has contributed to the Group's operating performance. However, we will not use this as a reason to withdraw from the credit business. Auto loans in particular are an important mainstay of our business. We will pursue structural reform, and are determined to turn the credit business into one capable of reliably generating profits—even when faced with rising interest rates.

With regard to the overseas business, in Vietnam and Indonesia in particular, although we are struggling with very harsh conditions, we are pushing ahead toward profitability. I definitely want to develop it into one of our growth businesses. In Malaysia, we have teamed up with an excellent partner, and the potential has arisen for JACCS' entry into additional countries. Consequently, I want us to further raise our efforts in the overseas business.

Recently, as we searched for solutions to two issues—rising interest rates and the overseas business—with good timing we were able to broaden our capital and business alliance agreement with MUFG Bank. As we implement "Do next!", we will leverage this strength to the maximum extent possible. We are committed to accomplishing "transformation" and "renewed growth" during the next three years. I look forward to your future support for the JACCS Group.

September 2025

R. Murakami.

Ryo Murakami
President and Representative Director

Mission, Vision, and Values

MISSION

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

VISION

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

VALUES

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

Basic Policy on Sustainability

Management Principle

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

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

Long-Term Vision

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

JACCS' Founding Philosophy

信 為 萬 事 本

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

Code of Conduct and Ethics

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

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

Sustainability Management, Page 42

A Journey of Value Creation

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

Operating Environment

Second half of the 1950s
Ownership of the "three sacred treasures" of electrical appliances—a television, a refrigerator, and a washing machine—becomes commonplace among ordinary households in Japan

First half of the 1960s
Growth in consumption as Japan enters the era of rapid economic growth

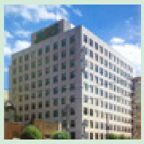
1985
After the signing of the Plaza Accord by the major economic powers, the Japanese yen steeply appreciates, and overseas travel becomes popular among Japanese consumers. Credit cards move into the international era.

The Course Steered by JACCS

1954
Business founded in Hakodate, Hokkaido

1957–
Entered the Sendai market, and expanded into the Tohoku and Hokuriku regions

1972–
Entered the Tokyo market, and commenced nationwide operations



Transferred head office functions to Tokyo

Rolled out new products and services that enhanced consumer convenience

Addressing Social Issues

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

1970 Payments Business

Issuance of credit cards

1959 Financing Business

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

1972
Began housing loan operations

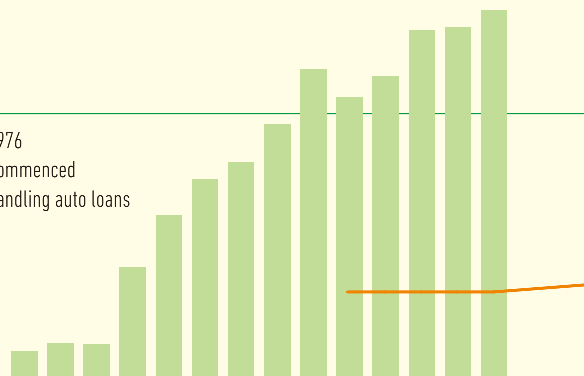
Head office building during the Kitanihon Sinyohanbai Co., Ltd., era (originally the site of the Hakodate Branch of the former Dai-Ichi Bank)

1954 Credit Business

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

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

1976
Commenced handling auto loans



(CY) 1954 1960 1970 1976 1980

1990s
The collapse of Japan's real estate-driven "bubble" economy leads to a slump in consumption and a large fall in land prices

Second half of the 1990s
The financial "Big Bang" moves into full swing. Realignment and consolidation take place among Japan's major financial institutions, leading to the birth of the country's "mega-banks."

2006
Revision of Japan's Money Lender Business Law

2008
Revision of the Installment Sales Law and Specified Commercial Transactions Law

Global financial crisis

2011
Great East Japan Earthquake

2013
Bank of Japan (BOJ) embarks on quantitative easing

2014, 2019
Increase in Japan's consumption tax rate

2020
COVID-19 global pandemic

2024
BOJ ends negative interest rate policy
First interest rate hike in 17 years

1990–
Remained fully focused on the consumer credit business without being drawn into real estate investment

Not directly affected by the collapse of Japan's real estate-driven "bubble" economy

1997
Lowered interest rates on credit card cash advances

Implemented measures to deal with increase in personal bankruptcies, and acquired members based on strategic differentiation

2001–
JACCS' core computer system, named "JANET," commences operations

Increased sophistication in the management of customer and sales information, and enhanced precision in credit screening led to a significant decrease in the risk of doubtful accounts

2008–
Joined the MUFG Group

Moved to expand the Group's scope of operations, including through business partnerships and expansion of business due to credit enhancement

2010–
Launched overseas business operations, web-based services evolved, pursued ongoing cost structural reforms

2025
Executed a third-party allocation of new shares allotted to MUFG Bank, Ltd.

1998
Started handling solar loans

2019
Issued green bonds (funding necessary for green projects)

2023
Announced support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

2023
Signed the credit industry's first Positive Impact Finance (a financing type combining loans and investments for corporations with no restrictions on the use of funds) agreement with MUFG Bank, Ltd.

2024
Established the JACCS Group Human Rights Policy

2025
Formulated the Group's Multi-Stakeholder Policy


Head office, Ebisu Neonato

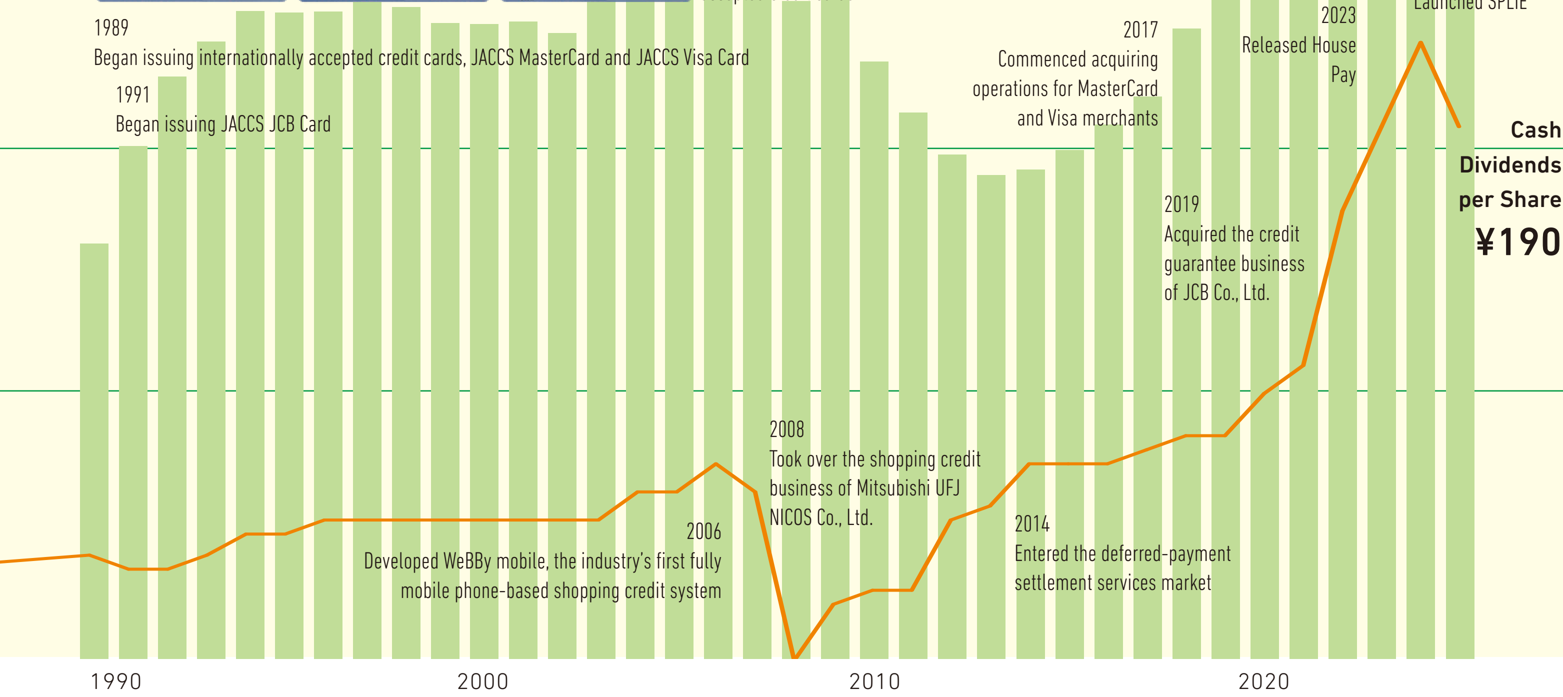
2010

Overseas Business

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

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

JACCS' internationally accepted credit cards



Value Creation Process

Operating environment / Challenges

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

Input

Core Management Capital

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

Business Activities

Management Principle

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

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Reflecting on the Previous Three-Year Medium-Term Business Plan "MOVE 70" P22
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Advancing the Quality of Corporate Governance P66–, Risk Management P72–

- Corporate Governance and Risk Management
- Management Strategy and Resource Allocation
- Opportunities and Risks
- Creation and Provision of Services

Strengths of the JACCS Group

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

Major Risks P26–
Business Strategy P34–

Sustainability Management

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

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Realize sustainable growth

Resolve social issues, develop a sustainable society

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

Output | Outcome | Impact

Output

ROE 7.8% **Dividend yield 4.9%***

* Calculated based on the closing price on the final trading day of fiscal 2024

CO_2 emissions reduction rate (10.2%)

(Compared with fiscal 2019)

Ratio of female managers 18.4%

Credit Business

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

Payments Business

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

Financing Business

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

Overseas Business

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

Promote paperless operations throughout all businesses

Outcome

Stakeholders

- Customers
- Member stores / Alliance partners
- ASEAN countries
- Shareholders / Investors
- Local communities
- Environment
- Employees

Impact

Rich and fulfilling lives of consumers

Convenient, user-friendly, safe, and secure payment functions

Revitalization of consumption

Reduction of environmental burden and conservation of resources

Healthy and stimulating work environment

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

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

Financial capital

JACCS maintains a stable financial base while working to diversify its fundraising methods, and executes a capital policy that aims to generate sustainable growth. The Group is striving to increase the weight of businesses and products that have a relatively low credit risk, are not accompanied by an expansion of assets, and provide high earnings potential—and thereby enhance capital efficiency. While working to transition management focus from quantity to quality, the Group is strengthening asset control as it maintains financial soundness.

JACCS concluded a capital and business alliance agreement with MUFG Bank, Ltd. in March 2025 to realize stability in fundraising and strengthen its financial base. Going forward, by further expanding cooperation with the MUFG Group, the JACCS Group will work to accelerate growth.

Total assets (Consolidated)
¥3,806.7 billion

Balance of deferred installment income (Consolidated)
¥249.7 billion

Balance of credit guarantees (Consolidated)
¥4,376.4 billion

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

Credit ratings
R&I A+ JCR A+

Intellectual capital

While building close relationships with member stores, JACCS provides financial services that leverage the Group's strengths. Under this core stance, the source of JACCS' competitive advantage is the win-win relationships the Group builds with member stores, enabling it to realize sustainable growth. Furthermore, the know-how JACCS has built up over many years in credit screening and receivables management is indispensable capital necessary to support the business. In credit screening operations, we are promoting migration to web-based and automated services while pursuing enhanced convenience for customers and member stores, as well as increased precision in credit screening. In our customer operations, which comprise the channels of communication that support our services, we are striving to enhance customer-contact service quality.

JACCS' unique strengths P14

Ratio of receivables in arrears (Non-consolidated)
0.41%

Customer-contact service quality P46
Received the highest quality rating in
five consecutive years

Human capital

JACCS' strengths comprise the "JACCS identity"—unconsciously inherited as part of the Group's DNA—along with the skills of employees that are based on diverse experience and knowledge. The Group works to ensure that all employees are able to demonstrate their maximum abilities, and enhance engagement so that each employee enjoys a pleasant working environment and feels job satisfaction. The physical and mental health and well-being of employees is a key element affecting the execution of management strategy. Based on this recognition, JACCS invests significant energy into the promotion of health and productivity management.

P55

Improvement of employee engagement

P55–

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

Strengthened internal training (Cumulative number of participants)
1,191 persons

Average length of service
15 years

Social and relationship capital

In addition to its sales network throughout Japan, the Group also leverages its network of business operations in the ASEAN region. Through these operations, JACCS provides a broad range of financial services to its member store network and customer base. Since its founding, the Company has practiced management resting on the central pillars of trust and reliability. While deepening its cooperation with the MUFG Group, JACCS is working to raise corporate value. Furthermore, through dialogue with stakeholders and social contribution activities, we aim to address a large number of social issues, and contribute to the development of a sustainable society.

Number of business locations in Japan
54 business locations
(Including housing branches and guarantee branches. As of September 1, 2025)

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

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

P63

Social contribution activities

Natural capital

JACCS focuses on sustainability management through its business activities, and works to reduce its environmental footprint. Within these efforts, the Group promotes environment-friendly initiatives, including reduction of paper-usage volume within the office, promotion of web-based credit card statements, and conversion of credit screening workflows to digital formats.

The Group also participates in a tree-planting project on municipal land in the Kamuishiriyama area of Tobetsu Town, Hokkaido, as part of its volunteer activities and efforts to protect biodiversity.

In working toward the realization of a sustainable society, the Company has set targets for reduction in greenhouse gas (GHG) emissions. Taking fiscal 2019 as the base year, by fiscal 2030, the Company aims to reduce emissions by 50% under Scope 1 and 2, and 30% under Scope 3.
By fiscal 2050, the Company aims to achieve net-zero emissions under Scope 1, 2, and 3.

Energy usage
19.9% reduction (Compared with fiscal 2019)

P50

GHG emissions

Strengths of the JACCS Group

Solid Business Base in Japan

Stable source of earnings

- **Balance of deferred installment income** ¥240.9 billion
- **Balance of guarantees**
  - Housing loan guarantees ¥2,971.5 billion
  - Personal loan guarantees for financial institutions ¥700.9 billion

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

Dominant share of the imported-vehicle loan market

- **Partner brands** More than 20

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

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

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

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

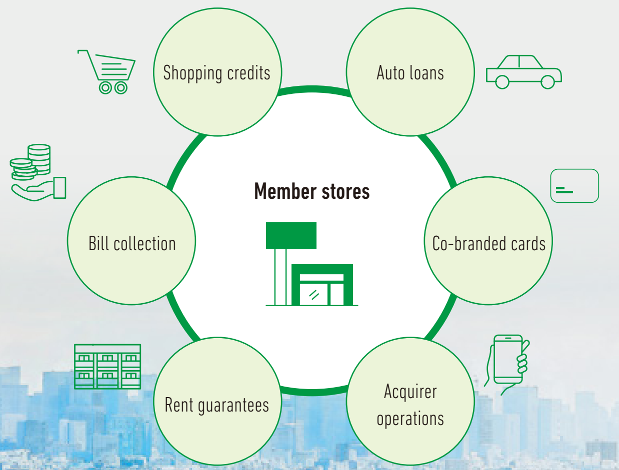
Nationwide network of business locations that support business competitiveness and continuity

- **Sales branch network** 54 branches
  (including housing branches and guarantees branches)
- **Locations providing back-office functions** 22 branches
  (Centers responsible for such functions as credit screening, receivables management and customer service)

JACCS has built an extensive network in Japan, and the Company has gained confidence and trust by responding meticulously to the needs of customers and member stores. Also, JACCS has established a business continuity framework to ensure alternative operations in the event of a large-scale disaster.

Diverse payment menu

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



Cooperation with the MUFG Group

Generation of further synergies through acceleration of integrated group management

- Further growth of the “Net DE Loan” business operated in collaboration with MUFG Bank, Ltd.
- JACCS is examining a new reciprocal customer referral program that maximizes the utilization of the customer networks of JACCS and the MUFG Group, and collaboration in the digital field utilizing Banking as a Service (BaaS), etc., developed by MUFG Bank

Steady and Sound Management

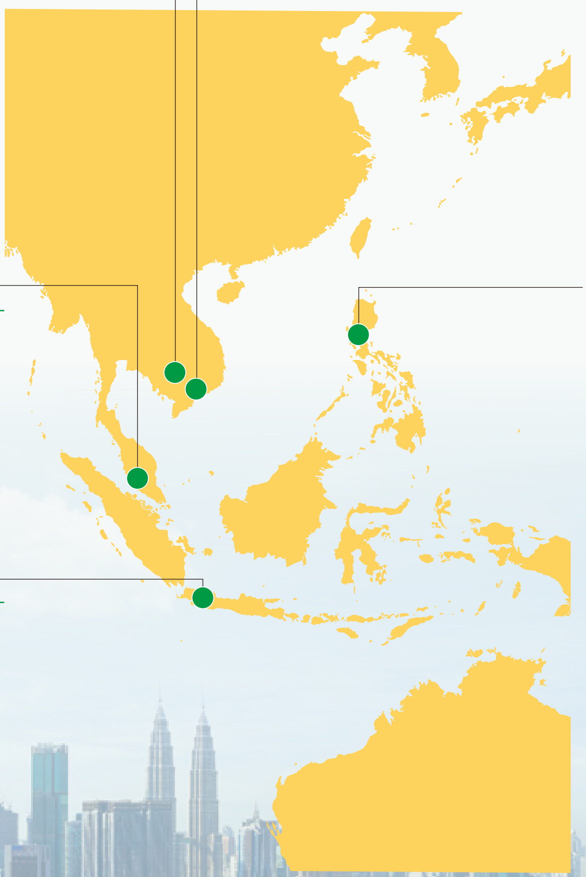
Portfolio of high-quality, small-lot credit receivables

- **Aggregate balance of operating receivables (Non-consolidated)** ¥7,745.2 billion
- **Ratio of receivables in arrears (Non-consolidated)** 0.41%
- **Ratio of write-off of doubtful accounts (Non-consolidated)** 0.23%

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

Business Development in the ASEAN Region

Since 2010, JACCS has progressively entered markets in countries in the ASEAN region, where high economic growth is forecast.
JACCS is leveraging the know-how it has cultivated in Japan in the sales finance business, and is contributing to economic development in the ASEAN region.



Cambodia

JACCS MICROFINANCE (CAMBODIA) PLC.

Entered the market in 2017
Equity stake: 100%
Balance of operating receivables
¥14.5 billion

Vietnam

JACCS International Vietnam Finance Company Limited

Entered the market in 2010
Equity stake: 100%
Balance of operating receivables
¥26.9 billion

Malaysia

Carsome Capital Sdn.Bhd.

Entered the market in 2025
Equity stake: 49%
Balance of operating receivables
¥6.3 billion

Philippines

JACCS FINANCE PHILIPPINES CORPORATION

Entered the market in 2016
Equity stake: 65%
Balance of operating receivables
¥22.2 billion

Indonesia

PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA

Entered the market in 2012
Equity stake: 60%
Balance of operating receivables
¥57.6 billion

Credit enhancement by the MUFG Group

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

On March 14, 2025, JACCS concluded a new capital and business alliance agreement with MUFG Bank. This included the decision to carry out a third-party allocation of new shares allotted to MUFG Bank. To respond to major changes in the operating environment faced by both companies, the new agreement accelerates the collaboration pursued to date, and strongly promotes integrated group management.

Stable fundraising capabilities

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

Minimal impact from repayment of excess interest payments

- **Amount of repayment of excess interest payments　¥70 million**
- **Balance of allowance for loss on interest repayment　¥620 million**

From 1997, JACCS reduced the maximum interest rate charged on cash advances to below the so-called "gray zone" rate. Consequently, one of the features of JACCS' performance has been the extremely low impact from repayment of excess interest payments compared with our competitors in the industry.

Main Recurring Revenue Business Model

JACCS' earnings structure is a recurring revenue business model that is less susceptible to temporary economic fluctuations, so earnings can be recorded stably.

Illustration of Credit Business Revenue

Business summary

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

Revenue model

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

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

Focus

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

Illustration of Payments Business Revenue (Installment and revolving payments)

Business summary

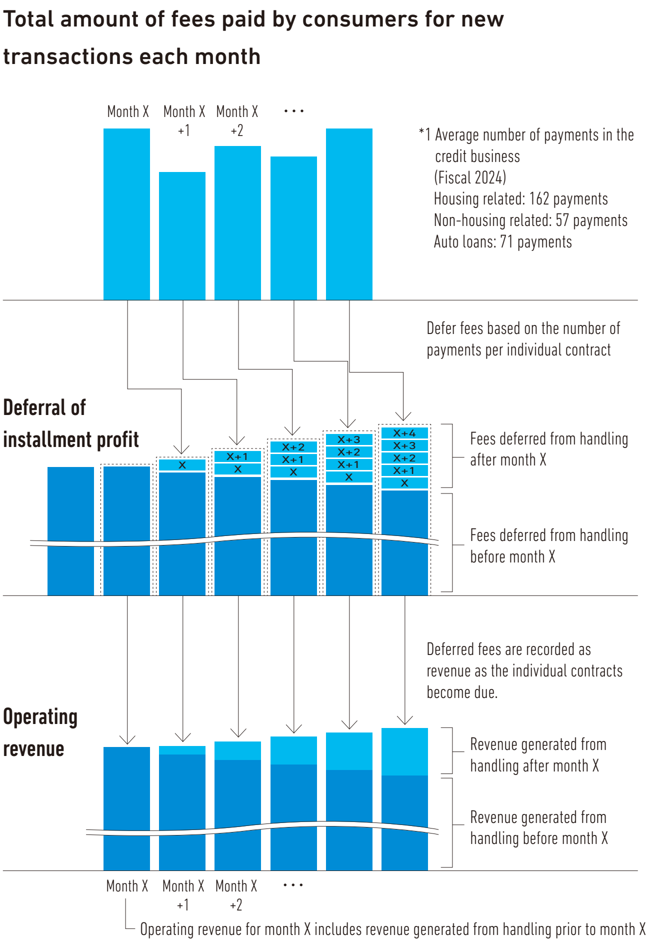
JACCS cardholders specify installment or revolving payments when using their credit cards. Each month, cardholders pay JACCS the principal and fees according to number of installments or the revolving balance.

Revenue model

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

Focus

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



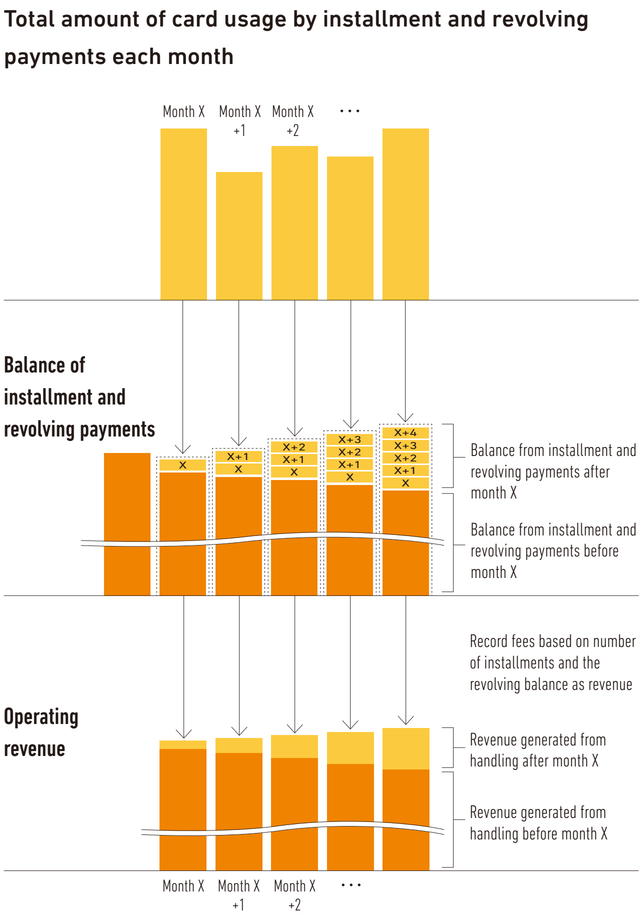


Illustration of Payments Business Revenue (Rent guarantees)

Business summary

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

Revenue model

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

Focus

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

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

Business summary

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

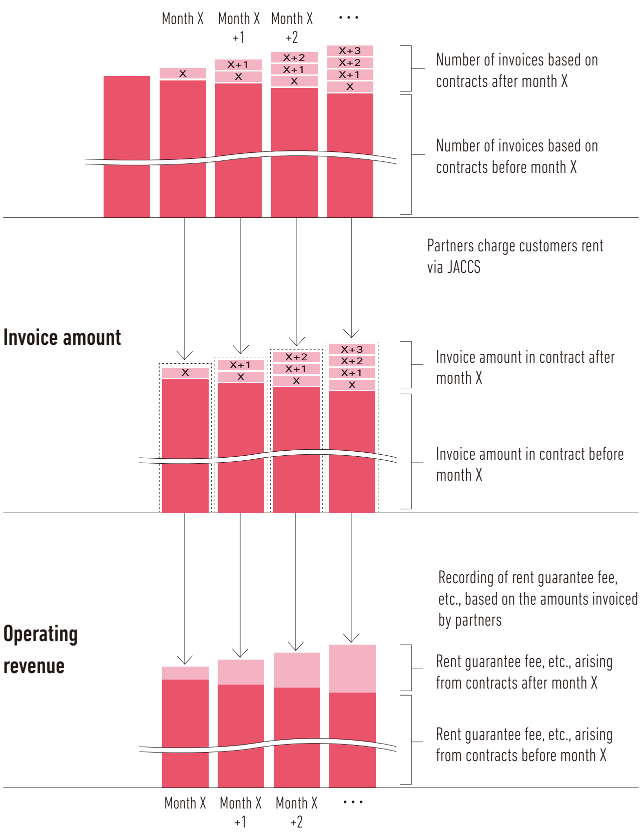
Revenue model

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

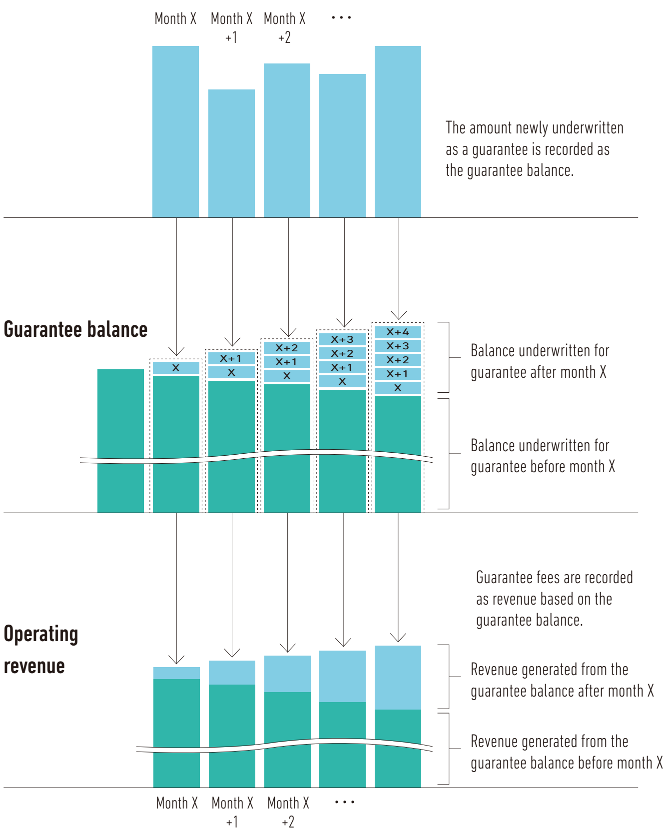
Focus

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

Number of invoices

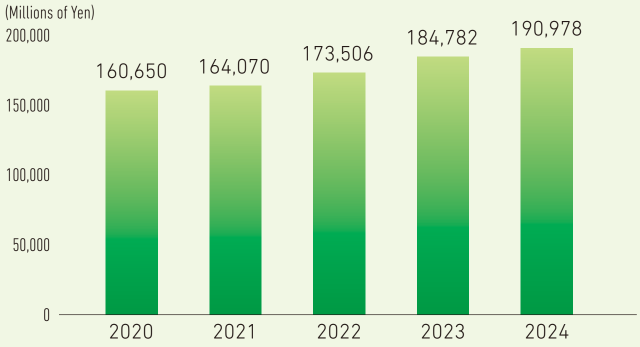


Amount of newly underwritten guarantee



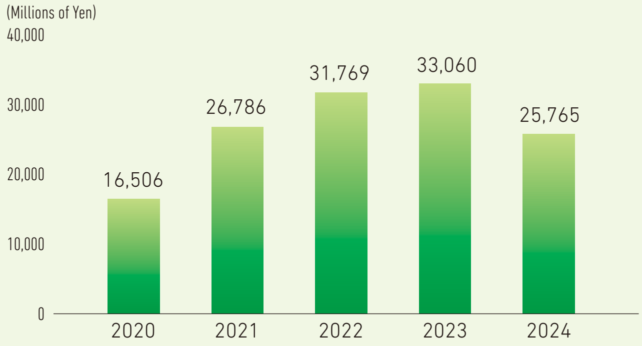
Financial and Non-Financial Highlights

Total Operating Revenue



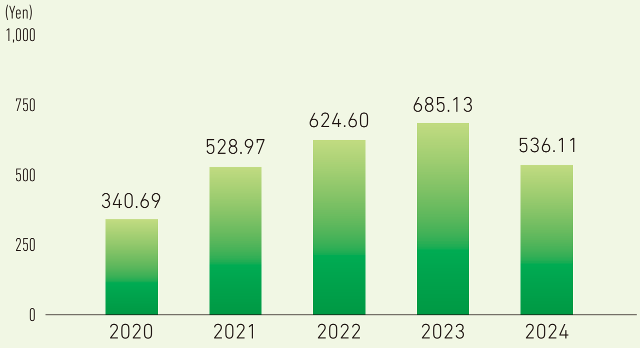
Total operating revenue increased 3.4% compared with the previous fiscal year, marking the 12th consecutive year of growth. Despite a decrease in financial revenue attributable to the securitization of receivables, the overall increase was underpinned by a reversal in the balance of deferred installment income and the build-up in the balance of credit guarantees.

Ordinary Income



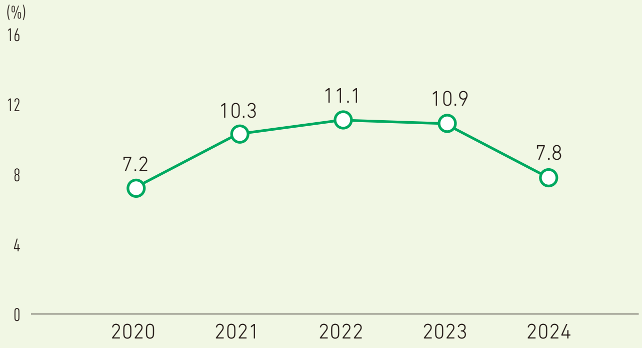
Ordinary income declined 22.1% compared with the previous fiscal year, reflecting an increase in expenses related to doubtful accounts accompanying expansion in the aggregate balance of operating receivables and a rise in financial expenses driven by increases in fundraising interest rates.

Net Income per Share–Basic



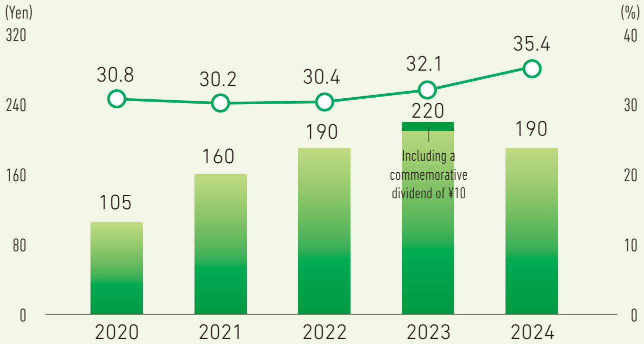
Net income per share–basic decreased ¥149.02 compared with the previous fiscal year.

ROE



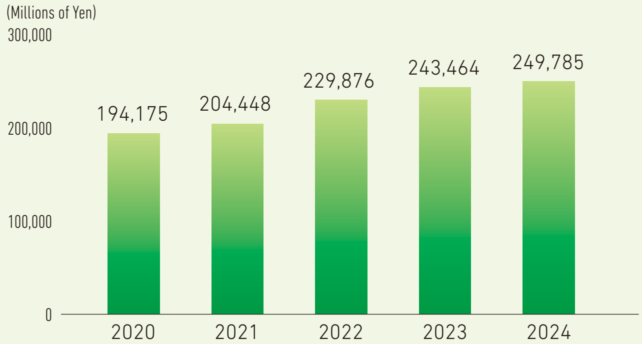
ROE decreased 3.1 percentage points compared with the previous fiscal year.

Cash Dividends per Share and Dividend Payout Ratio



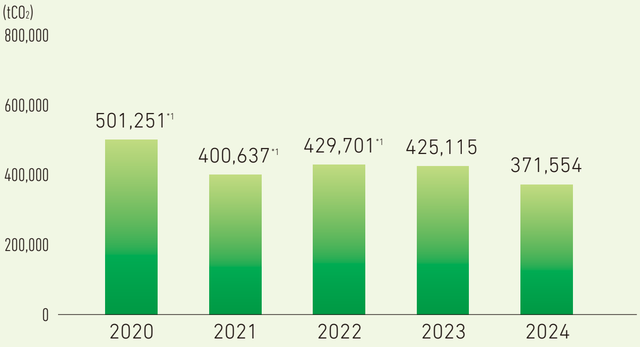
Cash dividends per share decreased ¥30.00 compared with the previous fiscal year, and the dividend payout ratio increased 3.3 percentage points compared with the previous fiscal year.

Balance of Deferred Installment Income



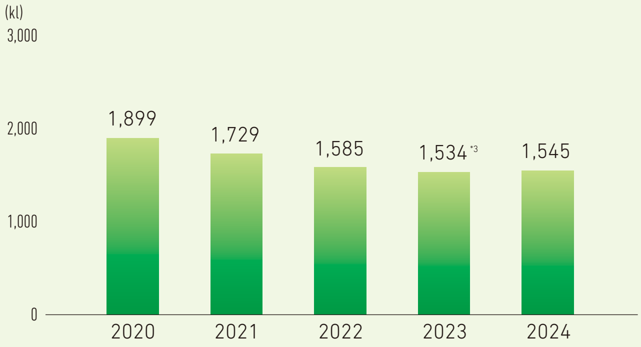
The balance of deferred installment income grew 2.6% compared with the previous fiscal year, and contributed to the increase in total operating revenue as a stable revenue base.

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



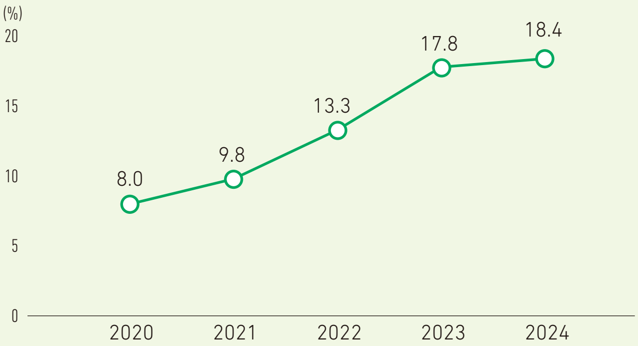
Greenhouse gas (GHG) emissions decreased 12.6% compared with the previous fiscal year.

Energy Consumption*2



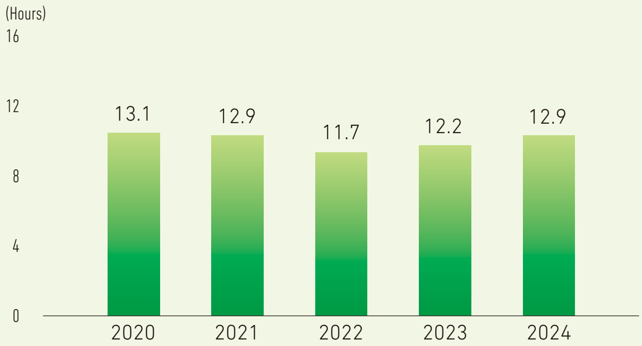
Energy consumption increased 0.7% compared with the previous fiscal year.

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



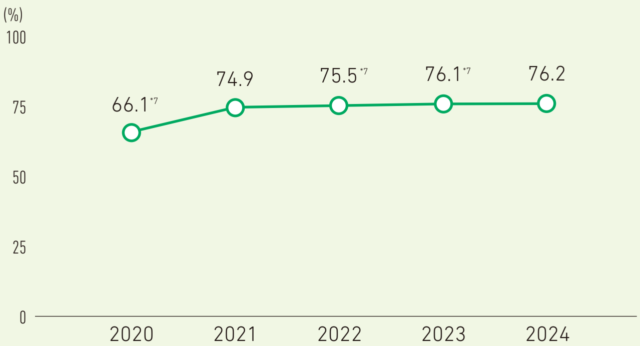
The Company sets a target for the ratio of female employees among all managers (section manager or higher). In addition to training programs, the Company proactively works to promote female employees. The ratio of female employees among all managers increased 0.6 percentage point compared with the previous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

Employees' Average Monthly Overtime Hours*4, 6



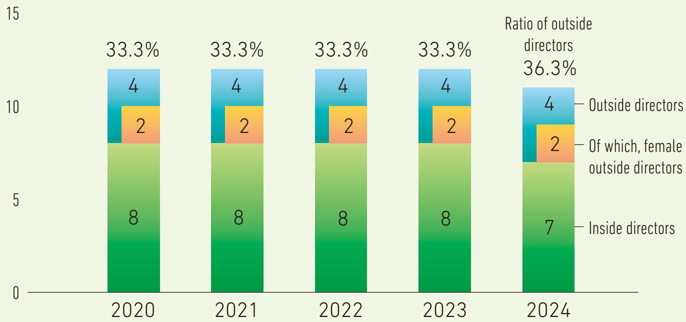
The average overtime hours per month increased 5.7% compared with the previous fiscal year.

Average Utilization Ratio of Annual Paid Leave Granted*4



The average utilization ratio of annual paid leave granted increased by 0.1 percentage point compared with the previous fiscal year.

Composition of the Board of Directors*4



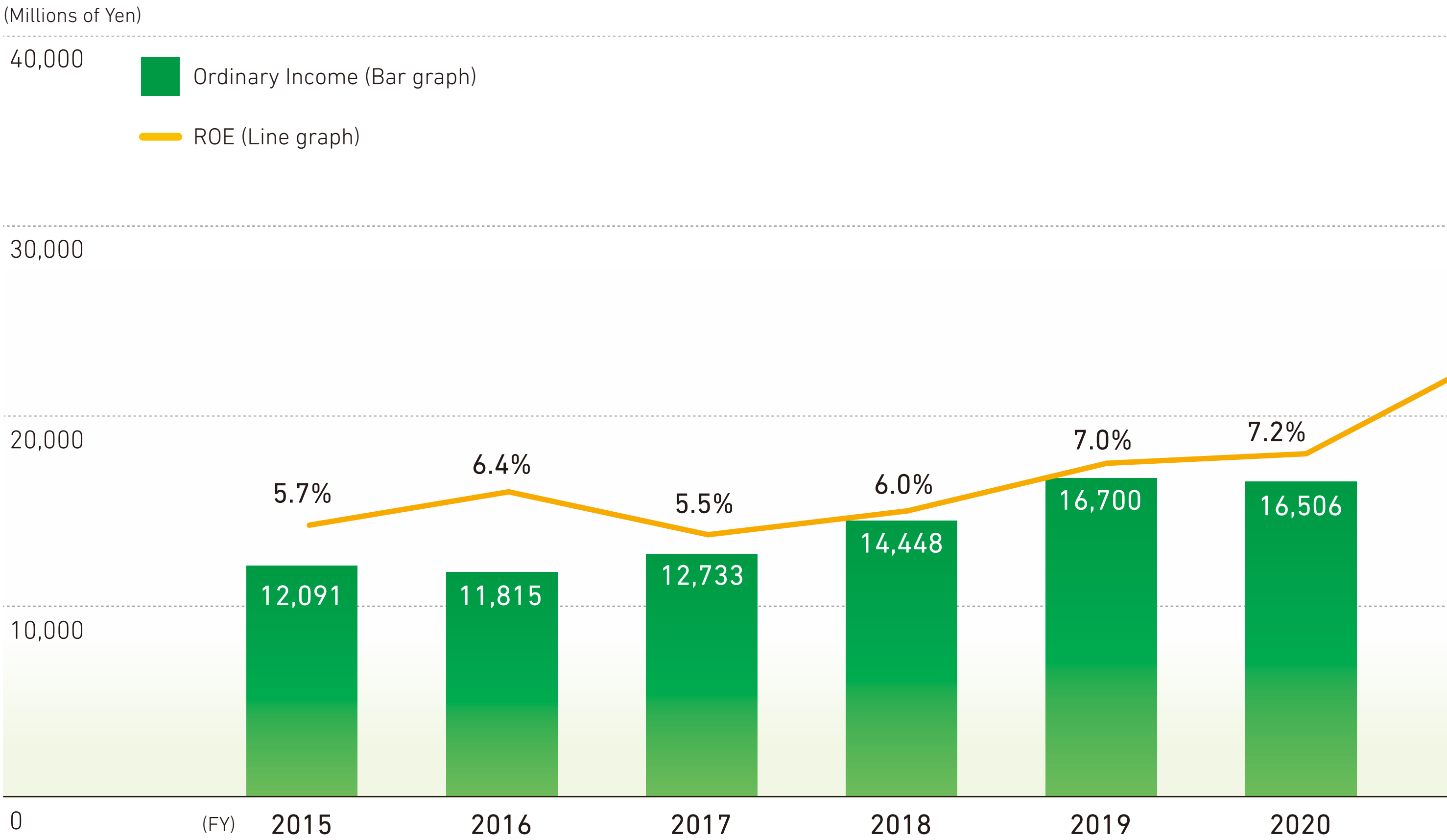
There were seven inside directors, a decrease of one director, and the total number of directors was 11. As a result, the ratio of outside directors increased 3.0 percentage points compared with the previous fiscal year.

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

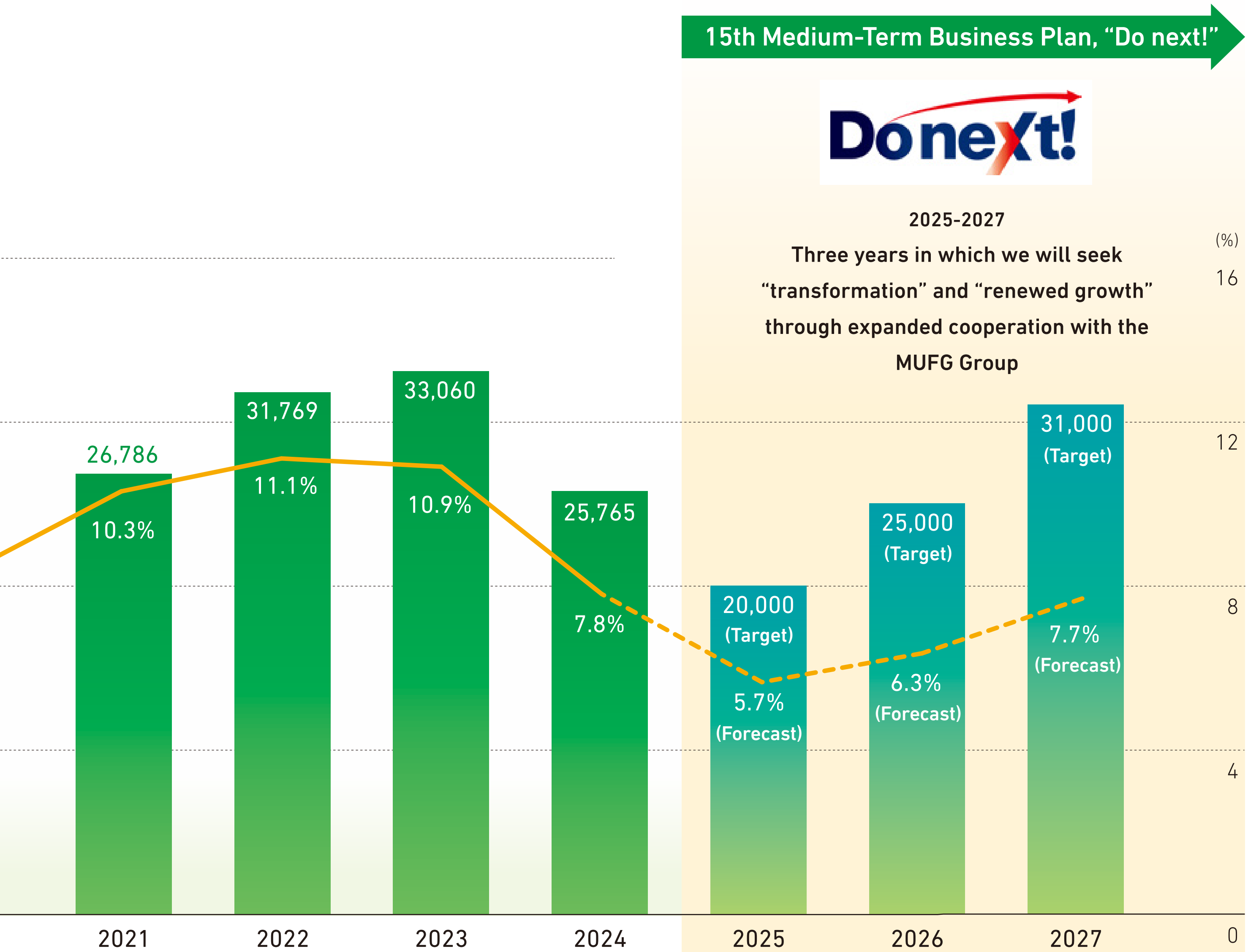
Growth Trajectory and Medium-Term Business Plan

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

The operating environment is undergoing significant changes, including rises in the domestic policy interest rate. In fiscal 2025, JACCS launched its new medium-term business plan as it aims for renewed growth.



	12th Medium-Term Business Plan "ACT-Σ" 2015–2017	13th Medium-Term Business Plan "RAISE 2020" 2018–2020
Key Policies	• Expansion of JACCS' earnings base through Group synergies • The pursuit of innovativeness through strategic utilization of the Group's resources • The practice of advanced corporate social responsibility (CSR)	• Pursue sustainable growth in domestic business • Accelerate growth in overseas business • Enhance productivity while strengthening the Group's platform for growth
Achievements and Challenges	We implemented a management strategy focused on Group synergies and innovation to improve profitability. We also expanded into the Philippines and Cambodia, and made our local subsidiary in Indonesia a consolidated subsidiary to accelerate the expansion of our overseas business. We strengthened our management structure by expanding the top line and promoting cost structure reforms.	The domestic business expanded, mainly in the credit business and financing business. We also focused on expanding our payments business, including acquiring operations and code-based payments, to strengthen our earnings base, which forms the foundation for Group management. In the overseas business, structural reforms aimed at profit growth progressed in each country, and we made a local subsidiary in the Philippines a consolidated subsidiary to further expand the business.



* ROE forecasts for fiscal 2025 onward take into account the third-party allocation of new shares.

Strategy Covering Single Fiscal Year
2021

Domestic Business: Pursue sustainable growth in the Group's core businesses and further productivity improvements
Overseas Business: Expand the business base, and promote business structural reforms to lay the groundwork for growth

The medium-term business plan was postponed for one year due to uncertainty over the impact of the spread of COVID-19 on the business environment of the JACCS Group. We continued to implement the various strategies we had been working on to lay the foundation and prepared for accelerating growth. We also worked to solve the issues of the JACCS Group that had emerged and gave momentum to the next medium-term business plan.

14th Medium-Term Business Plan, "MOVE 70"
2022-2024

How the Group should look in three years' time

- Enhance earnings base in the domestic business that leverages the Group's strengths
- Establish earnings base in the overseas business capable of driving future growth
- Strengthen management structure to accelerate growth in the domestic and overseas businesses
- Promote ESG management

Owing to such factors as a rise in the domestic policy interest rate and a slump in the overseas business, operating performance in fiscal 2024 was substantially below the initial targets. In the domestic business, we raised interest rates and launched a new payment service. We worked to strengthen asset control as we recognized the likelihood of further interest rate hikes. In the overseas business, we implemented such measures as operational improvements utilizing digital technologies. We worked to enhance profitability through the control of risk of receivables falling into arrears, and the transition to a high-yield portfolio.

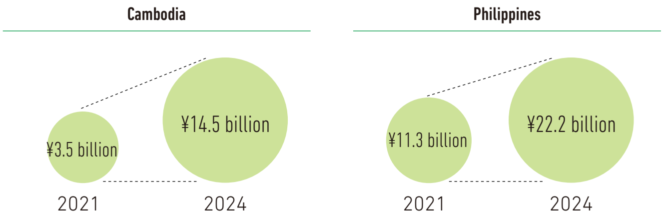
Reflecting on the Previous Three-Year Medium-Term Business Plan “MOVE 70”

MOVE 70

In pursuit of our management principle and to realize our long-term vision, we established four key objectives for how the Company should look in three years' time, and implemented various strategies to achieve them. Although business performance was generally favorable through fiscal 2023, the business environment changed significantly in fiscal 2024 compared to assumptions made when the plan was formulated, leading to poor performance that fell far short of initial targets. Results of the previous medium-term business plan, and issues the JACCS Group must address in order to adapt to the changing business environment and achieve renewed growth, are as follows.

Ideal positioning	Results	Issues and initiatives going forward

Enhance earnings base in the domestic business that leverages the Group’s strengths	• Responded to rising interest rates
	  • Ceased handling of products with low profitability
	  • Increased fees in line with rising interest rates on fundraising
	  • Introduced variable interest products
	• Released new payment service
	• Achieved strong growth in balance of loan guarantees
	• Promoted back office efficiency
		• Reallocate management resources to growth domains
		• Strengthen asset control in anticipation of further interest rate hikes
		• Accelerate growth through M&A

Establish earnings base in the overseas business capable of driving future growth	• Improved operations that leverage digital technologies • Introduced web applications and vehicle inspection systems, etc. • Expanded scale of business in Cambodia and the Philippines **Balance of operating receivables** 	• Control risk and transition to a high-profitability business portfolio • Curb risk stemming from receivables in arrears and strengthen the business base by leveraging digital technologies • Proactively invest in the overseas business in cooperation with the MUFG Group, Carsome Sdn. Bhd., and other partners
Strengthen management structure to accelerate growth in the domestic and overseas businesses	• Strengthened business and financial bases through cooperation with the MUFG Group • Utilized off-balance-sheet securitization of receivables through collaborations with Mitsubishi UFJ Trust and Banking Corporation, etc. • Commenced full-scale business portfolio management and enterprise risk management (ERM)	• Further strengthen cooperation with the MUFG Group • Develop IT system platform to support growth and execute DX strategy • Increase the sophistication of business portfolio management and ERM
Promote ESG management	• Contributed to the reduction of environmental burdens through the expanded handling of storage batteries, EVs, and other products • Achieved progress in reducing GHG emissions through the conclusion of a virtual power purchase agreement (PPA) among other initiatives • Established the Sustainability Committee, human rights and environmental policies, and made other efforts to strengthening corporate governance	• Implement strategies and programs based on redefined areas of materiality • Strengthen human capital management through development of a human resource portfolio and further improvements in employee engagement • Continue to strengthen information security and ensure the effectiveness of corporate governance

New Three-Year Medium-Term Business Plan “Do next!”

Qualitative Targets and Performance (Consolidated)

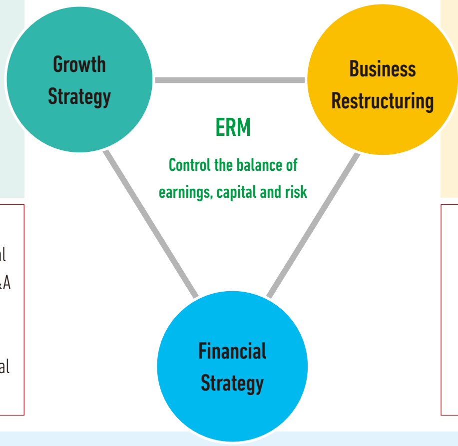
(FY)	2022		2023		2024	
(Billions of Yen)	Targets*1	Results	Targets*1	Results	Targets*1	Results
Revenue	167.0	173.5	175.5	184.7	184.5	190.9
Ordinary income	29.0	31.7	32.5	33.0	36.5	25.7
Net income attributable to owners of the parent	19.5	21.6	22.0	23.7	24.5	18.6
ROE	10.6%	11.1%	10.9%	10.9%	11.3%	7.8%
Dividend payout ratio	Approximately 30%	30.4%	Approximately 30%	32.1%	Approximately 35%*2	35.4%

*1 Targets under the previous medium-term business plan (announced May 2022)
*2 The target was originally 30%, but in November 2023, we announced that the target would be gradually raised to 35% by fiscal 2024.

New Three-Year Medium-Term Business Plan “Do next!” (Fiscal 2025–Fiscal 2027)

The JACCS Group launched a new medium-term business plan in fiscal 2025 that aims to achieve renewed growth. Additionally, in recognition of the business environment surrounding the Group and the challenges we face, we entered into a new capital and business alliance with MUFG Bank, Ltd. We will steadily implement the key strategies outlined in the new mid-term business plan, while working to achieve renewed growth and enhance JACCS Group corporate value.

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



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

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

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

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

Focus strategies (Financial Strategy)
- Strengthen asset control
- Expand alliance partner loans with MUFG Group

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

Strengthen the management structure to support the above strategies

Sustainability management	Human capital management	DX strategies
	• Strengthen personnel exchanges with MUFG Group	• Share know-how related to DX
Sustainability Management P42–	Respecting Diversity and Human Rights P53– Message from the Officer in Charge of Personnel P40–	DX Initiatives P31

Capital and Business Alliance Agreement with MUFG Bank

Amid the return to an economy with positive interest rates and the advance of DX within society and services, the management environment surrounding JACCS and the MUFG Group is undergoing substantial changes. In response to these environmental changes, and in recognition of the need to accelerate collaborations between two companies promoted thus far, to more proactively advance integrated Group operations, we determined to enter into a new capital and business alliance agreement with Mitsubishi UFJ Bank, Ltd., on March 14, 2025, and conducted a third-party allocation of new shares to MUFG Bank to strengthen and deepen our partnership from both capital and business perspectives.

We will utilize the funds raised to expand growth investments and strengthen shareholder returns with the aim of enhancing corporate value.

Overview of the Third-Party Allocation of New Shares

Number of new shares issued	Common stock 9,980,831 shares
Amount raised	Approximately ¥38.8 billion
Payment date	September 12, 2025
MUFG Group total shareholding ratio	Increased from approximately 20% to approximately 40%

Collaborative Aims

1. Growth strategy
- Maximally leverage the MUFG Group customer network to build a new framework for mutual customer referrals.
- Explore collaborations in new fields, such as adding JACCS products to the BaaS developed by MUFG Bank, and expanding BaaS to JACCS member stores.
- Utilize the MUFG Group digital financial network to expand Company investments and M&A.
- Leverage the MUFG Group global network to strengthen the Company’s overseas business sales and financial base, and promote new expansions and new investment.

2. Promoting DX and efficiency
- Promote efforts to reduce costs and improve productivity through sharing various MUFG Group knowledge, mainly related to digital technologies.
- Improve the Company’s operational efficiency by examining AI-based credit screening models used by the MUFG Group, and introducing and strengthening security measures.

* See P28–29 “Message from the Officer in Charge of Accounting and Finance” for details on the allocation of cash, including growth investments.

New Three-Year Medium-Term Business Plan "Do next!" (Fiscal 2025—Fiscal 2027)

Growth Strategy

Growth and Expansion of Environment-Friendly Categories

Through further expansion in environment friendly categories, JACCS will strive to reduce environmental burden and grow profits.

Housing related (renovation / solar power generation / storage batteries, etc.)

- Capture housing-related markets by strengthening the sales structure
- Improve convenience and respond to rising interest rates

Fiscal 2027 target for volume of new contracts for housing related

¥265.0 billion

(+24.8% compared with fiscal 2024)

Auto related

- Further strengthen partnerships with vehicle importers
- Expand auto leasing for individuals
- Promote initiatives for xEV*

Fiscal 2027 target for volume of new contracts for auto leasing

¥100.3 billion

(+43.2% compared with fiscal 2024)

*xEV: A general acronym encompassing the various types of electric vehicles, including BEV, HEV, PHEV, and FCEV.

Growth and Expansion of the Guarantees Field

Positioned as a growth field that doesn't require funding, accelerate growth through proactive resource allocation

Rent guarantees

- Strengthen alliances and proactively invest in IT systems
- Expand through strategic allocation of resources
- Inorganic growth through M&A

Fiscal 2027 target for rent guarantees revenues

¥4.0 billion

(+9.7% compared to fiscal 2024)

Personal loan guarantees for banks

- Expand "Net DE Loan" product in collaboration with MUFG Bank
- Strengthen cooperation with internet-based banks, expand new alliances
- Expand through strategic allocation of resources
- Inorganic growth through M&A

Fiscal 2027 target for personal loan guarantees balance of credit guarantees

¥827.2 billion

(+18.0% compared with fiscal 2024)

Growth and Expansion of the Overseas Business

Anticipating growth capacity and future potential of markets, accelerate investment overseas centering on the ASEAN region

Organic / inorganic strategy

- Improve profitability through transformation into a high-return portfolio
- MUFG Group and CARSOME collaborations aimed at expanding profits using new expansion models

JIVF JMFI JFP JMC + CARSOME +α

During the period of the new medium-term business plan, aim to increase the share of consolidated ordinary income derived from the overseas business to **at least 10%**

Fiscal 2027 target for overseas business ordinary income

¥3.3 billion

(-36.0% compared with fiscal 2024)

Financial Strategy

Up to now, JACCS has promoted leverage management by taking advantage of the low-interest fundraising environment to accumulate operating receivables. However, due to changes in Bank of Japan monetary policies, Japan has returned to an economy with positive interest rates. In response to these changes in the environment, JACCS will also control its balance sheet and strive to improve profit margins while maintaining financial soundness.

Our Future Vision for the Balance Sheet

Total Assets

Assets	Liabilities
Shift to affiliated loans	Reduction
Off-balance-sheet securitization of receivables	
Balance of receivables (existing)	Interest-bearing debt
Growth investment	Deferred installment income Other liabilities
Other assets	Shareholders' equity

Assets:

- Fundraising corresponding to new sales will shift to affiliated loans (off-balance-sheet)
- Based on the rising interest rate trend, we will dispose of low-yield receivables (off-balance-sheet securitization of receivables)
- We will continue to hold receivables for which we can obtain a profit margin in relation to fundraising interest rates
- Expand the balance of receivables in growth fields; acquire new shareholdings through the execution of strategic M&A
- Streamline assets and generate cash through disposal of cross-shareholdings
- Create new business opportunities through IT investment and intangible asset investment

Liabilities:

- Shift to affiliated loans along with streamlining of liabilities through off-balance-sheet securitization of receivables
- Examine fundraising composition that takes into account liquidity risk and interest-rate risk
- Maintain fundraising spare capacity through expansion of receivables subject to securitization
- Maintain the balance of deferred installment income through interest rate increases and improvements in profitability
- Continuously execute growth investment and shareholder return while maintaining financial soundness

Business Restructuring

Reallocation of Sales Resources

Based on changes in the operating environment, the Company will consolidate its sales office network and reallocate sales resources

- Consolidation of sales offices (Credit business)
  Current network of 62 offices consolidated into
  40 offices (reduction of 22 offices)

* Gradually implemented between fiscal 2024 and fiscal 2025

Reallocation of management resources to growth fields in Japan

Environmental field	Guarantees field
Housing related and auto leasing	Rent guarantees and personal loan guarantees

Structural Reform of the Credit Card Business

Develop and refine existing strategies, and shift focus from quantity to quality

- A co-branded card strategy with greater focus on profitability
  Shift away from focusing on the number of new card members acquired toward the ratio of active members and ratio of usage of installment payment, etc.
- Cost structural reform
  Improvement in profitability, streamlining of co-branded cards, etc.

Streamline the size of credit card membership	Cost-reduction effect
Forecast for FY2027: **5.07 million members** (Comparison with FY2024: -890,000 members)	Approximately **¥1 billion** (three-year cumulative amount)

Reform Center Organization

Implement cost reductions through improved operational efficiency based on digitization, and optimization of personnel allocation

- Promote digitization
  Utilize digital technologies to rebuild receivables management system
- Optimize allocation of personnel
  Build an application handling system aligned with the business portfolio

Cost-reduction effect

Approximately
¥1 billion
(three-year cumulative amount)

Quantitative Targets

Operating revenue is expected to continue trending upward, driven by the domestic credit and financing businesses. Ordinary income and net income attributable to owners of the parent are expected to bottom out in fiscal 2025, and enter a recovery phase from fiscal 2026 onward. Furthermore, in light of the market reaction to reduced dividends in fiscal 2024, we updated our dividend policy to achieve greater stability in line with the new medium-term business plan.

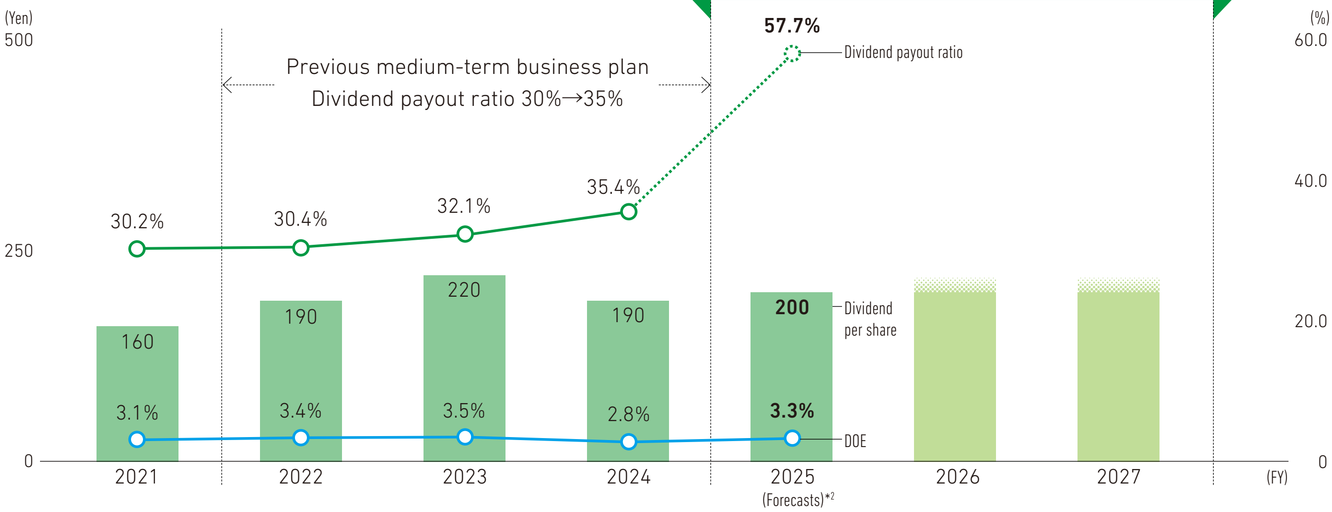
To achieve transformation and renewed growth and meet quantitative targets, the JACCS Group must execute various strategies while steadily translating expanded collaborations with the MUFG Group into profits. Under the new medium-term business plan, we aim to put in place the management structure that will drive us to record profit levels under the next medium-term management plan.

(FY)	2024	2025		2026		2027	
(Billions of Yen)	Results	Targets	YoY change	Targets	YoY change	Targets	YoY change
Revenues	190.9	191.5	0.5	199.0	7.5	204.5	5.5
Ordinary Income	25.7	20.0	(5.7)	25.0	5.0	31.0	6.0
Net income attributable to owners of the parent	18.6	15.5	(3.1)	18.0	2.5	23.0	6.0

Dividend Policy

Cash Dividends, Dividend Payout Ratio, and DOE*1

New medium-term business plan
A dividend payout ratio of 40% or DOE of 3%, whichever is higher, targeting at least **¥200 per share**.



*1 Cash dividends paid ÷ Average net assets during the period (Net assets excluding subscription rights to shares and non-controlling interests)
*2 The DOE forecast for fiscal 2025 takes into account the third-party allocation of new shares

Major Risks

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

Risk Map

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

Impacts \ Frequency	Rarely	Often	Frequently
Extremely severe	(1) Business strategy-related risk (7) Liquidity risk* (9) Disaster/epidemic risk (12) Personal information leakage/loss risk* (16) Reputational risk	(10) Cybersecurity risk	
Large	(3) Country risk (4) Legal and regulatory-related risk (7) Falling investment security or other asset price risk* (8) Human rights risk	(2) Economic and competitive environment-related risk (6) Increased expenses related to doubtful accounts risk* (6) Member store and business partner fraud and bankruptcy risk* (7) Rising funding rate risk* (14) Compliance risk (15) Human risk	(11) System risk
Limited	(5) Climate change risk	(7) Foreign exchange fluctuation risk	(13) Administrative risk

* Various risks are identified in each risk category. Items marked with (*) indicate main risks identified in that risk category.
* The above risks were recognized by JACCS as of March 31, 2025.

Top Risks

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

Risk items	Risk scenarios	Countermeasures
(10) Cybersecurity risk	Leakage of personal information due to unauthorized external access or virus infection, resulting in suspension of business due to system shutdown, payment of damages, and damage to reputation	Strengthening security systems through multi-layered technical measures, Company-wide responses led by a specialized organization, and ongoing employee education
(11) System risk	Suspension of business and provision of services to customers and member stores, and damage to reputation due to serious system or communication network failures caused by natural disasters, cyber incidents, power outages, equipment failures, and other factors	In addition to maintaining stable system operations and security through earthquake-resistance measures, redundancies, and disaster response training, we are strengthening our system for managing system contractors.
(7) Rising funding rate risk	Increased financial costs due to changes in financial markets, declining ratings and creditworthiness, and rising interest rates on borrowings and corporate bonds	We utilize ALM to review and manage asset and liability duration while reviewing and implementing funding methods in line with interest rate scenarios (hedging through derivative transactions, promoting fixed interest rates).
(6) Increased expenses related to doubtful accounts risk	Increased provision for loan losses due to deteriorating individual creditworthiness, reduced screening accuracy, an increase in fraudulent applications, and worsening conditions for member stores and the real estate market	Strengthening cooperation between departments to improve the accuracy of screening, eliminate fraudulent applications, and strengthen collection efforts to secure high-quality receivables

* The above represents only a portion of the risks recognized as of March 31, 2025. Risks not listed above may also have a significant impact on management.

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

Message from the Officer in Charge of Accounting and Finance

To support the sustainable growth of the JACCS Group, we are diversifying our fundraising methods to secure funding requirements while simultaneously working to enhance capital efficiency through asset control.

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

Summary of Results of the Three-Year Medium-Term Business Plan "MOVE 70" from a Financial Perspective

During the first and second fiscal years of the previous medium-term business plan—"MOVE 70"—within a low-interest-rate environment, mainly driven by the credit business, we maintained a high level of profitability by utilizing substantial financial leverage. However, during the final fiscal year of the plan, financial expenses rose significantly, leading to a decline in profit. This reflected such factors as the Bank of Japan raising its policy interest rate accompanying the revision of monetary policy.

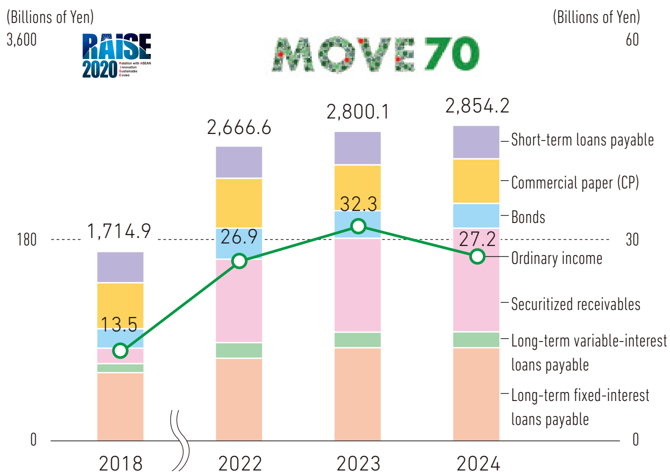
Within this environment, from a financial standpoint, to support a high level of interest-bearing debt, using ALM*1 the Company classified financial risk into liquidity risk and interest-rate risk and carried out quantitative evaluation and validation under a range of stress scenarios. Based on such measures, by working to enhance risk management methodology, the Company strove to improve financial soundness. In addition, to support sustainable growth of the JACCS Group as a whole, we diversified fundraising methods to secure funding requirements, while simultaneously working to enhance capital efficiency through asset control.

Specifically, as the balance of operating receivables expanded, the Company took a portion of low-yield receivables and receivables with long repayment periods off the balance sheet using an ABS*2 structure, as it worked to inhibit financial leverage and enhance the quality of its operating receivables portfolio. As we anticipate further interest-rate rises and monetary tightening in the future, we continue to review the yields of each class of operating receivables and move assets off the balance sheet, centering on receivables with low yields. Through this process, we aim to raise ROA*3. With regard to the adequacy of equity capital in relation to assets and the verification of risk tolerance—issues that JACCS has been addressing—within our ERM*4 implementation, we have built a framework for the measurement and verification of credit risk, market risk and operational risk through a calculation method that conforms with the Basel regulatory framework. As a result, we verified that JACCS' equity capital amount maintains an adequate level in relation to risk exposure. Based on the results of this verification process, the Company is currently discussing the setting of parameters for risk capacity and risk appetite, as well as usage policies for under-utilized capital, including application to such areas as investments in growth fields and dividend policy.

The JACCS Group intends to expand its disclosure on these kinds of risk management initiatives, and is committed to explaining the Group's potential for sustainable growth while maintaining financial soundness.

*1 ALM: Asset and Liability Management
*2 ABS: Asset-Backed Securities
*3 ROA: Return on Assets
*4 ERM: Enterprise Risk Management

Balance of Fundraising and Ordinary Income (Non-consolidated)



Financial Strategy Within the New Three-Year Medium-Term Business Plan "Do next!"

Under the JACCS Group's three-year medium-term business plan "Do next!"—underpinned by an ERM structure that controls the balance between earnings, risk, and capital—the Group has positioned its financial strategy as one of three key strategies, alongside its growth strategy and business restructuring.

Japan is currently transitioning to "an economy with positive interest rates." To strengthen its ability to meet the challenges of this new environment, the JACCS Group is working to increase the sophistication of its ALM operations and maintain financial soundness by controlling a range of risk types. Simultaneously, based on discussions that focus on the Group's business portfolio, we are pursuing increased capital efficiency through appropriate risk-taking as necessary, thereby aiming to support the Group's renewed growth.

Specifically, we are working to expand our collaboration with the MUFG Group, and trim our balance sheet through asset control by utilizing affiliated loans—which do not require fundraising—and off-balance-sheet securitization of receivables. We are also striving to reduce the mismatch between assets and liabilities caused by an asset portfolio with longer average maturity than liabilities, as part of efforts aimed at improving financial soundness and capital efficiency.

Business Portfolio Management

Within "Do next!", the JACCS Group will pursue business portfolio management based on a balance between earnings, risk, and capital through ongoing ERM. Each business segment is evaluated while taking into account such factors as business strategy and performance measured along two key axes—RORWA[*5] and top-line growth rate. The Management Committee holds regular discussions on business management policies and future directions.

Within business portfolio management, we place particular emphasis on increasing the weight of businesses and products that have a relatively low credit risk, are not accompanied by an expansion of assets, and provide high earnings potential. At the same time, we also emphasize the further strengthening of profitability of existing businesses. Based on these principles, we are striving to raise capital efficiency by growing the volume of new contracts while focusing on quality.

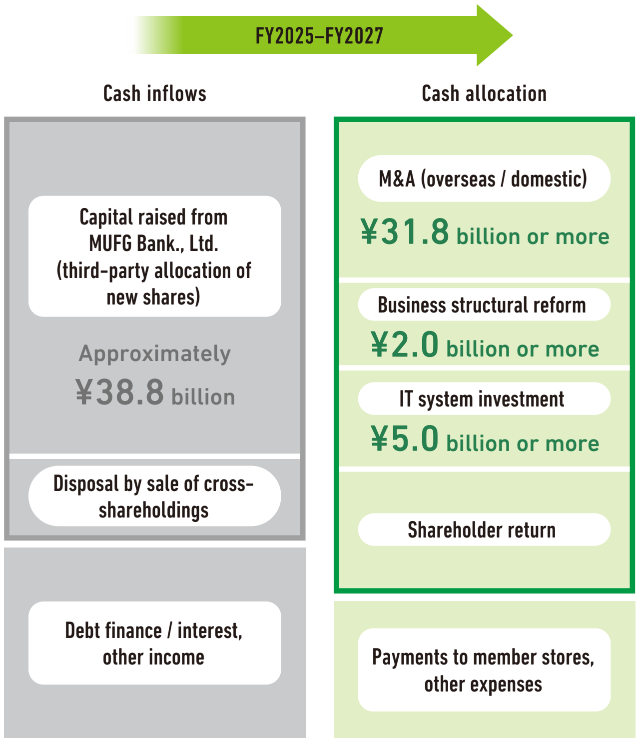
*5 RORWA: Return on Risk-weighted Assets is a performance metric widely used in the banking sector that measures how effectively a bank generates profit from its assets, taking into account the risk associated with those assets.

Cash Allocation

JACCS is accelerating its collaboration with the MUFG Group and strongly promoting unified Group management. As part of this strategy, JACCS newly concluded an agreement with MUFG Bank, Ltd., for a capital and business alliance. Funds raised through a third-party allocation of new shares (approximately ¥38.8 billion) allotted to MUFG Bank, Ltd., will be utilized for the expansion of growth-focused investment. Specifically, just over ¥30.0 billion has been allocated for M&A investment capital, which will be utilized in Japan in the guarantees field and overseas to target markets in the ASEAN region, as we work to expand our business base. In addition, we have allocated approximately ¥2.0 billion for business structural reform, and approximately ¥5.0 billion for investment in IT systems and DX initiatives.

In the area of cross-shareholdings held by JACCS, the majority of these are shares of financial institutions with which the Company maintains a business relationship. Following negotiations with each institution, the Company has carried out a program of disposal by sale of shares, which on a current-price basis amounted to approximately ¥2.3 billion in fiscal 2023, and approximately ¥1.6 billion in fiscal 2024. Excluding a portion of cross-shareholdings—which the Company has decided to maintain—JACCS reached agreement with the large majority of its business partners to dissolve cross-shareholdings, and plans to continue disposal through sales on a gradual basis at the appropriate timing. We intend to utilize cash raised from the disposal by sale of cross-shareholdings for growth-focused investments, thereby striving to enhance corporate value.

Cash Allocation



Sustainability Initiatives

JACCS appropriately recognizes opportunities and risks brought about by changes in the economy, society, and the environment, and undertakes corporate management with the aim of helping realize a sustainable society while contributing to economic development together with our stakeholders. Under "Do next!", we aim to reinforce "sustainability management" (ESG). This is one of the management foundational areas that underpins the business plan's key strategies. Taking into account changes in the Group's operating environment and progress to date in its sustainability initiatives, the Group has recently undertaken an overhaul of its areas of materiality, with the objective of raising the level of effectiveness of its sustainability management. Based on this overhaul, the Group is proactively pursuing green finance, which focuses on environmental fields, and sustainable finance initiatives—based on human capital management—within its fundraising activities. Through such efforts, the Group aims to enhance corporate value and reduce cost of capital.

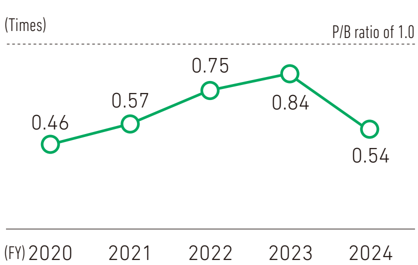
Management that Is Conscious of Cost of Capital and Stock Price

Situation Analysis

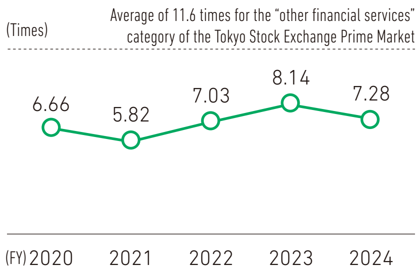
One of the notable features of JACCS' current situation is its relatively low P/B ratio and P/E ratio. Until fiscal 2023, both the P/B ratio and P/E ratio were on a rising trend, underpinned by robust operating performance together with dividend increases that reflected this performance. However, owing to such factors as the downward revision of operating performance forecasts and dividend forecasts in August 2024, both benchmarks have continued to deteriorate. With regard to weakness in the overseas business—the principal factor behind the downward revision of operating performance forecasts—the Group is implementing a comprehensive array of measures aimed at realizing a recovery in operating performance. These include reconfiguring the business portfolio by focusing on highly profitable businesses, restraining expenses related to doubtful accounts by strengthening the receivables management system, and in Indonesia rationalizing the scale of the business through such measures as scaling back the sales branch network. Furthermore, in response to increases in financial expenses stemming from the Bank of Japan's raising of the policy interest rate, the Company has already implemented a set of measures, including an increase in the fee schedule vis-à-vis member stores. The Company is also adapting to changes in the operating environment by slimming down its balance sheet. Specific measures in this area include a shift toward an affiliated loan method, which does not require fundraising.

With regard to the cost of shareholders' equity, although we had previously recognized investors' expectations to be around 7% based on a capital asset pricing model (CAPM), in light of the Company's P/B ratio falling substantially below 1.0, and as a result of our discussions with investors and analysts, we now recognize the level that investors are seeking to be at least 10%. Based on the third-party allocation of new shares and our current profit forecasts, we anticipate that ROE will further decline. However, initially we aim to restore ROE to a level similar to fiscal 2024, or approximately 8%, and subsequently work toward a target of 10%. To achieve this, we will strive to implement the strategies set out in the new medium-term business plan and strengthen our IR programs.

Price-to-book (P/B) ratio

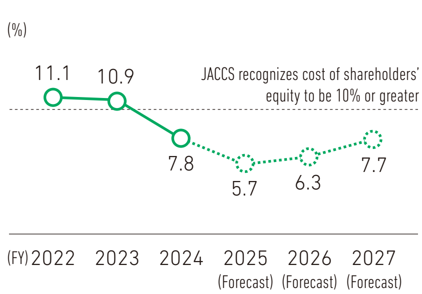


Price-to-earnings (P/E) ratio



* Weighted average market capitalization as of March 31, 2025

Return on equity (ROE)

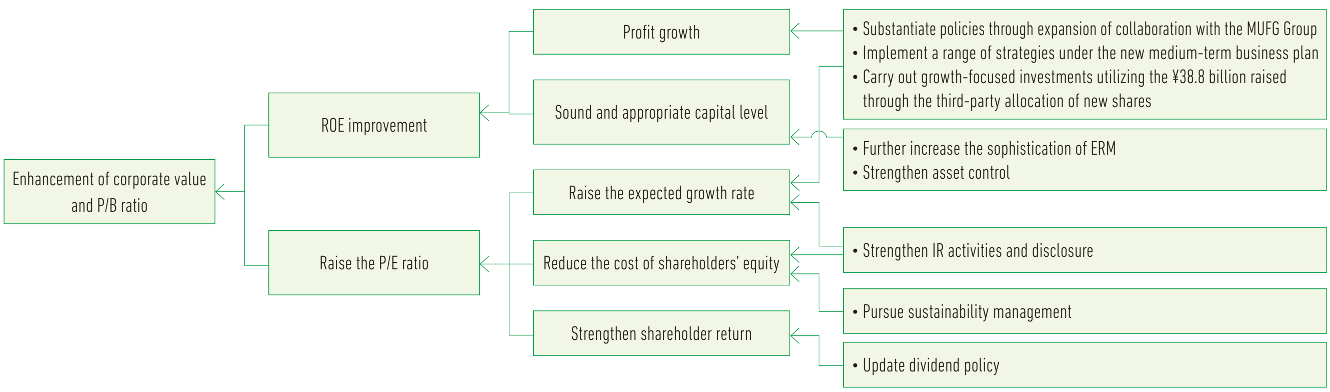


* Forecasts for fiscal 2025, and subsequent fiscal years include ROE after adjustment for the third-party allocation of new shares

Policy Approach

The Company seeks to realize a P/B ratio of 1.0 or higher at an early stage, and will work to strengthen initiatives aimed at improving ROE and raising the P/E ratio. In addition to expeditiously substantiating and executing policies that expand JACCS' collaboration with the MUFG Group, the Company will implement the strategies articulated in the new medium-term business plan and utilize the funds raised through the third-party allocation of new shares for growth-focused investments. By doing so, from a profit perspective we will strive to realize renewed growth, with fiscal 2025 being the likely nadir, and work to raise the expected future growth rate. In the area of IR activities, we plan to strengthen our communication with the market and dialogue with shareholders and investors as a means of promoting greater understanding of our strategies. Furthermore, through enhanced disclosure and the pursuit of sustainability management, we will strive to reduce the cost of shareholders' equity.

To reinforce shareholder return—an essential component of raising the P/B ratio—in conjunction with the new medium-term business plan, we have updated our dividend policy with the objective of providing even greater stability. This update takes into account such factors as the market reaction to the dividend reduction implemented in fiscal 2024. Accompanying this, although we are forecasting a decrease in net income in fiscal 2025, we have forecast a dividend increase, with total cash dividends per share expected to be ¥200.00, an increase of ¥10.00 compared with the previous fiscal year.



DX Initiatives

DX Initiatives and Issues in Fiscal 2024

In fiscal 2024, we focused on the following two key tasks: (1) building infrastructure needed for data utilization and application, and (2) expansion of digital contact points with customers and provision of new services.

Within building infrastructure needed for data utilization and application, to contribute to member store sales growth through analysis of customer trends and purchasing behavior using transaction data, JACCS began work on initiatives aimed at facilitating the utilization and application of valuable data. This included data visualization and analysis using business intelligence (BI) tools*[1] and creation of use cases*[2].

Within expansion of digital contact points with customers and provision of new services, to enable customers to use JACCS products with even greater convenience, we are aiming to expand the functionality of app- and web-based services. One of the near- to medium-term issues we are addressing is the realization of business models that enhance customer convenience and drive earnings through the early provision of services.

*1 Business intelligence tools: These are software tools that integrate the vast amounts of data enterprises accumulate. Such tools are used to analyze and share data, and enable enterprises to utilize data in management and operations.

*2 Use case: A methodology used at the requirement analysis and design stages of IT systems and software development

Review of the Previous Three-Year Medium-Term Business Plan, "MOVE 70"

In the Group-wide promotion of DX, we worked on initiatives that aimed to achieve sustainable growth through an optimal balance between top-line expansion and cost reductions. Utilizing digital technologies, we worked toward the realization of such goals as: the promotion of working-style reforms, the enhancement of productivity, and the establishment of competitive advantage.

We pursued Group-wide cross-sectional initiatives after dividing them into three phases—optimization, creation, and transformation. We achieved a certain level of success centered on the optimization of operational processes. For example, we worked to increase operational efficiency through the adoption of paperless workflows and generative AI. We have also begun to carry out data visualization and analysis using BI tools, and are striving to create new value through data utilization and application.

In the development of human resources that possess advanced digital skills, through initiatives such as expansion of the stratified training program and establishing a certification system to recognize advanced digital skills, we are working to improve the level of digital skills across the organization as a whole. Meanwhile, a number of remaining tasks became clear. These included expansion of earnings through the early provision of new services from the standpoint of customers and member stores served by JACCS' existing businesses, and improvement of productivity through development of an operational environment in which such cutting-edge technologies as generative AI can be practically applied. By addressing these tasks on a unified, Group-wide basis, we aim to realize sustainable growth.

Initiatives Under the New Three-Year Medium-Term Business Plan "Do next!"

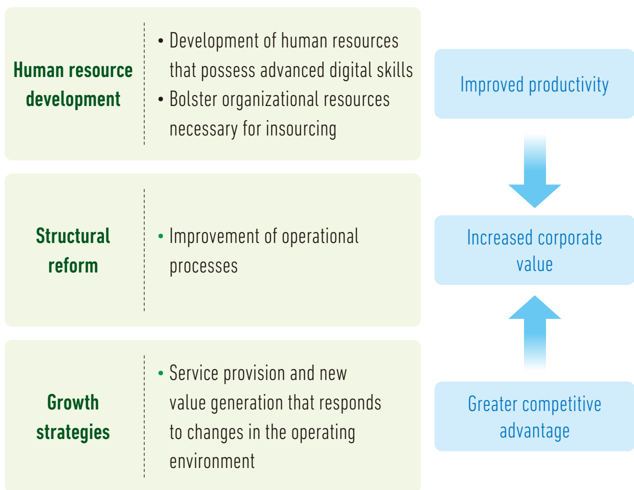
Our DX initiatives may be summarized as "the application of data and digital technologies to realize the optimization of operational processes and the generation of new value." In addition, these initiatives aim to strengthen the Group's management base, which underpins the key strategies put forward under the "Do next!" business plan. The DX initiatives have three pillars—human resource development, structural reform, and growth strategies.

In human resource development, through the cultivation of human resources that possess advanced digital skills and the promotion of organizational resources necessary for insourcing, our objective is to reinforce the structure for promoting DX.

In structural reform, we are further advancing our drive toward paperless operations as part of improvements to business processes. We are aiming for enhanced productivity based on the application of such technologies as robotic process automation (RPA)*[3] and generative AI.

In the area of growth strategies, we are focusing on the provision of services adapted to changes in the operating environment, while working to generate new value. Through the addition of functionality to customer apps and the development of service sites for member stores, we will expand digital points of contact, and enhance competitive advantage through the provision of web-based products and services. In addition, we are strengthening the decision-making process by utilizing data, and will work to provide effective services. Through these initiatives, we are aiming to realize improvements in corporate value.

*3 Robotic Process Automation: Software robot technology for business process automation of operations performed by a person using a PC



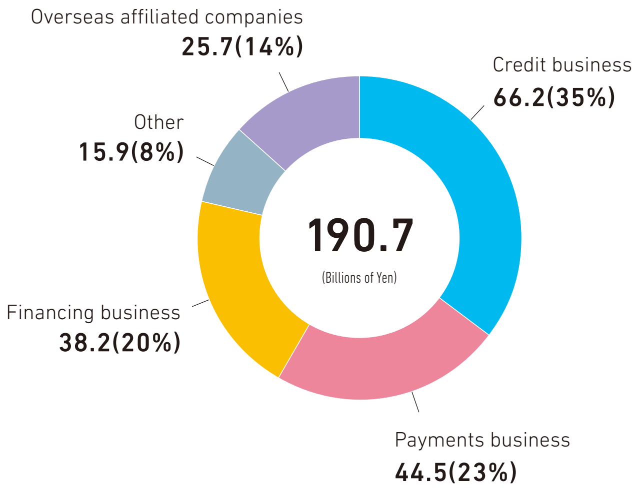
Performance by Business

As the operating environment underwent major changes, the JACCS Group steadily implemented measures in each business field as it worked to expand its sustainable earnings base.

Operating Revenue

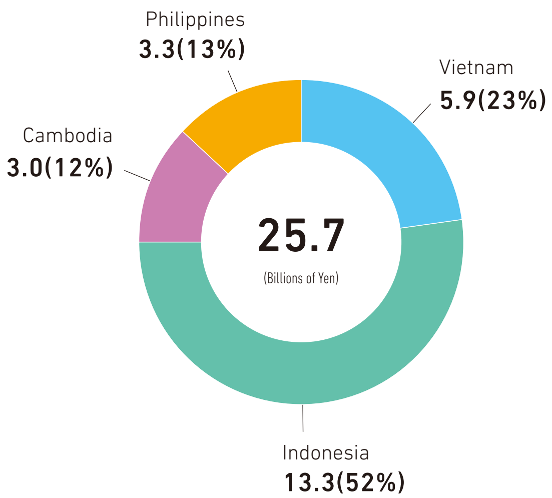
* Simple aggregate basis

Composition ratio in parentheses



Operating Revenue of Overseas Affiliated Companies

Composition ratio in parentheses



Credit Business

Business details

- Shopping credits
- Auto loans

Payments Business

Business details

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

Financing Business

Business details

- Housing loan guarantees
- Personal loan guarantees

Overseas Business

Business details

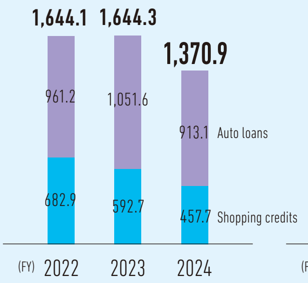
- Motorcycle and auto loans in markets within the ASEAN region (Vietnam, Indonesia, Cambodia, and Philippines)

In shopping credits, we strengthened the sales structure, and the volume of new contracts increased for home renovation loans—a category in which the Company has pursued a transition to variable-interest-rate products. However, owing to such factors as the discontinuance of handling certain low-margin products and the implementation of interest rate increases, both the volume of new contracts and operating revenue declined.

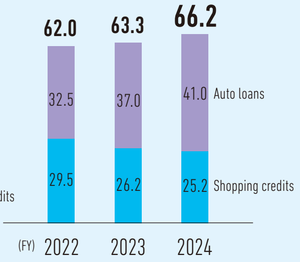
In auto loans, under market conditions characterized by weak unit sales of imported new vehicles—reflecting such factors as steep rises in vehicle prices—the Company continued to execute marketing programs in coordination with the sales strategies pursued by each importer. In the used vehicle market, where demand remained robust, the Company focused on marketing programs vis - à - vis local used-car dealerships. However, the volume of new contracts declined, reflecting the impact of such factors as interest rate increases. Revenue rose, underpinned by a reversal in the balance of deferred installment income.

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

Volume of New Contracts (Domestic)
(Billions of Yen)



Operating Revenue (Domestic)
(Billions of Yen)



In card shopping, the volume of new contracts grew, driven by such factors as transactions at large-scale alliance partners and new alliance partners, and robust code-based payments accompanying in-bound tourism growth. Operating revenue increased, reflecting such factors as an increase in the fee rate applied to revolving-payment shopping.

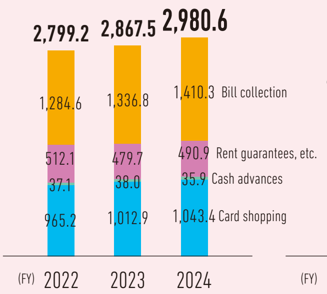
In cash advances, although the volume of new contracts for loan cards increased—driven by an expansion in the number of loan card members—the overall volume of new contracts and operating revenue for cash advances declined, reflecting a slump in the number of regular credit card members.

In rent guarantees, etc., both the volume of new contracts and operating revenue increased, underpinned by expansion of new alliance partnerships as well as stable transactions centering on main alliance partners.

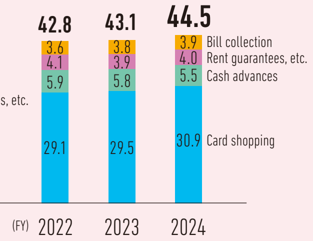
In bill collection, the volume of new contracts and operating revenue both grew. In addition to increases in new applications at existing alliance partners, this reflected such factors as an expansion in new alliance partners through strengthened inside (remote) sales activities and the conversion of certain existing products to bill collection.

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

Volume of New Contracts (Domestic)
(Billions of Yen)



Operating Revenue (Domestic)
(Billions of Yen)

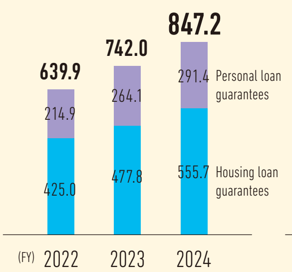


In housing loan guarantees for studio condominiums for investment purposes, the volume of new contracts and operating revenue grew. Buoyed by robust market conditions, the Company continued to implement marketing programs in coordination with partner financial institutions.

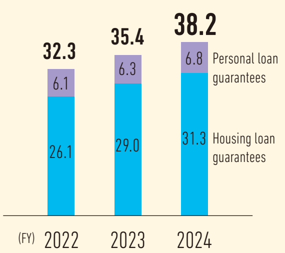
In personal loan guarantees, the volume of new contracts and operating revenue increased, driven by auto loans and educational loans at partner financial institutions, centering on MUFG Bank, Ltd.

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

Volume of New Contracts (Domestic)
(Billions of Yen)



Operating Revenue (Domestic)
(Billions of Yen)



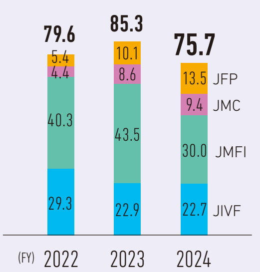
In Vietnam, the volume of new contracts and operating revenue decreased. Although JIVF successfully rolled out marketing programs in response to a recovery in motorcycle sales, the declines reflected such factors as a shortfall in the build-up of the balance of operating receivables, and the impact of structural reforms carried out in the credit card business.

In Indonesia, the volume of new contracts and operating revenue declined. Despite a strong volume of new contracts for motorcycles, weakness was attributable to the suspension of handling auto loans—which exhibited a rise in receivables in arrears—as part of business structural reforms.

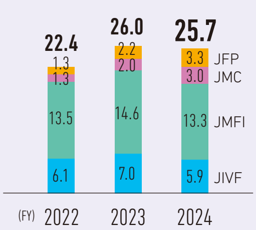
In Cambodia and the Philippines, the volume of new contracts and operating revenue increased, driven by an expansion of the sales territory accompanying the opening of new branches, a strengthened sales force, and a focus on development of the member store network.

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

Volume of New Contracts*
(Billions of Yen)



Operating Revenue*
(Billions of Yen)



JIVF: JACCS International Vietnam Finance Co., Ltd. JMFI: PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA
JMC: JACCS MICROFINANCE (CAMBODIA) PLC. JFP: JACCS FINANCE PHILIPPINES CORPORATION
* Fiscal year-end of overseas affiliated companies is December 31. The consolidated results reflect operations of overseas affiliated companies during the period of January through December.

Business Strategy

Credit Business

Yosuke Sato
Senior Executive Officer
In charge of Credit Business

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

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

Threats
- Increase in financial expenses due to rising funding interest rates
- Entry of new business operators utilizing IT
- Sluggish personal consumption due to rising prices

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

*Asset and liability management

Policies and Strategies

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

The credit business is JACCS' core business, and we will continue to enhance service quality as a leading company in the industry. As part of business restructuring efforts, through fiscal 2025, we will consolidate credit business branches to free up sales resources, which will be reallocated to environmental and other areas in which we plan to increase our focus going forward, while at the same time building a dedicated sales structure. We will improve ROA by reducing assets on our balance sheet through measures such as shifting to an alliance partner loan structure that does not require funding, thereby establishing a more robust business foundation.

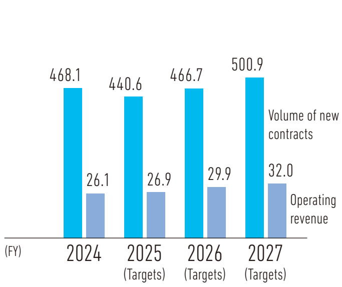
Shopping Credits

Regarding shopping credits, within the environmental field, we will first focus on expanding the volume of new contracts in the housing-related sector (renovation, solar power systems, storage batteries, etc.), which is our key growth strategy. The housing-related market is expected to grow moderately, supported by subsidies and other incentives from the national and local governments, and we anticipate steady demand for credit in this area. Through our dedicated sales structure, we will deepen our specialized knowledge while leveraging a variety of credit-related data accumulated thus far to enhance member store sales efforts with the aim of increasing credit utilization rates. Outside the housing-related sector, we will also focus on industries such as motorcycles, education, and dental care.

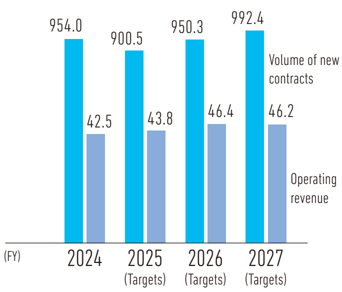
Auto Loans

In auto loans, we will implement measures targeting the imported vehicle, used vehicle, and individual customer auto leasing markets, aiming to expand the volume of new contracts while ensuring profitability. With regard to imported vehicles, where we command a leading share, we will increase the convenience of sales discussion, loan contract, customer management service, and other necessary systems JACCS provides to dealers, while maintaining efforts to strengthen partnerships with vehicle importers. In used vehicles, we expect demand to remain stable going forward as new vehicle prices skyrocket, and will make efforts to capture the market while building an efficient sales structure. In the individual customer auto leasing market, where further growth is expected, we will build a dedicated sales structure and leverage our alliance with Mitsubishi Auto Leasing Corporation to strengthen our management structure, improve renewal rates after lease expiration, and expand our vehicle fleet.

Shopping Credits (Billions of Yen)



Auto Loans (Billions of Yen)



Fiscal 2027 Targets (Final year of the new medium-term business plan)

Volume of New Contracts by Product Category (Billions of Yen)

(FY)	2024	2027	Compared to 2024
Housing related	212.3	265.0	24.8%
Motorcycles	42.4	46.2	8.9%
Education	7.3	15.0	105.2%
Dental care	13.1	14.6	10.9%

Number of Vehicles Under Auto Lease to Individuals (10 Thousand Units)

(FY)	2024	2027	Compared to 2024
Number of vehicles under auto lease	5.9	7.4	25.4%

Payments Business

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

Strengths

- Providing a one-stop payment menu featuring a lineup of payment products and services catering to a diverse range of needs, including issuing and acquiring operations, and bill collection services
- Network with major property management companies

Opportunities

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

Threats

- Entry of new business operators utilizing IT
- Sluggish personal consumption due to rising prices

Focus

- Declining profitability in the credit card business due to intensifying competition and rising operating costs
- Enhancement of web functionality in the rent guarantees field

Policies and Strategies

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

In the payments business, which provides a variety of products that include rent guarantees, bill collection, and credit card issuing and acquiring operations, we will leverage synergies created through collaborations with the credit and financing businesses, and with a focus on profitability, we aim to achieve business growth that drives sustainable profits. However, as the competitive environment is intensifying, we must also execute a more focused strategy than ever before.

Rent Guarantees

In rent guarantees, one focus of our growth strategy in the guarantees field, we expect stable market expansion driven by an increase in single-person households and other factors. As this market is not monopolized by any single player, we believe there are substantial opportunities for JACCS to expand its market share. In addition to strengthening our sales and member store support system by allocating resources freed up through business restructuring, we will strengthen web functionality, linking rent guarantee applications with rental management systems provided by system vendors. Additionally, by strengthening alliances with insurance companies, including billing fire insurance premiums at the same time as rent, we aim to reduce real estate management company workloads, thereby enhancing competitiveness and promoting the acquisition of new partners. We will also accelerate business growth through M&A utilizing funds raised through a third-party allocation of new shares.

Credit Cards

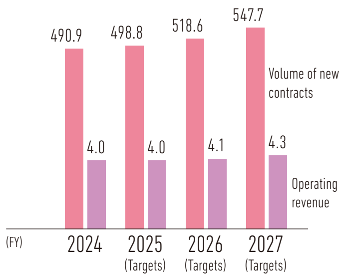
The credit card business faces an increasingly competitive environment. With profit margins narrowing and operating costs trending upward, we are implementing structural reforms to further advance our strategy of prioritizing quality over quantity.

Regarding co-branded cards, one of JACCS' distinctive features, we will revise the criteria for new partnerships and shift to a strategy that prioritizes metrics such as active member and installment payment utilization ratios over the number of new card members. We will also reduce card issuance and membership maintenance costs by reducing the number of card members, while implementing cost structure reforms by revising various member benefits.

Furthermore, we will promote utilization of the SPLIE app-based payment service launched in 2024, as well as post-purchase installment-payment services,* to expand the volume of high-margin installment payments processed with the aim of improving profit margins.

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

Rent Guarantees, etc. (Billions of Yen)



SPLIE App-Based Payment Service

SPLIE

SPLIE features
- Easy installment payment option available anytime using a smartphone
- Accumulated loyalty points can be used for discounts when making future purchases

Fiscal 2027 Targets (Final year of the new medium-term business plan)

Installment-Payment Shopping

(Billions of Yen)

(FY)	2024	2027	Compared to 2024
Volume of new contracts of installment-payment shopping*	44.3	59.6	34.3%

* Including volume of new contracts of installment payments under SPLIE and post-purchase installment-payment services

Financing Business

Satoru Yamashita
Senior Executive Officer
In charge of Financing Business

Strengths

Housing loan guarantees:

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

Personal loan guarantees:

- Steadily increasing balance of loan guarantees through collaboration with MUFG Bank
- Product lineup that responds to the needs of financial institutions, and digitization of application procedure
- A network of approximately 600 financial institutions

Opportunities

Housing loan guarantees:

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

Personal loan guarantees:

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

Threats

Housing loan guarantees:

- Reduced purchase appetite and an increase in credit risk due to rising property prices and borrowing rates
- Decline in collateral value due to fall in real estate prices

Personal loan guarantees:

- Internalization of guarantee operations within the group and system at partner financial institutions

Focus

Housing loan guarantees:

- Streamlining operations through sales, screening, receivables management, and system support for each business

Personal loan guarantees:

- Increasing volume of new contracts for high-margin products to enhance profitability

Policies and Strategies

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

In the financing business, we continued to increase the balance of loan guarantees and operating revenue expanded. From fiscal 2025 onward, there will be no major changes to our policy of strengthening alliance partnerships to steadily increase the balance of high-quality loan guarantees. We will also improve operational efficiency through system investments and increase the ratio of high-margin products within the balance of loan guarantees with the aim of achieving business expansion.

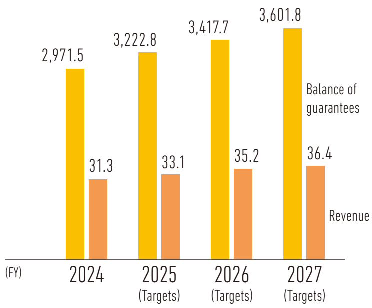
Housing Loan Guarantees

Housing loan guarantees are a highly profitable business for JACCS, with low credit risk. Amid increasing needs for asset formation, we expect demand for studio condominiums for investment purposes to remain solid. However, with property prices and interest rates on the rise, there are concerns about declining investment returns, and transaction volumes are not expected to increase significantly going forward. In light of this environment, we will continue to enhance convenience and productivity through system improvements aimed at operational efficiency, while strengthening relationships with real estate sales companies and financial institutions to steadily increase the loan guarantees balance.

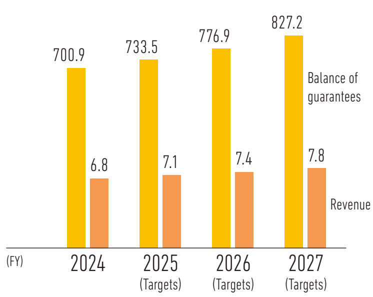
Personal Loan Guarantees

In personal loan guarantees, one focus of our growth strategy in the guarantees field, we expect the market to gradually expand as financial institutions make efforts to bolster their retail operations and diversify web-based and other application channels, thereby improving customer convenience. We will further increase our loan guarantees balance by enhancing the efficiency of our credit screening operations through strengthened collaborations with MUFG Bank, Ltd., and expansion of BaaS and other application channels. We also seek to expand transactions with new financial institutions such as online banks, while increasing the proportion of high-profitability products (home renovation loans, educational loans, and miscellaneous-purpose loans) within our loan guarantee portfolio to enhance profitability.

Housing Loan Guarantees (Billions of Yen)



Personal Loan Guarantees (Billions of Yen)



Overseas Business

Kazuaki Yamazaki

Senior Executive Officer
In charge of International Business

Strengths

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

Opportunities

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

Threats

- Intensifying competition between banks and non-banks and entry of new business operators
- Increase in financial expenses due to sharp exchange rate fluctuations and rising interest rates on fundraising
- Increase in expenses related to doubtful accounts due to worsening economic trends, etc.

Focus

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

Policies and Strategies

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

In the overseas business, although conditions remain challenging at present, including higher credit costs, we will accelerate investment with an eye to the market's growth potential, aiming for an early return to profitability and the establishment of a stable business base. As in fiscal 2024, we will attempt to improve profitability through the transformation to a high-return portfolio, while utilizing digital technologies to reduce credit risks by improving screening accuracy and rebuilding the receivables management system. In addition to this organic growth, we will expand business using new business models in collaboration with the MUFG Group and CARSOME Sdn. Bhd.

In Vietnam, despite the recording of an ordinary loss in fiscal 2024 due in part to an increase in expenses related to doubtful accounts, efforts to reduce credit risks have begun to yield results, with the ratio of receivables in arrears and expenses related to doubtful accounts declining steadily. To achieve profitability, we will maintain reduced credit risks while increasing the volume of new contracts and operating revenue, focusing on our core business of motorcycles and unsecured loans to existing customers.

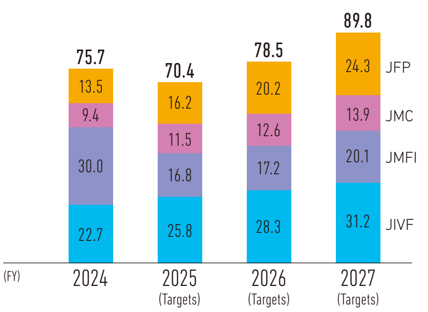
In Indonesia, to fundamentally restructure our business, in fiscal 2024 we suspended new applications for four-wheeled vehicles and leasing services, and are now focusing operations on highly profitable segments such as motorcycles. Additionally, we will maintain initiatives that include branch network reorganization efforts underway since fiscal 2024, and the reduction of various expenses through business scale optimization.

In Cambodia, we will continue expanding market share in major cities in an attempt to increase both the volume of new contracts and operating revenue. We will also promote the digitization of operations, including the introduction of a scoring system, with the aim of reducing various expenses. Additionally, we will diversify fundraising sources and aim for further business expansion going forward.

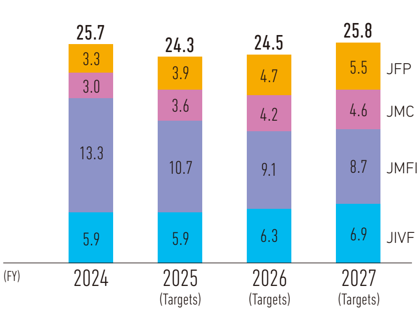
In the Philippines, as expenses related to doubtful accounts are on the rise, we will select used vehicle dealers with low credit risk and secure high-quality projects. We will also introduce a system to assess fair vehicle prices when receiving used vehicle loan applications, while working to reduce expenses related to doubtful accounts through efforts that include reducing the difference between vehicle purchase prices and the sales price of vehicles repossessed from delinquent customers.

(Please see P39, "Entry into Malaysia's Financial Services Market")

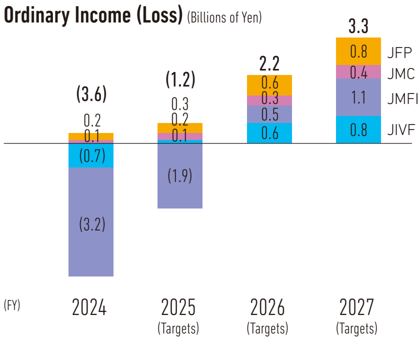
Volume of New Contracts (Billions of Yen)



Revenue (Billions of Yen)



Ordinary Income (Loss) (Billions of Yen)



Alliances

The JACCS Group is pursuing value co-creation by proactively seeking opportunities to form alliances with companies outside the Group in a broad range of business fields.

Auto Leasing Business in Collaboration with Mitsubishi Auto Leasing

三菱オートリース

To date, JACCS has participated in a three-way business partnership with subsidiary JACCS Lease Co., Ltd., and Mitsubishi Auto Leasing Corporation. This initiative was particularly focused on improving the Group's auto leasing services targeting individual customers. We anticipate continued growth in the auto leasing market, and in February 2023, JACCS Lease entered into a capital and business alliance agreement with Mitsubishi Auto Leasing. The agreement included the execution by JACCS Lease of a third-party allocation of new shares allotted to Mitsubishi Auto Leasing. Through this agreement, the three companies have worked to expand the scale of the business through more extensive collaboration.

Kenta Takakura
JACCS Lease Co., Ltd.
(on assignment from Mitsubishi Auto Leasing Corporation)

The Auto Leasing Market

For many years, auto leasing gained market penetration by catering to such corporate customer needs as restoration of financial soundness and safe corporate fleet management. Although auto leasing targeting corporate customers temporarily stagnated owing to the impact of the COVID-19 pandemic, accompanying the return to a normal level of social activity, leasing transactions returned to a growth track, and remain robust at present. Meanwhile, in the most recent period, the main driver of growth in the overall auto leasing market was auto leasing targeting individual customers. After emerging from a long incubation period, this market segment entered a growth phase in the latter half of the 2010s. The number of vehicles under lease in the auto leasing market catering to individuals continues to grow at an annual pace of around 15%, and in fiscal year 2024, the market recorded approximately 8% growth. When an automobile is purchased outright, the owner incurs the initial purchase costs—the purchase amount and other miscellaneous outlays—and various running costs, including vehicle inspections, maintenance, and various taxes. These costs are amalgamated as a lease fee, and the monthly payment amount is fixed. Consequently, leasing has gained recognition among individual consumers as a new method of vehicle usage, and needs in this market are increasing.

Collaboration to Date Between the Three Companies

JACCS Lease is developing its auto leasing business by leveraging JACCS' member store network and marketing capabilities. Without missing the opportunity to tap into the auto leasing growth market, we are expanding the volume of new contracts, and aim to grow the number of leased vehicles held. To achieve this, it is vital that we enhance our capabilities in making proposals to member stores, and strengthen our business operations. JACCS Lease is conducting personnel exchanges with Mitsubishi Auto Leasing through the companies' capital and business alliance, and is utilizing Mitsubishi Auto Leasing's knowledge and expertise to address the aforementioned tasks. Specifically, we have formulated an auto leasing training program for JACCS sales representatives, and are working to improve our proposal capabilities. In addition, we are striving to expand the business by realizing synergies. These include the development of a vehicle procurement scheme, and strengthening vehicle management functions and systems to ensure the appropriate management of leased vehicles.

Future Outlook

Through our collaboration to date, we have affirmed the complementary nature of the respective strengths of the JACCS Group and Mitsubishi Auto Leasing.

As the competitive environment intensifies accompanying market expansion, it is essential for the JACCS Group to build its competitive advantage. To this end, we must develop close relationships with member stores—the sales front line—and stay attuned to customer opinions. We also need to continuously work to develop products in line with market needs, while expanding and improving the functions of our sales system for handling auto leases. Furthermore, we must respond to changes in mobility, driven by the shift toward carbon neutrality. We will continue the collaboration efforts pursued to date between the three companies, and work to further strengthen our relationship. Simultaneously, we will identify trends in the operating environment and create new markets.

Entry into Malaysia's Financial Services Market

CARSOME CAPITAL

In February 2025, JACCS acquired a 49% equity stake in finance company CARSOME Capital Sdn. Bhd.—part of the Malaysia-based CARSOME Group—and is participating in the management of CARSOME Capital.

In April 2025, a signing ceremony was held at CARSOME PJ Auto Mall in Malaysia, to conclude a strategic partnership agreement. Based on this agreement, JACCS is examining the potential for future expansion of its business collaboration with CARSOME to countries beyond Malaysia.

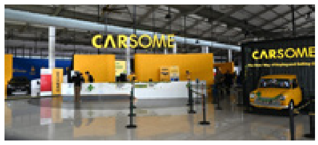
Details of Collaboration with CARSOME

CARSOME operates an integrated used-car e-commerce platform centering on Malaysia but also encompassing other countries, including Singapore, Thailand and Indonesia. In Malaysia, CARSOME handles more than 120,000 vehicles annually—equivalent to approximately 25% of the country's used-car market. At present, the number of vehicles sold by the company is growing at a pace of around 10% each year.

According to data released by the Malaysia Automotive Association, the number of new vehicles sold topped 800,000 in 2024 (an increase of 2% compared with the previous year), and the auto sales market is following a growth trend. In the future, the market is expected to maintain steady growth, underpinned by a growing young generation and expansion of the country's middle class.

Against this backdrop, JACCS acquired an equity stake in CARSOME Capital, a finance company operated by the CARSOME Group. CARSOME Capital provides auto loans to customers at CARSOME's directly operated centers, and inventory purchasing loans to general used-car dealers when making wholesale purchases from CARSOME.

Through its investment in CARSOME Capital, JACCS will support the expansion and growth of the business by providing know-how in such areas as the installment sales finance business, which it has cultivated for over many years.



The CARSOME Group Ecosystem

1. Purchasing from customers	• Operates a network of inspection centers throughout Malaysia • Customers complete a simple online application process
2. Distribution through CARSOME's own auction platform	• Auction distribution volume is one of Malaysia's largest
3. Vehicles handled by directly operated centers are inspected and repaired	• 175-point inspection • Vehicle value increased through repairs and refurbishment
4. Car sales at directly operated centers	• All cars sold have passed inspection and been certified • Robust warranty and returns service
5. Provision of financing services	• Rapid credit screening • A good customer base that focuses on quality rather than price (High potential resale value based on certified and refurbished vehicles)

Future Outlook

JACCS and the CARSOME Group aim to develop financing solutions for the growing used-car market that maintain a high level of transparency, and enable buyers and dealers to access services and conduct transactions with peace of mind. By doing so, we are confident that the number of people utilizing auto loans will increase, and that this will lead to further stimulation of the market.

Message from the Officer in Charge of Personnel

We aim to enhance the well-being of each employee and raise corporate value, as we work to strengthen human capital management.

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

Fundamental Approach to Human Resources

Cultivating human resources that embody confidence and trust in JACCS

For the JACCS Group, human resources are one of our most important forms of capital. I believe that without the growth of employees there would be no growth of the JACCS Group. We have defined the type of person we are seeking through our human resource development efforts as embodying "confidence and trust"—the two qualities valued most highly by JACCS—and as being able to act in accordance with such key phrases as, "accepts challenges," "self-motivated," and "respects diversity." Our stance of prioritizing "confidence and trust" is based on JACCS' founding philosophy of "Trust is the basis for all," and lies at the core of the Group's corporate culture—built up over more than 70 years. Simultaneously, this stance also expresses JACCS' strengths, and must be passed on as an immutable part of our organization. Based on the results of engagement surveys conducted in recent years, we distilled "accepts challenges," "self-motivated," and "respects diversity" as key phrases necessary for the future advancement of the JACCS Group. We are committed to developing human resources that embody the corporate culture we have valued throughout our history, and that are capable of taking action for the good of JACCS' future.

Human Resource Initiatives under the New Three-Year Medium-Term Business Plan "Do next!"

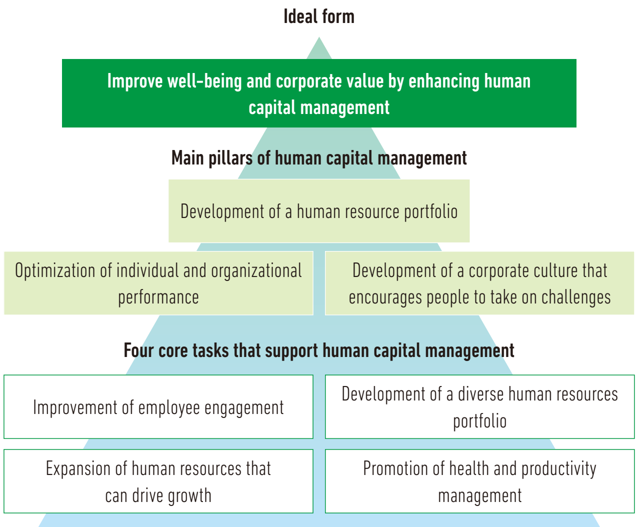
Strengthening human capital management, leading to enhanced corporate value

The new medium-term business plan highlights "human capital management" as a management foundation underpinning key strategies. Specifically, we describe our ideal form in terms of "improved well-being and corporate value by enhancing human capital management." Furthermore, we define the three main pillars of human capital management as "development of a human resource portfolio," "optimization of individual and organizational performance" and "development of a corporate culture that encourages people to take on challenges." As core tasks that support human capital management, we are striving to improve employee engagement, develop a diverse human resources portfolio, expand human resources that can drive growth, and promote health and productivity management.

In the area of improving employee engagement, while continuing to take on board the opinions expressed by employees in the engagement survey, we will analyze the survey results and implement specific measures aimed at visualizing issues and creating solutions. I hope that this process will lead to the realization of two of the main pillars of our human capital management— "optimization of individual and organizational performance" and "development of a corporate culture that encourages people to take on challenges." With regard to developing a diverse human resource portfolio, we will utilize a talent management system, and support optimal position appointments and career management, underpinned by analyses of each employee's past efforts, evaluations, and visualization of human resource potential. In the expansion of human resources that can drive growth, we will further strengthen development of people with specific characteristics, including human resources that possess advanced digital skills and next-generation leaders. In the promotion of health and productivity management, we will focus on the maintenance of both physical and mental health, and creating a comfortable, employee-friendly work environment.

We will continue to implement programs that increase employees' positive feelings toward working at JACCS, as we strive to convert this into improved well-being for each employee and enhanced corporate value.

Overview of Human Capital Management



Human Capital Management KPIs

We set KPIs, and work to increase the precision of KPIs as a means of realizing the ideal form.

Within the medium-term business plan, we have set three KPIs related to human capital management. By evaluating progress and leveraging lessons learned, we aim to make the realization of our ideal form even more sure.

The first KPI is to increase the average engagement score*1 to 3.3 points. Our objective is not simply to attain the KPI, but ultimately we want to improve engagement scores within the process of implementing the programs I mentioned previously.

The second KPI is to increase the ratio of female employees among all managers (section manager or higher) to 25%. The ratio of female employees among positions including deputy section manager—who have subordinates and are one rank below section manager—has already risen to 41.5%. I believe that we have sufficiently laid the groundwork necessary to achieve this KPI.

The third KPI is to increase the achievement ratio of the following program to 100%: "At least three days per month with no overtime worked, and one Premium Weekday*[2] per month." This is one of the programs implemented as part of the JACCS Work-Life Balance Promotion (JWP)*[3], and in fiscal 2024, the achievement ratio was 99.5%. The aim of this program is to re-evaluate working styles and enable employees to increase fulfillment in both their work and non-work lives. In the future, we will strive to create a work environment that enables employees to attain a good work-life balance, in which an achievement ratio of 100% becomes the norm.

*1 Engagement score: A quantitative indicator with a maximum score of 4.0, which aims to measure such factors as the level of mutual understanding between the Company and employees

*2 Premium Weekday: JACCS' adaptation of "Premium Friday"

*3 JACCS Work-Life Balance Promotion (JWP): For details, please refer to Respecting Diversity and Human Rights (pages 53-57)

Results of the New Personnel System

We made progress in creating an environment in which diverse values are respected, enabling all employees to play an active role.

In April 2024, JACCS implemented a reform of its personnel system with the aim of creating a rewarding work environment. The main reforms were: (1) "abolition of duty classifications," under which evaluation criteria as well as benefits and compensation were made uniform, whereas previously they had been classified separately depending on whether or not an employee was subject to work-location transfers involving a change of residence; (2) "introduction of a hometown system," under which employees are able to specify their desired living location; and (3) "ability to change working style," under which employees are also able to choose whether or not to accept the possibility of work-location transfers involving a change of residence. More than a year has passed since these reforms were introduced, and to date there have been no significant issues. Hence, I believe that the new system is performing well. Employees can change their working style classification—either "move" (able to be transferred anywhere in Japan) or "roots" (working within a specified region)—a maximum of four times. Examples of how the system has been utilized to date include employees working under the "roots" classification wishing to utilize the experience they have accumulated by changing to the "move" classification and taking on new work challenges, and employees working under the "move" classification changing to the "roots" classification in accordance with their life plan. The number of such cases was greater than we had initially anticipated. In the area of recruitment of new graduates, one of the key points considered by students when choosing a company is whether or not they will be subject to transfers. Compared with the past, JACCS has seen a rise in the number of employees choosing the "roots" classification at the time of their entry into the Company. As a result, we recognize that the new system has reduced the incidence of resignations caused by a transfer that the employee is not willing to accept. Hence, I believe that we are making progress in creating an environment in which each individual can be expected to play a full role in accordance with diverse values and life plans.

Two Working Style Classifications: "move" and "roots"

Working style	Details
move (able to be transferred anywhere in Japan)	• Working style whereby the employee may be transferred to a location that involves a change of residence within Japan or overseas • In the case where an employee lives and works in their hometown they receive an allowance for transfer readiness. In the case where an employee lives and works outside their hometown, they additionally receive a transfer allowance
roots (working within a specified region)	• Working style with roots in the local community, without transfers involving a change in residence • Does not receive an allowance for transfer readiness, etc.

Promoting the Active Participation of Female Employees

Appointment of a female senior executive officer from within the Company's management ranks

In June 2025, JACCS appointed its first ever female senior executive officer to emerge from within the Company's internal management ranks. This officer will be newly in charge of compliance functions, and among the departments under her responsibility are those in which female employees who hold attorney qualifications are playing an active role. Consequently, I believe that such tasks as the handling of human rights-related matters and harassment countermeasures—not only from the perspective of male employees—will progress even more soundly than has been the case to date. The aforementioned senior executive officer previously held the rank of department general manager, and the person appointed to replace her was also a female employee who has accumulated experience by advancing through the internal Company ranks. This shows that JACCS is building depth in the pool of potential candidates as it works to expand the number of females appointed to officer-level positions.

Working Toward Greater Diversity

We are sharing JACCS' values to build diversity, from new graduates and mid-career hires through to seniors and elders with a wealth of experience.

JACCS' comprehensive employee benefits, employee-friendly work environment, and programs such as JWP make it an attractive company at which to work. Consequently, we are able to maintain stable recruitment of new graduates, and mid-career, high-skill human resources who affirm JACCS' values. We are also gradually developing our "comeback system" whereby people who have previously retired from working at JACCS are able to re-enter the Company. In addition, on the occasion of the implementation of the new personnel system, we overhauled the system for seniors (60-64 years) and elders (65-69 years) under which flexibility was introduced to the appraisal process based on performance. As a result, in the most recent period, of those employees reaching the mandatory retirement age, 85% remained at JACCS to continue working. The experience held by seniors and elders is an important asset, and we are utilizing these valuable capabilities.

Developing Human Resources for the Future

JACCS' programs are evolving in accordance with the changing times.

JACCS encourages employees to acquire IT skills-related qualifications, and invests significant efforts into developing DX human resources, including through training programs focused on the development of human resources that possess advanced digital skills. We also work to flexibly update our training programs, and over the next three years we aim to develop a cumulative total of 450 people to be DX human resources. To advance our objective of creating new businesses through DX, the DX Promotion Department—which is pursuing a Group-wide cross-sectional DX strategy—in collaboration with the Personnel Department will continue to work toward the development of DX human resources. We are also strengthening our development of management human resources. To date, we have implemented a program to teach such disciplines as management strategy to relatively young managers, who we are nurturing as JACCS' next generation of leaders. From fiscal 2025, we are undertaking a similar training program aimed at the age group just prior to reaching manager level, with participants decided through an open application process.

While adapting our programs in response to changing times and values, we will continue our human resource development efforts—which are not limited to the wide variety of examples presented here—based on JACCS' founding philosophy of "Trust is the basis for all."

Sustainability Management

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

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

Basic Policy on Sustainability

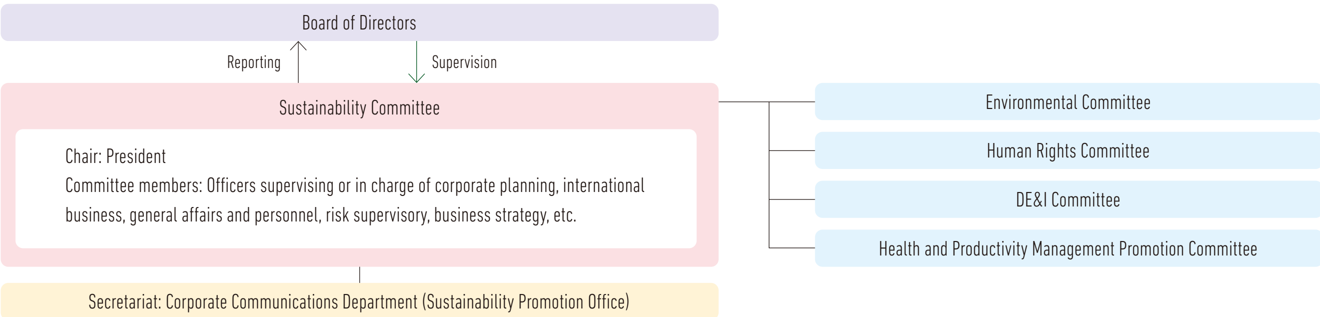
Based on the management principle that "JACCS contributes to the realization of a future inspired by dreams and an affluent society," the JACCS Group contributes—through its business operations—to solutions to the challenges faced by society, while maintaining the confidence and trust of its stakeholders.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

Sustainability Promotion System

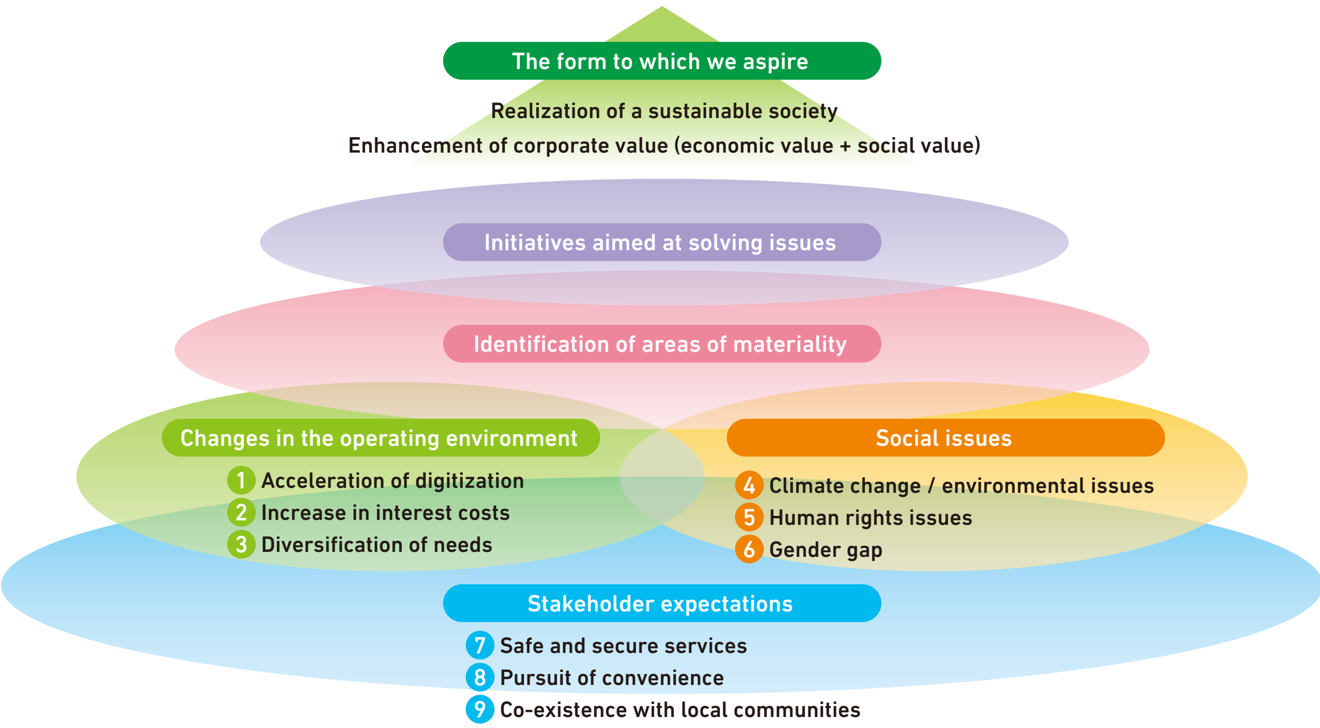
In September 2024, the JACCS Group established the Sustainability Committee, which is currently chaired by the president.

The Sustainability Committee convenes at least twice during each fiscal year to deliberate on sustainability-related issues and policies covering initiatives. In addition, the committee reports the content of its deliberations to the Board of Directors.

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



Sustainability Management Conceptual Overview



Revision of Areas of Materiality

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

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

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

Revision Process for Areas of Materiality

Step1	Internal review of KPI progress	• Ascertain KPI progress at the Sustainability Council*
Step2	Analysis of the external environment and the Group's internal situation	• Review of the external environment relating to sustainability • Ordering of initiative items based on ISO 26000
Step3	Materiality map	• Ordering based on the respective degree of importance for stakeholders and the JACCS Group
Step4	Revision of areas of materiality	• Examination of validity through interviews with stakeholders (outside directors, employees, etc.) • Discussions in the Sustainability Committee, resolution passed by the Board of Directors

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

Areas of Sustainability from Fiscal 2025

Areas of Sustainability from Fiscal 2025	Relationship to the SDGs
Providing safe, secure and familiar services that offer a high level of convenience	8, 9, 16
Pursue management under which people are respected and diverse human resources are able to grow and play an active role	1, 3, 4, 5, 8, 10, 16
Contribute to the development of prosperous local areas and communities in Japan and the ASEAN region	1, 3, 4, 8, 10, 11
Strengthen and practice corporate governance that contributes to sustainable growth	5, 10, 16
Promote initiatives that contribute to environmental conservation	7, 11, 12, 13

Materiality Map

Extremely important

Stakeholder interest and impact

Important		Extremely important
Measures for biodiversity	Transition to a decarbonized society Environmental conservation Transition to a circular economy Respect for human rights	Providing safe and secure services that offer a high level of convenience Promotion of human capital management Increasing the sophistication of corporate governance
Supply value-chain management	Contributing to local governments, local areas and communities Expansion of access to financial services	Promotion of DE&I Promotion of health and productivity management

Important **Importance for the JACCS Group** Extremely important

Materiality and Sustainability Goals and Performance

Materiality	Main Initiatives	Initiatives in Fiscal 2024		Indicators
Providing safe and secure services that offer a high level of convenience	Service that responds to the trust placed in JACCS by customers and member stores	Commencement of complementarity at the Tokyo and Osaka customer centers for inquiry response		Response rate
		Release of the automated credit link system		Ratio of automated receipt of credit screening applications
	Raising the sophistication of information security	PCIDSS: Ver. 4.0 readiness		Acquisition of certification under the Payment Card Industry Data Security Standard (PCIDSS)
		Overhaul of rules for the fraudulent-use detection system		Ratio of detection of fraudulent credit card transactions
	Providing financial services as infrastructure to support local communities and livelihoods	Housing	Promotion of variable interest rate loans / home renovation credit	Volume of new contracts for home renovation loans
		Education	Expansion of non-face-to-face web applications	Volume of new contracts for educational loans
		Health	Promotion of the unrestricted medical care field through paperless contracts	Volume of new contracts for medical loans
		Overseas	Development and addition of functionality for IT systems and apps / Sales area expansion	Volume of new contracts in the overseas business
		Asset management	Securing high-quality properties (areas, properties)	Balance of loans for studio condominiums purchased for investment purposes
	Promoting cashless payments	Release of SPLIE, an app-based payment service		Volume of new contracts in the payments business
Protecting the environment	Measures to reduce environmental burden	Transition to paperless operations utilizing digital cloud technology		Volume of copier paper purchased (compared with fiscal 2021)
		Review of statement-related procedures		Ratio of web-based credit card statements
		Adoption of environment-friendly Company vehicles		Ratio of environment-friendly vehicles within the Company's vehicle fleet
		Reducing energy consumption		Rate of reduction of energy consumption (compared with fiscal 2019)
	Addressing climate change	Virtual PPA contracts		Rate of reduction of CO_2 emissions (compared with fiscal 2019)
Contributing to the realization of a decarbonized society	Promoting decarbonization through financial services	Establishment of special terms for solar power and storage battery loans		Volume of new contracts for solar loans
				Volume of new contracts for storage battery loans
		Promotion of low-interest loans and leasing exclusively for EVs and PHVs		Volume of new contracts for EV loans
		Use of sustainable finance		Fundraising through ESG finance
Respecting diversity and human rights	Promoting diversity, equity and inclusion	Implementation of substitute-position training program, including substitutes for employees who work shortened hours during child-rearing		Ratio of female employees among employees who hold the position of section manager or higher, or employees who have subordinates and hold a position one rank lower than section manager
		Program to develop human resources that possess advanced digital skills		Number of employees certified as possessing advanced digital skills
	Respecting human rights	Implementation of human rights due diligence		Establishment of a system in accordance with the UN Guiding Principles on Business and Human Rights
	Promoting health and productivity management	Continuing to promote the JACCS Work–Life Balance Promotion (JWP) initiative		Employees' average monthly overtime hours
	Undertaking social contribution activities	Making donations as part of commemorations for the 70th anniversary of the Company's founding		Donation amount
Advancing the quality of corporate governance	Strengthening risk management	Increased the level of sophistication of quantified risk, commencement of stratified training program*1		Competent application of the management cycle
		Compliance with METI guidelines*2		Development of the AML/CFT management framework
	Continuation of compliance	Ongoing execution of education and training programs*3		Ongoing execution of education and training programs

* The fiscal 2024 targets are the targets established in fiscal 2022. * Volume of new contracts targets and results are based on loan principal amount.

Evaluation: ○ = Progressing smoothly, △ = Progressing but with some issues, × = Issues exist

Evaluation is conducted not only on the achievement of KPI targets but also on the overall progress of the initiatives.

	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2024 Evaluation	Social Value to Be Realized	Relationship to the SDGs
	90%	89.0%	○	We will provide services that live up to the trust and confidence of our customers and member stores through improved customer-contact service quality and advanced security systems.	1 NO POVERTY, 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	82%	72.1%	△		
	Renewal of Ver4.0-compliant certification	Renewal of Ver4.0-compliant certification	○		
	70%	73.3%	○		
	¥141.6 billion	¥150.2 billion	○	We will contribute to the realization of affluent lifestyles tailored to our customers' needs and to economic development.	
	¥19.2 billion	¥22.2 billion	○		
	¥27.6 billion	¥28.0 billion	○		
	¥103.1 billion	¥75.8 billion	△		
	¥3,000.0 billion	¥3,019.0 billion	○		
	¥2,962.7 billion	¥2,972.9 billion	○	We will respond to diverse payment needs and promote the transition to a cashless society.	
	(3%)	(24.9%)	○	While reducing the use of resources and energy, we will promote the utilization of renewable energy and contribute to reducing environmental impact.	7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
	50%	55.9%	○		
	54%	51.3%	○		
	(13%)	(19.9%)	○		
	(18%)	(10.2%)	△		
	¥33.1 billion	¥56.4 billion	○	We will contribute to the realization of a decarbonized society by promoting decarbonization products and EVs.	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
	¥32.1 billion	¥19.8 billion	△		
	¥40.0 billion	¥48.8 billion	○		
	¥30.0 billion	¥42.5 billion	○		
	35%	41.5%	○	We will foster a corporate culture that respects and acknowledges diverse values, perspectives, and human rights, and create an environment where employees can thrive.	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
	400 persons	321 persons	△		
	—	Establishment of the Human Rights Committee	○		
	Less than 12 hours	12.9 hours	○		
	¥30.0 million	¥44.78 million	○		
	—	—	*1 and other measures implemented	We will conduct sustainable business activities by managing risks and complying with laws and regulations.	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	—	—	*2 and other measures implemented		
	—	—	*3 and other measures implemented		

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

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

Improving Customer-Contact Service Quality

At JACCS, in order to reflect our customers' opinions, requests, and inquiries in our operations, we collect customers' "voices" into a database, and when customers point out matters that require improvement or correction, we have a system in place to promptly review and address them. We are also working to share information by centralizing the opinions and requests from customers and the results of responses, including those received at the customer center.

JACCS' customer center received the highest ranking of "3 stars" in the Quality Rating (Center Evaluation) section of the 2025 HDI Benchmarking program, organized by HDI-Japan. This marks the fifth consecutive year that JACCS has received this rating in the telephone division, and the second consecutive year we have achieved it in the email and chat division.

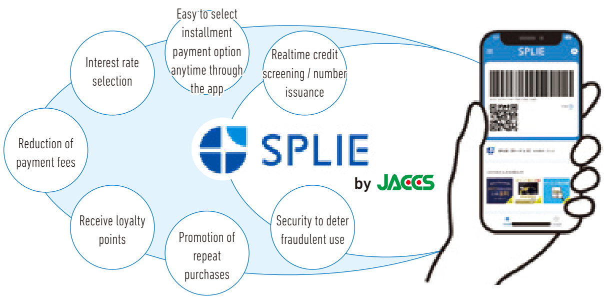
In the telephone division, we received the highest rating in three categories—service organization, response skill, and process / response handling procedures. In the email and chat division, we received the highest rating in two categories—response skill and difficult response. JACCS received such appraisal as: "Courteously confirmed customers' statements and circumstances, and provided prompt and appropriate answers."

3 Stars Quality Service
HDI-Japan 2025

Promoting the Shift to a Cashless Society

Provision of the App-Based Payment Service SPLIE

JACCS provides app-based payment service SPLIE, which enables users to select their preferred repayment option—from a single payment to a variety of installment options—all via the smartphone app. Hence, this service is promoting the shift to a cashless society.



Provision of Multi-Payment Services

At JACCS, we offer a range of multi-payment services, including Visa, MasterCard, and JCB-branded JACCS cards, various code-based payments, e-money, and contactless IC payment services provided by Apple Pay and Google Pay™. In addition, we are engaged in acquiring operations for Visa and MasterCard. Through these offerings, we meet diverse payment needs and promote the transition to a cashless society.

Overview of SPLIE service flow

1. From application to commencement of use

- Seamless, three-step application process from the customer's smartphone

2. Payment method

- The customer opens the SPLIE app and displays the payment screen (barcode or QR Code). The payment transaction is completed by scanning the code using the member-store app.

* QR Code is the registered trademark of DENSO WAVE Inc.

3. Security

- Since JACCS implements measures in compliance with the guidelines issued by the Payments Japan Association (PJA), customers are able to use the service safely and with peace of mind.
- When a customer makes an application to become a SPLIE user, the app uses multi-factor authentication (MFA)—identity verification, SMS, and email address authentication—and enables biometric authentication when a user displays the SPLIE app payment screen (barcode or QR Code). In addition, the payment screen's code generation uses a one-time token.

Enhancing the Sophistication of Information Security

Basic Approach (Overview)

Thanks to the advance of digital technologies, JACCS' customers and business partners are able to use the Group's financial services with peace of mind. Furthermore, one of JACCS' social responsibilities is to contribute to the stable operation and sustainable development of financial infrastructure. However, amid the rise of the information- and network-based society, and against a backdrop of the recent international situation, cyberattacks—which threaten the stability of financial infrastructure—are becoming an increasingly serious issue. Owing to the rapid increase in the sophistication and subtlety of cyberattack methods, the potential cyber risks faced by JACCS are growing. To facilitate the reliable provision of financial services, the Company's management recognizes that strengthening information security is a key management task. Hence, the Company has established its Basic Policy on Information Security, based on which it appropriately manages and protects the information assets held by JACCS, and strives to continuously maintain and enhance its information security preparedness.

Basic Policy on Information Security

To maintain the trust and confidence of all its stakeholders, including consumers and business partners, the JACCS Group views the protection of its information assets as a key management task. In line with this, the Group has established the Basic Policy on Information Security. Under the active leadership of senior management, the Company works to maintain its information security system and reduce risk.

Information Security Management System

The JACCS Group has established various internal regulations relating to information security, including the Information Security Countermeasures Code and the Cybersecurity Management Code. As well as maintaining strict compliance with these codes, the Company has also developed a system to promote information security.

Countermeasures against cyber-attacks—recognized as an important management task—comprise the establishment of a system in conformity with the Cybersecurity Management Guidelines. The Company plans and promotes cybersecurity measures in a management-led process.

We have established JACCS-CSIRT (Computer Security Incident Response Team) as a structure capable of immediate response to cybersecurity incidents, under the supervision of the Company officers responsible for compliance and information systems. JACCS-CSIRT gathers information on potential threats and vulnerabilities emanating from within and outside the Group, and plans and implements security response measures. The Company has established a management structure for reporting on these matters to such bodies as the Personal Information Protection Committee, the Emergency Response Committee, and the Management Committee.

Furthermore, the Company has established an information security management system (ISMS) based on ISO/IEC 27001, the international standard relating to information security.

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

Activities to Maintain Information Security

To maintain and enhance information system security on a continuous basis, JACCS has received certification under ISO/IEC 27001 and has built an information security management system. In addition, with regard to the Company's core computer system (JANET), web-based systems, and authorization system, JACCS has received conformity certification under the Payment Card Industry Data Security Standard (PCIDSS), which is an internationally recognized standard relating to credit card information protection. In conjunction with this, JACCS undertakes ongoing measures to maintain system security.

ISO/IEC 27001
JQA-IM0324

Continuous Strengthening of Cybersecurity

In fiscal 2024, JACCS established a specialist organizational unit focusing on cybersecurity, which promotes such activities as the formulation of internal rules and security measures across the entire JACCS Group. The Group operates a multi-layered protection system, including intrusion prevention, attack detection on internal systems, and information leakage prevention. Through regular vulnerability diagnoses and intrusion tests by outside specialists, we verify the effectiveness of our security measures, and continuously work to strengthen security systems. We operate JACCS-CSIRT as a cyber-incident response infrastructure, and through regular meetings are striving to reinforce our security countermeasures.

Furthermore, as "phishing" site countermeasures, we carry out monitoring and blocking of fraudulent sites and apps as part of our efforts to protect customers from harm. As counter-measures in relation to phishing email that impersonates JACCS, we are undertaking measures to enhance the reliability of the Group's email. These include setting email Domain-based Message Authentication, Reporting and Conformance (DMARC), and the introduction of Brand Indicators for Message Identification (BIMI)—a specification that enables the display of corporate logos next to authenticated emails.

As part of our collaboration with third parties, JACCS is a member of the Nippon CSIRT Association and Financials ISAC Japan. JACCS also collaborates with MUFG and conducts joint measures related to the sharing of vulnerability information and cybersecurity.

Information Related to Information Security

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

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

Climate Change Response: Initiatives Regarding the TCFD Recommendations

Underpinned by the management principle that "JACCS contributes to the realization of a future inspired by dreams and an affluent society," the Group is committed to achieving a sustainable society and enhancing corporate value by addressing environmental and social issues through its business activities, in line with its Basic Policy on Sustainability.

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

In 2023, JACCS expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD). The four key thematic areas—Governance, Strategy, Risk Management, and Metrics and Targets—are as follows.

Governance

- The JACCS Group discusses issues, response policies, and the status of initiatives regarding opportunities and risks relating to the environment and society—including climate change—at the Sustainability Committee, which convenes at least twice each fiscal year.
- The Sustainability Committee has established the following committees under its jurisdiction: Environmental Committee, Human Rights Committee, DE&I Committee, and Health and Productivity Management Promotion Committee. These committees deliberate on initiatives to address environmental and social issues, and report important matters to the Sustainability Committee.
- With regard to matters discussed at the Sustainability Committee, by reporting on these to the Board of Directors, the Company has established a system of supervision by the Board of Directors.

Strategy

The JACCS Group carries out scenario analyses to assess the impact of future climate change on the Company's business.

Scenario analyses hypothesize a range of climate change scenarios, including a 1.5°C scenario. These analyze medium- to long-term changes in the social environment and the Group's business environment driven by climate change, including both risks and opportunities.

The 1.5°C and 4°C scenarios analyzed are understood as follows.

1.5°C scenario

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

4°C scenario

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

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

Risks

There is the possibility that the Group's operating performance may be affected by such factors as strengthened policies and regulations relating to climate change, carbon pricing, expansion of preferences in the marketplace for decarbonization-related products, and impairment of the value of collateral used in financial products owing to the occurrence of natural disasters. In addition, we recognize that there is a high probability of transition risk manifesting in the short- to medium-term (within approximately 10 years), and physical risk manifesting in the long-term (over 10 years).

Type of Risk		Summary of Risks	Response Measures
Transition risk	Policies and regulations	Cost increases through the introduction of carbon pricing	Reduction in GHG emissions, supplier engagement aimed at decarbonization
Transition risk	Market	Decrease in the volume of new contracts and operating revenue owing to not handling decarbonization-related products or delays in handling such products	Expansion of financial services that handle decarbonization-related products
Transition risk	Market	Decrease in the volume of new contracts owing to a decrease in loan demand for used gasoline-powered vehicles and a shrinkage in the market for such vehicles, accompanying the transition from gasoline-powered vehicles to EVs	Expansion in financial services that respond to the popularization of EVs
Transition risk	Reputation	Deterioration in the Company's reputation and a decrease in business opportunities with business partners owing to insufficient initiatives to address climate change issues	Promotion of sustainability-related initiatives, including climate change
Physical risk	Acute	Owing to natural disasters, security value of financing products is impaired, and credit-related expenses increase	Factor natural disaster risk into valuation of collateral
Physical risk	Acute	Owing to natural disasters, business operations are suspended at the Company, its member stores, and alliance partners, and countermeasure and recovery expenses increase	Incorporate into the BCP a scenario that assumes a greater frequency of natural disasters, such as floods

Opportunities

We anticipate expanded opportunities for handling decarbonization-related and environment-friendly products. In addition, we recognize that there is a high probability of opportunities manifesting in the short- to medium-term (within approximately 10 years).

Type of Opportunity	Summary of Opportunities	Response Measures
Products and services	Increase in demand for decarbonization-related equipment and construction materials, and environment-friendly products (solar power generation, storage batteries, EVs, home renovation, V2H, etc.)	Expansion of financial services that handle decarbonization-related products
	Expansion of demand for auto loan-related products, driven by transition to—or replacement purchases of—EVs and other vehicles that utilize decarbonization technologies	Development and provision of financial services that are easy to use when transitioning to—or making replacement purchases of—EVs, etc.

Risk Management

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

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

Metrics and Targets

To evaluate progress of climate change initiatives, the JACCS Group has adopted GHG emissions as an indicator, and has set GHG emission-reduction targets. Taking fiscal 2019 as the base year, the Group has set the following targets.

By fiscal 2030: 50% reduction in Scope 1 and 2
30% reduction in Scope 3
By fiscal 2050: Net zero in Scope 1, 2 and 3

Item	CO_2 Emissions (tCO_2)						
	(FY) 2019	2020	2021	2022	2023	2024	Compared to FY2019
Scope 1	1,731	1,621	1,809	1,809	1,533	1,476	(14.7%)
Scope 2	5,759*	5,379*	5,229*	5,061*	5,450	5,248	(8.9%)
Scope1 and Scope 2	7,490*	7,001*	7,038*	6,870*	6,983	6,725	(10.2%)
Scope 3	595,402*	494,250*	393,599*	422,831	418,132	364,829	(38.7%)
1. Purchased goods and services	37,005	38,751	37,917	40,868	42,653	44,872	—
2. Capital goods	19,071	15,906	14,269	16,509	14,260	15,885	—
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	1,308*	1,176*	1,192*	1,173	1,196	1,176	—
4. Upstream transportation and distribution	1,889	1,856	1,668	1,400	1,242	1,122	—
5. Waste generated in operations	13	9	8	132	233	173	—
6. Business travel	807	819	801	791	795	719	—
7. Employee commuting*	5,086	5,180	5,022	4,900*	4,989	5,489	—
8. Upstream leased assets	—	—	—	—	—	—	—
9. Downstream transportation and distribution	—	—	—	—	—	—	—
10. Processing of sold products	—	—	—	—	—	—	—
11. Use of sold products	—	—	—	—	—	—	—
12. End-of-life treatment of sold products	—	—	—	—	—	—	—
13. Downstream leased assets	530,223	430,553	332,722	357,058	352,765	295,393	—
14. Franchises	—	—	—	—	—	—	—
15. Investments	—	—	—	—	—	—	—
Total	602,892*	501,251*	400,637*	429,701*	425,115	371,554	—

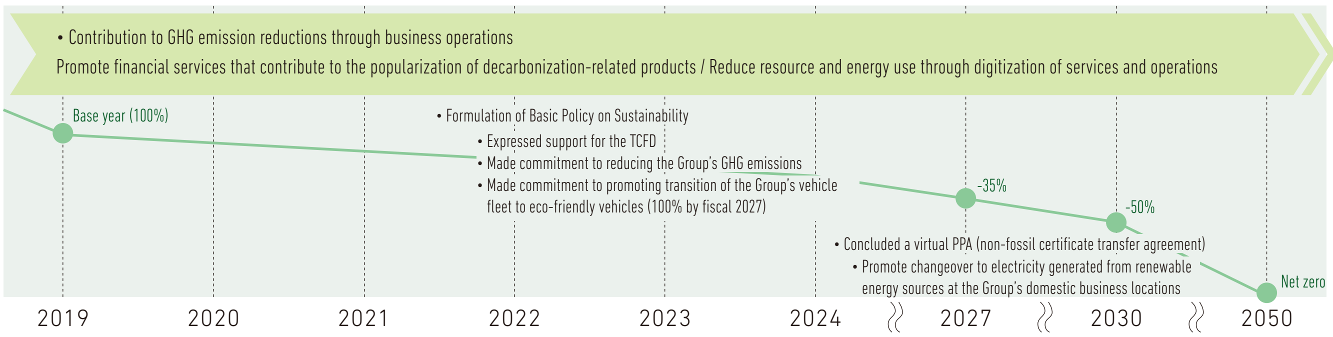
* Owing to a change in the calculation method, the results of past fiscal years have been revised. Consequently, we have also revised Scope 2, Scope 3, and total results.
* Figures are rounded to the nearest unit stated.
Scope 1: Direct GHG emissions by the business operator itself Scope 2: Indirect GHG emissions accompanying the use of electricity, heat, and steam supplied by other companies Scope 3: Indirect emissions other than Scope 1 and 2

Initiatives Aimed at Achieving Targets, and Transition Plan

The JACCS Group provides financial services that proactively support the popularization of environment-friendly products. These include shopping credits and auto loans for purchasing solar power generations systems, storage batteries, and EVs. Furthermore, the Group promotes initiatives to reduce its CO_2 emissions, including conversion of the Group's vehicle fleet to eco-friendly vehicles, changeover to electricity generated from renewable energy sources at the Group's offices, and promotion of virtual PPAs. In doing so, the Group is pursuing initiatives that aim to achieve its short-, medium- and long-term targets.

For more details, please see "Efforts for the Environment" on P51-52.

Short-term targets	Comparison with fiscal 2019	Fiscal 2027: 35% reduction in Scope 1 and 2
Medium-term targets	Comparison with fiscal 2019	Fiscal 2030: 50% reduction in Scope 1 and 2, 30% reduction in Scope 3
Long-term targets	Comparison with fiscal 2019	By fiscal 2050: Net zero in Scope 1, 2, and 3



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

Efforts for the Environment

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

Consideration for the Environment in Corporate Activities

The JACCS Group has established the JACCS Group Basic Environmental Code, which explicitly states our commitment to recognizing the environmental impact of our business activities, and that we will strive to effectively utilize limited resources while reducing our environmental footprint. We are actively promoting the reduction of environmental impact through initiatives such as reducing paper usage by digitizing operational processes and recycling unneeded paper and office equipment.

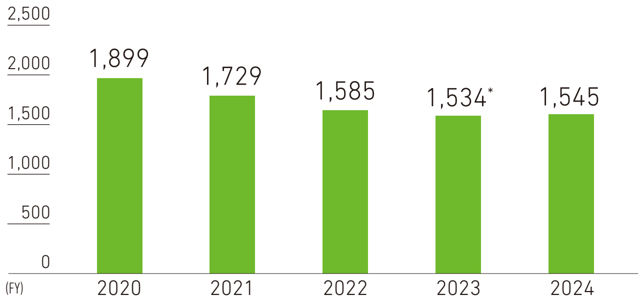
Based on this code, the JACCS Group will work to reduce its energy consumption and transition to paperless operations within its corporate activities. We are pursuing environment-friendly initiatives, including the adoption of eco-friendly vehicles in our corporate vehicle fleet. Specific initiatives and results are summarized below.

Energy Consumption

As a specified business operator designated under the Act on the Rational Use of Energy, the JACCS Group is working to reduce its energy consumption.

In fiscal 2024, the Company's energy consumption was equivalent to 1,545 kl of crude oil, which was a slight increase compared with the previous fiscal year. However, the five-year average change on a crude-oil-equivalent basis was a reduction of 6.1%. Hence, the Company has achieved the 1% target mandated by law.

Energy Consumption

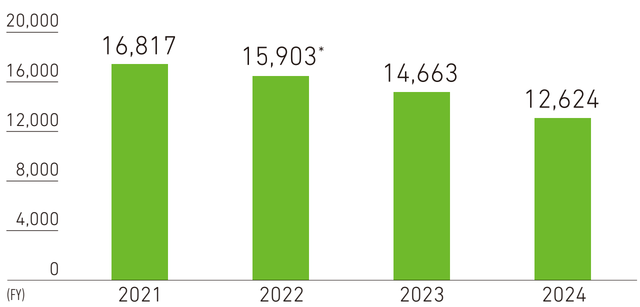


* The energy consumption figure presented for fiscal 2023 has been revised owing to previous data errors.

● Efforts Toward Paperless Operations

The JACCS Group is taking various measures to reduce paper consumption in its business activities, such as adopting paperless formats for meeting materials and proposals to business partners, double-sided copying, and printing two pages per sheet. The Group promoted the transition of its credit screening workflow from a paper-based to an electronic format, as it strove to further reduce paper use in fiscal 2024. Specifically, we implemented such initiatives as on-screen display of the credit-screening system (J-mage), the conversion of guarantee entrustment contracts used when applying for a housing loan to electronic contracts, and the conversion of various internal application procedures to electronic format. Through these initiatives, we are promoting an overall reduction in the usage of printer and copier paper.

Amount of Paper Used

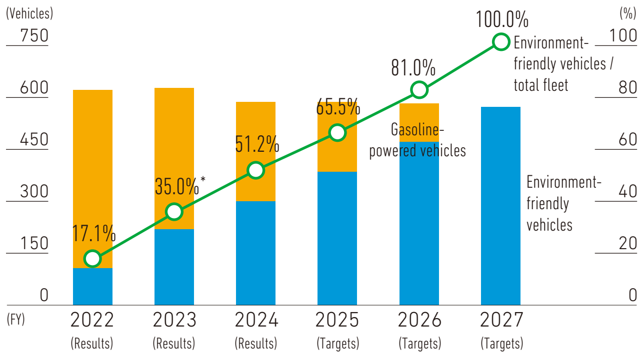


* The paper usage figure presented for fiscal 2022 has been revised owing to previous data errors.

● Initiative for the Introduction of Environment-Friendly Vehicles

JACCS has transitioned half of its vehicle fleet—operated by its nationwide network of sales offices—to hybrid vehicles (HVs). In fiscal 2025 and subsequent fiscal years, we will continue to promote the conversion of our fleet to HVs and EVs, while also optimizing the number of vehicles in the fleet. By converting the fleet to vehicles that reduce environmental burden, the Company's gasoline consumption will be curbed, and we will strive to proactively carry out initiatives that address environmental protection.

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



* The figures for environment-friendly vehicle introduction presented for fiscal 2023 has been revised owing to previous data errors.

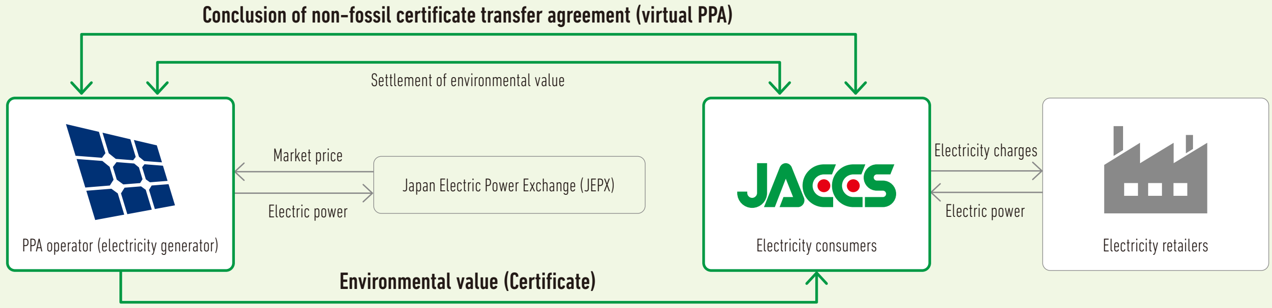
Efforts for the Environment

Utilizing Renewable Energy

The JACCS Group has set GHG emissions reduction targets using fiscal 2019 as the base year, aiming to reduce Scope 1 and Scope 2 emissions by 50% and Scope 3 emissions by 30% by fiscal 2030, and to achieve net zero for Scope 1, Scope 2, and Scope 3 emissions by fiscal 2050. As part of our efforts, on May 29, 2024, we signed the first renewable energy non-fossil certificate transfer agreement (virtual PPA) in Japan's consumer credit industry. Electricity supply based on this agreement commenced on April 30, 2025. Under this agreement, the established solar power plant is expected to generate approximately 1.5 million kWh of renewable energy annually. In the form of a certificate, the Company acquired the "environmental value" that corresponds to this. The quantity of electricity generated—approximately 1.5 million kWh per year—is equivalent to approximately 25% of JACCS' total annual domestic electricity demand of 5.92 million kWh (fiscal 2023). Hence, this is the environmental value acquired by JACCS as part of its efforts to promote policies for the utilization of renewable energy.

In the future, as we work to achieve our targets, we plan to further promote the use of renewable energy, thereby contributing to the realization of a decarbonized society.

Virtual PPA Scheme



Virtual PPA

A power purchase agreement (PPA) is a form of contract under which an electricity end user directly purchases renewable energy from a PPA (electricity generation) operator. In contrast, a virtual PPA is a method whereby an electricity end user procures the environmental value of renewable energy generated at a dedicated power plant, which is constructed at a location separate from the end user's business site.

By procuring "environmental value" from a PPA operator, JACCS is contributing to the generation of green energy.

Environmental value (Certificate)

Under a virtual PPA scheme, environmental value is detached from electricity generated from non-fossil energy sources—such as solar and wind power—to facilitate the trading of this value, which is converted into certificate form.

Contributing to the Realization of a Decarbonized Society through Financial Services

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

In the credit business, we were a pioneer in the consumer credit industry, focusing on providing loans for solar power generation equipment, and have contributed to the installation of more than 260,000 units to date. Additionally, we are promoting the provision of loans that will facilitate the adoption of such technologies as storage batteries, Vehicle-to-Home (V2H), and zero-energy housing (ZEH), as well as environment-friendly vehicles, such as EVs, FCVs, and PHVs. By supporting the generation of renewable energy and promoting the use of clean energy, JACCS is contributing to reduced CO_2 emissions.

Transition to Renewable-Energy-Based Electric Power Contracts

With regard to electric power contracts for its nationwide network of business sites, the JACCS Group is promoting the transition to renewable-energy-based contracts. As of March 31, 2025, we have completed the conversion of approximately 40% of our business sites to renewable-energy-based electric power contracts—including the building occupied by the Company's headquarters. For business sites that have not yet completed conversion, we are carrying out analyses and coordination as we work toward the progressive transition of remaining sites. Underpinned by these efforts, we are promoting the utilization of green energy, and striving to protect the environment.

For further details on the Group's efforts for the environment, please refer to the JACCS website.
https://www.jaccs.co.jp/en/corporate/sustainability/environment/

Respecting Diversity and Human Rights

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

Key Strategies

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

Targets and Progress

			2023 Results	2024 Results	2025 Targets
Diversity	Ratio of female employees among all section manager or higher positions*1		17.8%	18.4%	21%
	Differential in pay of male and female employee*2	All employees	58.7%	62.9%	64%
		Regular full-time employees	55.5%	59.2%	60%
		Part-time and fixed-term contract employees	75.3%	71.5%	72%
Health and productivity management	Ratio of male employees taking childcare leave among those eligible*3		129.4%	87.1%	100%
	Ratio of employees who took at least 60% of their annual leave entitlement		79.3%	79.1%	80%
	Implementation ratio for secondary health tests		98.5%	99.0%	100%
Human resource development	Number of employees certified as possessing advanced digital skills*4		219	321	450
Engagement	Engagement score*5		3.0	3.0	—

*1 The ratio of female employees among all section manager or higher positions, as of April 1 following the end of each fiscal year
*2 Average female pay expressed as a percentage of average male pay
*3 The target and result in each fiscal year for the ratio of female employees taking childcare leave among those eligible is 100%.
The calculation method for the ratio of male employees taking childcare leave is as follows:
(1) Calculated by dividing the "number of male employees who took childcare leave, etc., during the fiscal year" by the "number of male employees whose spouse gave birth" during that fiscal year
(2) The reason the result indicator for fiscal 2023 exceeded 100% is as follows. In the case of a male employee whose spouse gave birth during fiscal 2022, but the male employee took childcare leave, etc., after the commencement of fiscal 2023, despite this being recorded within the numerator as a male employee taking childcare leave, etc., during fiscal 2023, it is not recorded within the denominator as a male employee whose spouse gave birth during fiscal 2023.
4. This is the number of employees who completed a training program related to DX basic knowledge, etc., and who also passed the IT Passport exam.
5. This is the average score for the four engagement-related questions (on a four-point scale) that are administered to all employees.

Strategies Under the New Three-Year Medium-Term Business Plan, "Do next!"

Under the medium-term business plan that commenced in fiscal 2025, human capital management is designated as one of the foundational management areas that supports the plan's key strategies. We aim to be a company where each individual employee can actively participate, and are striving to strengthen human capital management through the promotion of initiatives to address key issues.

Overall View of Human Capital Management

Ideal form	Improve well-being and corporate value through refinement of human capital management
Pillars of human capital management	• Development of a human resource portfolio • Maximization of individual and organizational performance • Development of a corporate culture that encourages people to take on challenges
Four key tasks that support human capital management	1. Improvement of employee engagement 2. Development of a diverse human resource portfolio 3. Expansion of human resources capable of supporting growth 4. Promotion of health and productivity management

Diversity, Equity, and Inclusion (DE&I)

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

Promoting the Advancement of Women

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

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

Promoting the Participation of Seniors

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

Appointing Diverse Human Resources

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

(FY)	2022	2023	2024
Percentage of regular full-time employees hired mid-career*1	59.1%*2	53.1%	64.3%

*1 The percentage of mid-career recruits within total recruits of full-time regular employees in each fiscal year
*2 The result for fiscal 2022 has been revised.

View of an employee who was hired mid-career

Within the International Business Department, my duties are focused on management control functions pertaining to Indonesia (JMFI) and Malaysia (CARSOME Capital), and support for JACCS employees posted on overseas assignments to those countries. During my university studies, I had the opportunity to study for a time in Japan, and this became part of my motivation for pursuing a career in global business. This was also the background to my decision to build a career working overseas. After graduation, I worked at JMFI as an interpreter, and I subsequently joined JACCS.

At present, through my daily work I am building up my knowledge while receiving the support of my colleagues, as our team deals with a broad range of tasks. Within this work environment and corporate culture, I feel very grateful, and glad to be given this opportunity for personal growth. In the future, I would like to combine my efforts with those of other members of the department so that I can further contribute to the growth of the business.

Yumadia Utami
International Business Department

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

At present, there are approximately 80 people with disabilities who are playing active roles at JACCS. The ratio of employees with disabilities as a proportion of total employees is 2.66% (as of June 1, 2025). JACCS is working to create an environment in which each of these employees is able to work with peace of mind, while the Company also takes into consideration the particular characteristics of each employee's disability.

Career Design

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

Career Interviews and Internal Advertisement of Job Opportunities

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

Human Resource Development System

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

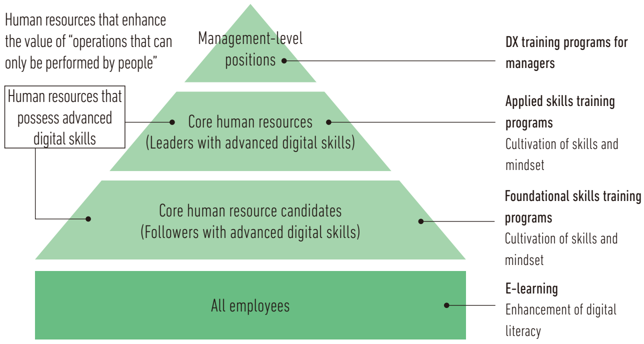
Training and Self-Development System

Training programs	Training programs catering to each rank within the organizational hierarchy Selective training programs On-the-job training programs Training programs based on the department of assignment New recruit training programs E-learning, MUFG Group joint training programs
Self-development	Distance education Awards granted to employees who obtain qualifications Open selective training programs

Cultivation of Human Resources that Possess Advanced Digital Skills

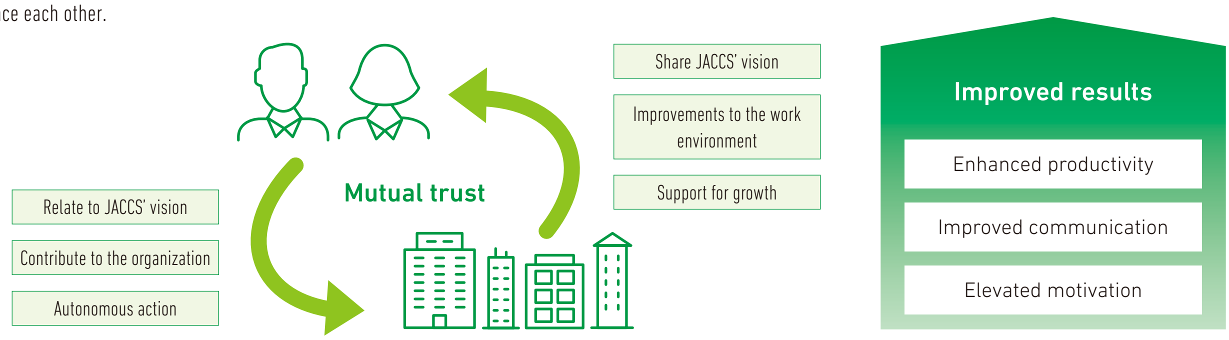
JACCS undertakes initiatives to cultivate human resources that possess advanced digital skills. Such human resources enhance the value of "operations that can only be performed by people."

With the objective of promoting DX on a Companywide basis, JACCS certifies employees who have completed a training program related to DX basic knowledge, etc., and who also passed the IT Passport exam as human resources that possess advanced digital skills. In the future, we will focus on improving operational processes and developing leaders who can take on the challenge of reform. Hence, we will aim to increase the pace of operational process improvement.



Employee Engagement

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



	Measures aimed at raising the level of engagement	Measures implemented
Engagement surveys	Organizational development	Implementation of organizational development workshop
	Overhaul of the personnel system	Overhaul of the personnel system in fiscal 2024
	Improvement of operational efficiency	Promotion of enhanced operational efficiency through the development of human resources that possess advanced digital skills
	Flexible working style	Creation of working styles compatible with the active participation of diverse human resources
	Career development	Realization of support for skill enhancement and appropriate post assignments

Engagement Surveys

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

Promoting Health and Productivity Management

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

Basic Policy on Health and Productivity Management

Guidelines for Conduct

1. Employees take their own initiative in efforts to realize a work-life balance, and work while maintaining a sense of satisfaction and fulfillment as they aim to lead a rich life, both physically and mentally.
2. Through efforts to reform working styles, and strengthened collaboration on health issues with the Company's health insurance society, JACCS supports the maintenance and enhancement of employee health. JACCS' fundamental policy is to aim for the realization of an open, employee-friendly work environment.

JACCS Work-Life Balance Promotion (JWP)

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

● Overview of Initiatives

1. At least three days per month with no overtime worked; at least one "Premium Weekday"* per month
2. At least 60% of annual leave days used
3. A maximum of 30 hours of overtime worked per month

* "Premium Weekday" is JACCS' adaptation of "Premium Friday."

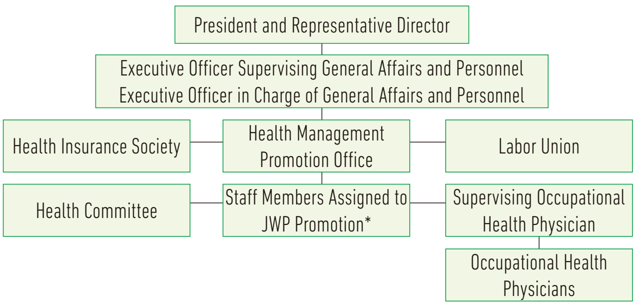
● JACCS Group Life Care Points (JLP)

The Company, in collaboration with the health insurance society, implements the JLP program, while coordinating this with a wide range of initiatives and programs. JACCS is working to develop an environment in which employees can take the initiative in maintaining and enhancing their own health and engaging in self-development and study. As part of these efforts, the Company awards JLP to employees who achieve the following program targets. JLP may be exchanged for a range of electronic coupons and goods.

● Main Initiatives and Targets

1. At least seven days per month with no overtime worked
2. At least 70% of annual leave days used
3. Volunteer activities (twice a year)
4. Employees who complete a distance education course receive a subsidy
5. Walking events: Average number of steps exceeding 5,000 (twice a year)

Organizational Structure of Health and Productivity Management



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

Implementation of Periodic Health Check-Ups

The promotion of periodic health check-ups is a necessary part of efforts to ensure that each employee is conscious of the importance of maintaining good health. Hence, the Company regularly provides employees with news and health-related information, via notifications and email.

From fiscal 2020, the Company introduced a medical check-up management system. Under this system, the Company undertakes early response through recommendations to undertake examinations, etc., vis-à-vis employees who require follow-up testing or detailed examinations. This is based on strengthened management of health check-up data. These measures are designed to prevent disease or illness from becoming severe.

Mental Health Support Measures

● Stress Checks

With the aims of preventing mental health deterioration before it occurs and improving work environments, which can be a source of stress, the Company implements stress checks based on the Industrial Safety and Health Law.

● JACCS Health Dial

The Company, labor union, and health insurance society have jointly established an externally based consultation service for employees.

Highly experienced staff provide consultation on such matters as health, medical treatment, nursing care, child-rearing, medical second opinions, and mental health. The service also offers information on medical institutions, etc.

In addition, for employees who have been transferred from Japan to work at overseas associated companies, JACCS has introduced a 24-hour overseas medical consultation service.

Acquisition of Various Certifications

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

1. Certified Health and Productivity Management Organization, 2025 Recognition Program ("White 500")

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

2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

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

"Kurumin" is a certification program for companies operated by the Ministry of Health, Labour and Welfare (MHLW) pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children. Under this program, a company formulates an action plan, and if it meets certain criteria, it is certified as a "Child-rearing Support Company."

In 2021, the Company was appraised for the very high quality of its initiatives, and received the advanced certification of "Platinum Kurumin."

プラチナくるみん
子育てサポートしています

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

"Eruboshi" is a certification program for companies that have met certain criteria in their programs pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace, and have been recognized for their excellence in this area.

JACCS was recognized as an excellent company for its programs in relation to women's participation and advancement, and received "Eruboshi" certification in 2021.

View of an employees who took childcare leave

I took six months childcare leave. The department to which I belonged at the time faced the issue of becoming overly dependent on particular individuals. The timing of my leave coincided with the move to a team-based structure as a means of resolving this issue. As I prepared for my leave period, I received positive understanding and cooperation from my supervisor and colleagues, and I was able to carry out a smooth handover and put in place an operational system.

In taking leave, I became aware of the importance of gathering information on programs inside and outside the Company relating to childcare leave, as well as on childcare topics. At JACCS, by creating an environment in which it is easy to access such information, employees' understanding will deepen, and I believe that a concrete image of what taking childcare leave involves will become prevalent. In child-rearing, we often have to deal with unexpected events, so it became a good opportunity for me to reassess the way I use my time. Utilizing this experience, I am motivated to produce the maximum results possible within the limited work time available.

Shuhei Saito
Corporate Planning Department

Human Rights

Establishment of the JACCS Group Human Rights Policy

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

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

For further details on the JACCS Group Human Rights Policy, please visit the JACCS website.

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

Initiatives to Ensure Respect for Human Rights

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

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

Human Rights Due Diligence

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

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

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

For further details on human rights due diligence, please visit the JACCS website.

https://www.jaccs.co.jp/en/corporate/sustainability/society/human_rights/hr_dd/

Internal Whistleblower Hotline System

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

Women Leaders' Roundtable Discussion

JACCS Women Leaders, Now and Going Forward

A year has passed since JACCS launched its new human resources system, which is rooted in further promoting the active participation of female employees, and facilitating diverse working styles. In this section, a female outside director and female managers engaged in various operations exchange frank opinions regarding how efforts to promote the active participation of female employees have been received in the workplace, how their effectiveness has led to enhanced productivity and enhanced corporate value, and what efforts should be made going forward.

Shape Your Career

Satoko Wakiya	Kyoko Okada	Noriko Ishizaki	Yuko Tobita
General Manager of the Customer Service Department	Outside Director	Senior Executive Officer In charge of Compliance	Mito Branch Manager

Shape Your Career

Status of JACCS' Efforts to Promote the Active Participation of Female Employees

Ishizaki: I joined JACCS in 1994, initially serving in a non-career track role. After transitioning to a career-track position in 2010, I served as Manager of the VFJ Support Center, and as Section Manager in the Personnel Department. Following my appointment as General Manager of the Customer Service Department in 2023, I was subsequently appointed Senior Executive Officer. I think significant progress has been achieved in terms of making it easier for women to pursue careers. I have become a pioneer among female managers, and am always mindful of the talent that will follow in my footsteps.

Wakiya: After joining the Company as a career-track employee in 1996, I spent many years working in the Planning Department. I also gained experience as an expert in a specialized role, engaging in product development, various regulatory compliance tasks, and system development. In 2018, I transitioned to a region-based position that did not require relocation, and after serving as Section Manager of the Credit Screening and Operation Department, I was appointed General Manager of the Customer Service Department in June 2025. As a mother, I feel it has become significantly easier to balance work and family life compared to the past. I am now more motivated than ever before to engage in work.

Tobita: I joined JACCS in 1996 as a non-career-track employee. After gaining experience in credit screening and as a salesperson at the Mito Branch, I transitioned to a career-track position in 2010. I was appointed Section Manager at the Yokohama Branch in 2023, and assumed the role of Mito Branch Manager in June 2025. JACCS' human resources system is more robust than other companies, which is directly connected to facilitating a comfortable work environment for female sales staff. JACCS has also appointed female managers at a faster rate than other companies, while our corporate culture, which is not averse to such progress, contributes to facilitating a comfortable work environment.

Okada: It is striking how a change in job responsibilities became a turning point in your careers. How did this come about?

Ishizaki: After transferring to the head office, where I worked in the same job for a long time, I felt a strong desire to try something different to broaden the scope of my work, which led me to request a change in position.

Wakiya: I determined that, in the event of being transferred to a position that required relocation, it would be difficult to relocate given that I was raising children, so I switched to a region-based position. I also thought that I could be more effective by looking at the organization as a whole from a managerial perspective, rather than pursuing my assigned duties alone as a specialist, so I decided to take management courses.

Tobita: I felt no anxiety about leaving my hometown, as JACCS has offices and credit screening departments nationwide, and I assumed my responsibilities would remain the same wherever I worked.

Okada: I think it's truly wonderful how you have all effectively utilized Company systems to advance your careers.

A Sense of Personal Growth

Ishizaki: I have come to view our business from a bird's-eye perspective and consider what is at the core of issues facing the Company. I feel that considering business from the perspectives of the Company, customers, member stores, and society is also part of my personal growth.

Wakiya: Having experienced a variety of duties and serving as a section manager has provided me with the ability to consider the overall picture and various relationships when looking at individual issues. My sense of personal growth stems from the fact that I no longer focus needlessly on individual details, but take a broad view to consider how issues affect the organization overall.

Tobita: I feel the same. Though I have only been in management for a little over two years, I now consider how JACCS should engage with society and other companies, and what form our growth should take.

Okada: I am extremely pleased that everyone has made the most of the opportunities available. From the Company's perspective, this is also proof that if employees are given opportunities to take on challenges, they will grow accordingly, and I am convinced that we should continue to promote the active participation of female employees in the workplace.

Promoting Women's Active Participation and Female Employee Growth

Tobita: I sense the growth of my subordinates every day, and what stands out most is their willingness to take on new challenges and change the status quo through efforts to increase efficiency and other improvements. In particular, I feel that in recent years, employees are approaching their work focused on medium- to long-term goals, and as a result, the Company's overall growth rate has significantly accelerated.

Wakiya: Substantially improvements in the roles employees play and their treatment have led to subordinates becoming more motivated and increasingly proactive in their work approach. Furthermore, seeing women such as myself being promoted to

management and leadership positions has encouraged female subordinates to recognize their own potential, and I can sense their growth in how they take on new challenges.

Ishizaki: In the past, there was no path to managerial or higher positions for non-career-track employees, but that path is now open. When the system was first revised, many employees chose to not take exams for promotion to managerial positions, believing there was no way they could pass. That being said, many employees, including my subordinates, now express a desire to take on challenges, and I believe our current human resources system is contributing to their growth.

Okada: I have high hopes that we will see a steady increase in female managers, and that more women will rise to leadership positions. However, I don't believe that any of us gathered here today needs to be exceptional—in other words, rather than being seen as having some special abilities, it is more beneficial that we as leaders inspire subordinates to believe "if they can do it, maybe I can too." In this way, I think women won't need to push themselves so hard, as the momentum for women's active participation will naturally continue to uplift everyone who follows.

Contributing to Corporate Growth

Tobita: I believe that by enabling all female employees, including veteran colleagues, to maximize their capabilities, the entire Company is achieving even greater growth. With women comprising approximately 60% of all employees, I think women have a substantial influence on JACCS. By leveraging women's capabilities, such as product development and service improvements from a female perspective, I believe we can expect to see even greater contributions to Company growth going forward.

Wakiya: Approximately 90% of the personnel in the Credit Screening and Operation Department where I was assigned are women, many of whom have been appointed to a section manager, deputy manager, or other leadership position. I believe that the meticulous and efficient approach unique to women has become a pillar of support for the Sales Department, and contributed to gaining the support of member stores.

Ishizaki: Revisions to the human resources system in 2024 also improved the treatment of region-based positions, which were predominantly held by women. I believe this is due to women's voices being incorporated and driving change within the Company. Currently, the proportion of women in management positions at JACCS stands at 18.4%, while the proportion of women in deputy manager positions or above has risen to 41.5%. I think that further incorporating and utilizing women's voices and opinions will also lead to performance improvements going forward. In the past, I was also involved in recruiting efforts while assigned to the Human Resources Department. One person who eventually joined the Company mentioned that several of her interviews during the hiring process were conducted by women. She said she decided to join because she felt JACCS is a company where women can thrive, reinforcing my sense that I was also contributing to the retention of talented human resources.

Okada: As Japan now faces the challenge of recovering from three lost decades, the first step forward is promoting the active participation of female employees. In listening to your stories and accomplishments, I feel the importance and significance of women's voices driving the Company forward. Because women's voices are incredibly valuable and have the power to enhance JACCS' business, my sincere hope is that this momentum continues and deepens.

Recognizing Issues Related to Further Promoting the Active Participation of Female Employees

Ishizaki: One issue moving forward is to involve men in discussions about the active participation of women. I think this will broaden the scope of work for region-based employees while deepening mutual support and understanding among managers and employees. A second issue is to improve understanding and acceptance regarding men taking childcare leave. In fiscal 2024, 87.1% of eligible male employees utilized childcare leave Companywide, which is quite high. However, looking at the number of days taken, there is a clear divergence between those taking extended periods of about one year, and those taking shorter periods of just a few days, with the average number of days taken being 25.

The reasons for only taking a few days off are likely due to both individual circumstances and workplace environments. I think we need to further improve the system so that male employees are more receptive to the idea of taking childcare leave.

Wakiya: I share the same view. We should examine the impact of measures to promote women's active participation on the Company and male employees, while capturing this impact through data and incorporating men into the discussion. I also feel

there is a lack of awareness and dissemination of support for women's career development. Although there are certain limitations to how much support can be utilized given individual work circumstances, I believe that, as awareness and dissemination increases, career development support will be more effective.

Tobita: While our human resources system is certainly comprehensive, I feel a gap is emerging between those who are able to make full use of this support, and those who are not. Furthermore, regarding diversity in working styles, some feedback we have received indicates that the workplace atmosphere makes it difficult to actually utilize the systems for childcare leave, reduced working hours for childcare, and nursing care leave, and I consider this an area that should be addressed going forward.

Okada: I feel you are expressing the end stage of affirmative action*1, which starts with women because we are promoting the active participation of women. I think that a major change in the awareness of male employees, mainly those in their 50s, will become an important driver, thus educational activities targeting this segment will become increasingly necessary going forward.

Broadening the Scope of Diversity Efforts Beyond the Promotion of Women's Active Participation

Wakiya: Going forward, JACCS needs to facilitate conditions and an organization where deeply diverse individuals in terms of values, experiences, and skills can, regardless of gender, fully demonstrate and utilize their abilities. We also need to recruit from outside the Company and develop compensation and human resources systems to make this a reality, and I believe there is still room for improvement in these areas. I hope to see further steps taken toward the creation of a human resources system that is more focused on diversity, and the updating of systems to achieve this.

Tobita: To put it frankly in my own words, I believe that by bringing in new blood from outside JACCS, we can achieve greater growth as a company. I also think that bringing in personnel from outside the Company will require a change in mindset and the establishment of appropriate systems.

Ishizaki: In Japan at present, the declining birthrate, aging population, and shrinking workforce show no signs of slowing, and I believe the active participation of women, as well as senior employees, foreign nationals, and mid-career hires, is greatly needed. From the perspective of mid-career hires, there are probably many things that are considered normal at JACCS that are not the norm elsewhere, and rather than forcing themselves to conform, I hope they communicate these differences to the Company. Learning and innovation emerge when different values clash. With this in mind, I hope we become a company facilitating ongoing personal growth where diverse human resources can engage in rewarding work.

Okada: As Ms. Wakiya said, there are two types of diversity. One is focused on attributes such as gender and nationality, while the other is focused on ways of thinking, experiences, and abilities—both are important. Furthermore, management is expected to clearly articulate and communicate within and outside the Company the importance of diversity for corporate growth. To build a diverse organization that contributes to realizing the management story outlined here, we must also transform our approach to management, communication, and leadership. The crucial issue will be how we evolve as a company going forward. I hope to have everyone's support and encouragement, and I look forward to working with the executive management team.

Future Aspirations

Wakiya: I have been appointed to the position of general manager, and I intend to work hard to contribute even more to the Company. I will also strive to create an environment in which subordinates can work more comfortably and achieve work-life integration*2.

Tobita: I still remember, during my interview for promotion to a managerial position, I was asked, "What is your primary goal?" I told the interviewer, "I want to develop people." Although I sometimes worry that I may be in a position that exceeds my current capabilities, going forward, I intend to remain true to my original aspiration and continue striving to nurture and empower people.

Ishizaki: Being appointed as the first female executive among regular employees, I must admit to feeling some pressure. However, I intend to continue cherishing the mindset I embraced when I first became a branch manager: Remain true to myself, act with sincerity, and work diligently. Of course, there is still much to learn. I also intend to do my utmost, however small my contribution may be, to make this a company where diverse individuals—including younger employees—can take on challenges, ensuring that the appeal of the work itself becomes a reason to continue working at JACCS.

Okada: Ms. Ishizaki mentioned being true to oneself, but we should also consider that one's position shapes them. I hope you all have the courage to continue pursuing growth and take pleasure in your daily work. Best of luck to everyone!

Participants: Thank you very much.

*1 Measures and policies designed to proactively correct inequality and discrimination against specific social groups and achieve fair and equal opportunities

*2 A holistic approach that views both work and life as integral components of human existence, and aims to leverage the resulting synergistic effects to create a better life

Stakeholder Communication

The JACCS Group sincerely engages with all stakeholders, works to revitalize local communities and create value, and practices sustainability management.

Stakeholders

Customers and member stores

Providing convenient products and services

Shareholders and investors

Ongoing stable dividends
Conducting earnings briefings for institutional investors

Employees

Promoting work-life balance
Realizing human capital management

Local communities

Promoting social contribution activities

Initiatives Focused on Shareholders and Investors

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

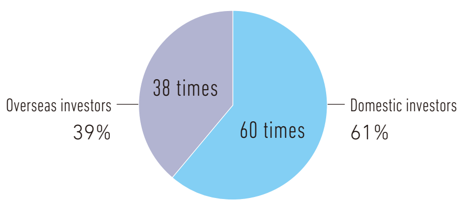
By carefully explaining such matters as JACCS' management strategy and operating performance, we strive to deepen understanding of JACCS. The Company also works to reflect in its business the valuable opinions it receives.

Dialogue Status and the Principal Responders from JACCS

	Principal responders	Progress
Financial results briefings for institutional investors	President and Representative Director, CFO, directors responsible for supervising each business, General Manager of Business Strategy	Each half-year
Individual meetings with institutional investors	President and Representative Director, CFO, senior executive officers (responsible for supervising general affairs and personnel, accounting and finance), executive officer (General Manager of the Corporate Communications Department), Corporate Communications Department, Finance Department, Personnel Department	98
Briefings for individual investors	Executive officer (General Manager of the Corporate Communications Department)	1

Outline of Shareholders and Institutional Investors that Participated in Dialogue

In fiscal 2024, ahead of the new medium-term business plan announcement, we focused efforts on attracting new overseas investors



Insights Gained through Dialogue

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

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

Each quarter, we have made it a regular practice to receive reports from the director responsible for supervising corporate planning at the Management Committee and Board of Directors. Apart from regular reports, when the opportunity allows, the director responsible for supervising IR shares information with senior management.

Results of Dialogue

- Expanded disclosure content for financial results materials
  Switched to disclosures on a consolidated basis, and disclosed balance of receivables portfolio, ratio of receivables in arrears, and other metrics regarding the overseas business
- Promptly disclosed financial results in English
- Changed the disclosure format for supplementary financial materials
- Revised our dividend policy under the new three-year medium-term business plan

Initiatives Focused on Local Communities

The JACCS Group has established a Basic Policy on Social Contribution Activities and carries out its social contribution activities centered on three priority areas: Local communities, the next generation, and the environment.

JACCS Group Basic Policy on Social Contribution Activities

In order "to contribute to the realization of a future inspired by dreams and an affluent society," the JACCS Group engages in social contribution activities that prioritize harmonious co-existence with local communities and foster a corporate culture in which all executives and employees participate voluntarily as good corporate citizens.

Three Priority Areas

Local communities

As a member of each local community in which the Group operates, we will seek to play an active role in each community while building a mutually beneficial relationship.

Next generation

By supporting the next generation—on whose shoulders the future will rest—the Group will strive to foster rich hearts and fertile minds in children and young people.

Environment

While recognizing that the lives and livelihoods of each individual depend on a healthy and abundant global environment, the Group will strive to contribute to environmental conservation.

Social Contributions through Charitable Donations

Donations Provided as Part of Our 70th Anniversary Initiatives

In June 2024, JACCS commemorated the 70th anniversary of its founding. To express our gratitude for the stakeholder support that has enabled us to maintain business operations, we donated ¥3 million to each of six NPOs (legally registered non-profit corporations) and other non-profit organizations selected through a joint process by the Social Contribution Promotion Office and employee voting. Donations will be used by these organizations to support activities aimed at resolving social isolation (local communities), and promoting education (next generation) and marine conservation (environment).

Other Charitable Activities in Fiscal 2024

Initiative	Summary
Japan Guide Dog Association (JGDA) Card	¥18.69 million donated to the JGDA through the donation of a set percentage of card transactions
Donation of loyalty points earned on employees' credit cards	Donations totaling ¥7.79 million to 12 organizations, including NPO BEYOND Tomorrow, which provides support to young people in socioeconomically disadvantaged situations

Support for Kodomo-Shokudo Across Japan

In fiscal 2023, JACCS started a program to support Kodomo-Shokudo, which not only provides meals for children but also creates a place for them to stay and interact, supporting their learning.

In fiscal 2024, JACCS employees directly delivered local products from our founding city of Hakodate and sweets produced at facilities for people with disabilities, to 84 Kodomo-Shokudo nationwide twice a year, deepening relationships with local residents.

Forest Conservation Project: 1,500 Trees Planted

Since October 2023, JACCS has been engaged in the JACCS Forest Creation project, aimed at environmental conservation. This project, carried out in collaboration with the NPO The Life style Research Institute of Forests, is a five-year forestry initiative aimed at promoting forest restoration and regeneration in Hokkaido, where JACCS has historical ties.

In June 2024, we conducted our second activity, with 49 employees based in Hokkaido and their families participating to plant 1,000 saplings. Along with the first activity in 2023, we completed the planting of all 1,500 trees as planned.

Social Contribution in Indonesia

Within the JACCS Group, the Group companies operating in five ASEAN region countries carry out social contribution activities under the theme of harmonious co-existence with local communities.

At PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA (JMFI), the head of the finance and accounting department gave lectures to students attending a vocational school on how to manage money, as well as ways to save and invest, with the aim of improving the students' financial literacy. This initiative is expected to promote individual economic independence among younger generations by fostering a proper understanding of money management and enhancing foundational knowledge, ultimately leading to their participation in the labor market.

Going forward, the JACCS Group will continue promoting social contribution activities to contribute to the realization of a sustainable society.

Outside Director Perspectives

Hiroji Sanpei
Outside Director

Q: How do you evaluate the previous three-year medium-term business plan, "MOVE 70"?

"MOVE 70", which commenced in fiscal 2022, performed strongly through the second year of the plan. This included the Company achieving new record highs for ordinary income and net income. However, in the final year of the plan, the impact of the Bank of Japan's raising of its policy interest rate led to an increase in financial expenses, and this was further exacerbated by such factors as weakness in the overseas business. Consequently, ordinary income and net income fell short of the plan's targets. In the domestic business, faced with a difficult operating environment, the Company took decisive action ahead of most other industry participants by raising interest rates vis-à-vis member stores, and hence implemented early measures to restore margins. In the overseas business, the Company steadily executed measures with a sense of speed, including a program of business structural reform in Indonesia. I give a high evaluation of the timely management decision-making and the front-line organizational response capabilities. The issues and policies for improvement that emerged from "MOVE 70" are fully reflected in the strategies adopted under the new three-year medium-term business plan, "Do next!". In my opinion, these strategy refinements will serve to nourish future growth.

Q: What are your expectations regarding expanded cooperation with the MUFG Group?

MUFG is pursuing a strategy of integrating core financial functions into a single group. As a company that plays a key role within MUFG's retail operations, in the domestic business, JACCS is leveraging its solid relationship with member stores—one of its key strengths. In addition to cross-selling based on reciprocal cooperation among its core businesses—credit, payments, and financing—I have high expectations for the realization of new growth strategies, such as M&A. In the overseas business too, I believe that business expansion through aggressive investment that utilizes the MUFG Group's global network will form the foundation of JACCS' future significant growth. In addition, by sharing know-how in such areas as IT systems, AI, and security, JACCS can open up further pathways toward improvements in safety and productivity, as well as increased operational efficiency. I have great expectations for the realization of this potential.

Yuko Shitamori
Outside Director

Q: How do you evaluate the revision of the areas of materiality identified by the Group?

It has long been the case that the non-financial indicators of business enterprises have come to be accepted as tools for evaluating how an enterprise is contributing to society. In this sense, such indicators have become quite familiar to the general public. We recently revised our areas of materiality, and this update provides improved clarity and plain language. Based on this refinement, I believe that not only external stakeholders but also internal Group stakeholders will be able to gain a better grasp of the priority tasks the Company must address, while providing a picture of JACCS' distinctive characteristics. Since the previous iteration of our materiality areas comprised the type of content that could apply to almost any given company, it was difficult to communicate our raison d'être as a company, and I think this also made it hard for stakeholders to make an appraisal. In particular, JACCS places a high value on its employees, and this is reflected in our slogan: "Pursue management under which people are respected and diverse human resources are able to grow and play an active role." This clear stance is worthy of praise, in my opinion.

Q: What intangible assets are particularly important for the future of the JACCS Group?

I believe that JACCS possesses two remarkable strengths—a brand based on trust, and an ethos of placing a high value on employees. The JACCS brand has been cultivated throughout its 70-year history, and was built on the Company's founding philosophy, "Trust is the basis for all." Over many years, a corporate culture developed in which human capital is prized as a key company asset.

In an era where the future outlook is unclear and reliance on AI and other technologies is becoming a normal part of daily life, I still believe that face-to-face contact between an enterprise and its customers is an essential element. JACCS' two aforementioned strengths are unique intangible assets that cannot be produced by other companies. It is likely that these strengths are a key element affecting JACCS' competitiveness. At present, as JACCS has successfully built competitive advantage in Japan, I believe that it is also essential for the Group to proactively raise its recognition in the global market.

Kyoko Okada
Outside Director

Q: How do you evaluate JACCS' corporate governance as a whole?

The Company has built a corporate governance system that focuses on maintaining sound management and transparency through the Board of Directors and various specialist committees. Through the functions of outside directors and the audit functions, and the establishment of an internal control system and risk management system, JACCS has raised its organizational capabilities for responding to risk. Each year, the Company conducts an assessment of the effectiveness of the Board of Directors. Based on this assessment, we have verified that effectiveness is improving year by year. In addition, the Company's efforts in the areas of sustainability and human capital are also clearly articulated. Preparation of the new medium-term business plan is carried out in conjunction with the outside directors, who participate in discussions regarding the plan's formulation. This serves to expand the outside directors' knowledge of JACCS, and helps to create a virtuous cycle in which knowledge gained is fed back into the plan formulation process. In the future, we expect corporate value to be bolstered by further strengthening of the corporate governance system and improvements in effectiveness.

Q: What kind of discussions were held during the formulation of the new three-year medium-term business plan, "Do next!"?

First of all, we identified the progress of the previous medium-term business plan and conducted a thorough review. Next, we shared our understanding of changes in JACCS' operating environment, and following that we began discussions regarding the new medium-term business plan. After confirming the positioning of the mission, vision and values and how the Company should look in three years' time, and examining for consistency with the Group's long-term vision, we advanced our discussions while identifying the new plan's main points and the targets to be set for fiscal 2030. Within our discussions on domestic and overseas business strategies as well as non-financial strategies, we abstracted the key themes that would be featured in the plan. These included "transition from quantity to quality," "utilization of affiliated loans," "transition to an asset-light business model," and "synergies with the MUFG Group." After drilling down into greater detail for each of these themes, the plan began to take on a solid shape. Within the discussion process, we also covered the importance of the Company's communication strategy when it announces the plan—how to present "the story behind the new medium-term business plan." From there, we built consensus from such perspectives as what management indicators to incorporate, and how to describe a future shaped by renewed growth.

Masahito Suzuki
Outside Director

Q: How do you assess JACCS' overseas business and what are the key issues faced by this business?

In 2010, JACCS embarked on its overseas business—seeking business expansion and growth—through its entry into the Vietnam market. This was followed by successive entries into other ASEAN region markets—Indonesia, the Philippines, and Cambodia. As a result of focus on business expansion, these businesses contributed to increases in operating revenue. However, profitability was affected by the economic conditions and business cycle in each country. Hence, the overseas business has not yet been able to make a significant contribution to Group profit.

Since future economic growth is anticipated in the ASEAN countries, in the medium-term JACCS is placing priority on securing stable revenues driven by expansion in the volume of new contracts. We plan to continue refining credit operations and strengthening receivables management, while moving to a more tightly focused product lineup and product development. In my opinion, it is crucial for the Group to build a stable earnings base, including through cost reductions. I believe that one of our most important tasks is to expand the business base by utilizing an integrated approach covering the ASEAN region, in contrast with our strategy to date under which JACCS has served multiple stand-alone markets. For example, recently, JACCS entered an alliance with Carsome Sdn. Bhd., which is based in Malaysia but has operations spread across many ASEAN countries. In this context, JACCS has the opportunity to collaborate with MUFG Bank, Ltd. and its local affiliate banks, which maintain capital and business alliances with Carsome.

Q: What kind of discussions were held by the Third-party Committee regarding the third-party allocation of new shares?

On the occasion of the recent third-party allocation of new shares allotted to MUFG Bank, I represented the outside directors on the Third-party Committee, and was also appointed committee chairperson. As stated in the written opinion, the committee debated the necessity and reasonableness of the third-party share allocation. Within this, in particular, the key discussions focused on two specific points: (1) the content of the business alliance with the MUFG Group and MUFG Bank, which was a prerequisite for the third-party allocation of new shares; and (2) in specific terms, how this alliance would contribute in the future to JACCS' operating performance and improvement in corporate value. Linked to the aforementioned points, another facet of the committee's debate revolved around whether or not the issuance of new shares would disadvantage existing shareholders owing to the dilution effect on existing shares. As a conclusion, the committee recognized the necessity and reasonableness of the third-party allocation of new shares. This was based on the view that in light of the medium-term outlook for the operating environment, collaboration with the MUFG Group and MUFG Bank—underpinned by this capital increase—would contribute to the medium- to long-term enhancement of JACCS' corporate value.

Advancing the Quality of Corporate Governance

Overview of Corporate Governance at the JACCS Group (As of June 26, 2025)

Organizational format:	Company with Audit & Supervisory Board members
Number of directors:	11
Number of outside directors:	4
Number of outside directors designated as independent:	4
Term of office of directors:	1 year
Number of Audit & Supervisory Board members:	4
Number of outside Audit & Supervisory Board members:	2
Number of outside Audit & Supervisory Board members designated as independent:	2
Term of office of Audit & Supervisory Board members:	4 years
Accounting auditor:	KPMG AZSA LLC
Use of executive officer system:	Yes

Fundamental Corporate Governance Philosophy

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

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

https://www.jaccs.co.jp/en/corporate/about/governance_info/governance/

Policy Regarding Shareholdings

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

As of March 31, 2015, the Company held shares in 115 companies. However, by March 31, 2025, this figure had been reduced to 35 companies, which is three fewer than were held in fiscal 2024. Cross-shareholdings (amount recorded on the balance sheet) as of March 31, 2025, amounted to ¥33.5 billion, an increase of ¥3.9 billion year on year, in line with rising stock prices of shares held.

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

Corporate Governance Structure

The Company has established the Audit & Supervisory Board to ensure that the Board of Directors carries out appropriate decision-making and supervisory functions, as well as ensure that Audit & Supervisory Board members, who are appointed on an individual basis, appropriately carry out their audit functions. Through the strengthening of the functions of both the Board of Directors and the Audit & Supervisory Board, the Company is working to enhance corporate governance. The Company has established a system of executive officers, thereby clarifying the division of roles in the execution of operations, delegating authority, and ensuring expeditious execution of operations. Furthermore, the Company aims to realize effective and transparent corporate governance. Specifically, it has established the Nominations Advisory Committee and the Remuneration Advisory Committee as advisory bodies to the Board of Directors, and the Corporate Governance Committee as a body reporting directly to the Board of Directors.

Executive officers hold responsibility and authority for the execution of operations, and comprise executive officers responsible for supervising specific functions, and executive officers. Executive officers are appointed through resolution of the Board of Directors.

Board of Directors

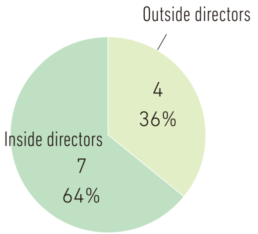
The Board of Directors determines the Company's basic management policies, and makes decisions regarding important operational matters and other matters delegated by resolution of the General Meeting of Shareholders. The Board of Directors also makes decisions on matters stipulated by law and the Company's Articles of Incorporation, and receives reports regarding the status of significant operational matters. Based on this structure, the Board of Directors oversees the operational execution of the Company's management.

With regard to meetings of the Board of Directors convened in fiscal 2024, the following is a sample of resolutions and reports carried out over the year.

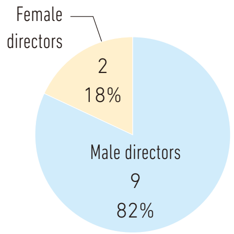
Resolutions	Business plans, financial results, dividends, agenda of the General Meeting of Shareholders, establishment of various basic policies, fundraising, organizational overhaul, personnel changes, policy for strategic shareholdings, sale of shares, directors and officers (D&O) insurance contracts, establishment of various committees, investment in an overseas company, capital and business alliance agreements, third-part allocations of new shares, materiality reviews, etc.
Reports	Status of improvements to the internal control system, status of corporate bond issuance, evaluation of the effectiveness of the Board of Directors, audit plan, activity status of internal audit, status of dialogue with shareholders and institutional investors, status of sustainability initiatives, transaction policy with member stores, regulatory revisions, engagement survey implementation status, etc.

The Board of Directors shall comprise at least three but no more than 13 members. Of those, at least one-third of the members shall be independent outside directors.

Ratio of Outside Directors Within the Board of Directors



Gender Ratio Within the Board of Directors



(As of June 26, 2025)

Audit & Supervisory Board Members and the Audit & Supervisory Board

As independent officers functioning under a mandate from the General Meeting of Shareholders, the Audit & Supervisory Board members audit the directors' execution of duties and have the role of carrying out a supervisory function over the Company in cooperation with the Board of Directors. The Audit & Supervisory Board is a body that holds discussions and makes decisions regarding the audits undertaken by the Audit & Supervisory Board members for the purpose of formulating opinions. Each Audit & Supervisory Board member utilizes the Audit & Supervisory Board as a means of ensuring effectiveness. As a body to support the Audit & Supervisory Board members' execution of duties, the Company has established the Audit & Supervisory Board Members' Secretariat and appointed dedicated staff to this body.

Management Committee

As an advisory body to the President and Representative Director, the Management Committee comprises internal directors nominated by the President and Representative Director and executive officers responsible for supervising each function of the Company's business organization. In principle, the committee convenes three times per month and broadly considers and deliberates on matters delegated by the Board of Directors, important operational matters, and various issues.

Audit Office

The Company has established the Audit Office, which reports directly to the President and Representative Director, as an independent internal audit unit. The office evaluates the compliance of procedures, carries out internal audits based on risk, and considers and evaluates the effectiveness of risk management control and governance processes for the overall operations of each JACCS Group business site.

Accounting Auditor

JACCS appoints an accounting auditor, and the Audit & Supervisory Board makes a selection after deliberating on whether or not the candidate is appropriate as accounting auditor.

Committees

● Nominations Advisory Committee

The Company has voluntarily established the Nominations Advisory Committee as an advisory body to the Board of Directors. The committee considers and deliberates on nomination and dismissal proposals for directors, executive officers responsible for supervising specific functions, and Audit & Supervisory Board members, and reports its findings to the Board of Directors. Regarding the nomination and dismissal of Audit & Supervisory Board members, recommendations and reports are made with the consent of the Audit & Supervisory Board. The committee also considers and deliberates on the standards applied to ensure the independence of outside officers, and reports its findings to the Board of Directors. The committee is chaired by the President and Representative Director and its membership comprises inside directors and outside directors. By making independent outside directors a majority, the committee ensures that independence, objectivity, and transparency are maintained.

In fiscal 2024, the Nominations Advisory Committee convened twice, appointed a Representative Director and 11 Directors, and submitted recommendations and reports to the Board of Directors.

● Remuneration Advisory Committee

The Company has voluntarily established the Remuneration Advisory Committee as an advisory body to the Board of Directors. The committee considers and debates the performance of directors and executive officers responsible for supervising specific

Attendance by Directors and Audit & Supervisory Board Members at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board

Attendance at meetings of the Board of Directors and meetings of the Audit & Supervisory Board during fiscal 2024 was as follows.

Name of directors and Audit & Supervisory Board members		Number of attendances at meetings of the Board of Directors*	Number of attendances at meetings of the Audit & Supervisory Board*
Chairman, CEO and Representative Director	Toru Yamazaki	8/8	—
President, COO and Representative Director	Ryo Murakami	8/8	—
Director, CFO and Senior Managing Executive Officer	Takashi Saitou	7/8	—
Director and Senior Managing Executive Officer	Kenichi Oshima	8/8	—
Director and Managing Executive Officer	Ichiro Kobayashi	8/8	—
Director and Managing Executive Officer	Akihito Suehiro	8/8	—
Director and Managing Executive Officer	Kazuhiko Segawa	7/7	—
Outside Director	Masahito Suzuki	8/8	—
Outside Director	Kyoko Okada	8/8	—
Outside Director	Hiroji Sanpei	8/8	—
Outside Director	Yuko Shitamori	8/8	—
Audit & Supervisory Board Member (Full-time)	Yasuyuki Okumoto	8/8	8/8
Audit & Supervisory Board Member (Full-time)	Keigo Abo	7/7	7/7
Outside Audit & Supervisory Board Member	Yusuke Komachiya	8/8	8/8
Outside Audit & Supervisory Board Member	Hideki Ono	7/7	7/7

* Number of attendances by directors and Audit & Supervisory Board members at meetings held during each member's respective terms of office

functions and the content of their remuneration, and reports its findings to the Board of Directors. The committee is chaired by the President and Representative Director and its membership comprises inside directors and outside directors. By making independent outside directors a majority, the committee ensures that independence, objectivity, and transparency are maintained.

In fiscal 2024, the Remuneration Advisory Committee convened once, and carried out evaluation of the performance of directors and executive officers responsible for supervising specific functions. The committee examined and discussed the content of remuneration, etc., and reported its findings to the Board of Directors.

● Corporate Governance Committee

The Company has established the Corporate Governance Committee as a body reporting directly to the Board of Directors. In fiscal 2024, the Corporate Governance Committee met twice to consider and debate matters relating to the following, and reported its findings to the Board of Directors.

- JACCS Group compliance and the internal control situation
- Evaluation of the activities of such committees as the Compliance Committee, Internal Control Committee, and Personal Information Protection Committee, as well as review of important matters handled by these committees

The Corporate Governance Committee is chaired by the President and Representative Director and comprises representative directors, each of the directors responsible for supervising general affairs and personnel, compliance, and risk supervisory, and outside directors. By including outside directors as committee members, the Company ensures the effectiveness of the committee. Audit & Supervisory Board members (including outside Audit & Supervisory Board members) have the right to attend meetings of the committee, whether or not their attendance is specifically requested.

● Sustainability Committee

JACCS has established the Sustainability Committee as an organization that reports directly to the Board of Directors. Committee members review and discuss the following matters, and submit reports to the Board of Directors.

- Key policies, plans, and targets related to sustainability
- Medium- to long-term strategies and materiality (key issues) related to sustainability

The Sustainability Committee is chaired by the President and Representative Director, comprises the Chairman of the Board, general managers or directors responsible for overseeing the Corporate Planning, International Business, General Affairs and Personnel, Risk Supervisory, and Business Strategy departments, and in principle, meets two or more times each year. The committee may also convene meetings that include non-committee members, including officers, employees, and outside experts, as necessary.

● Risk Management Committee

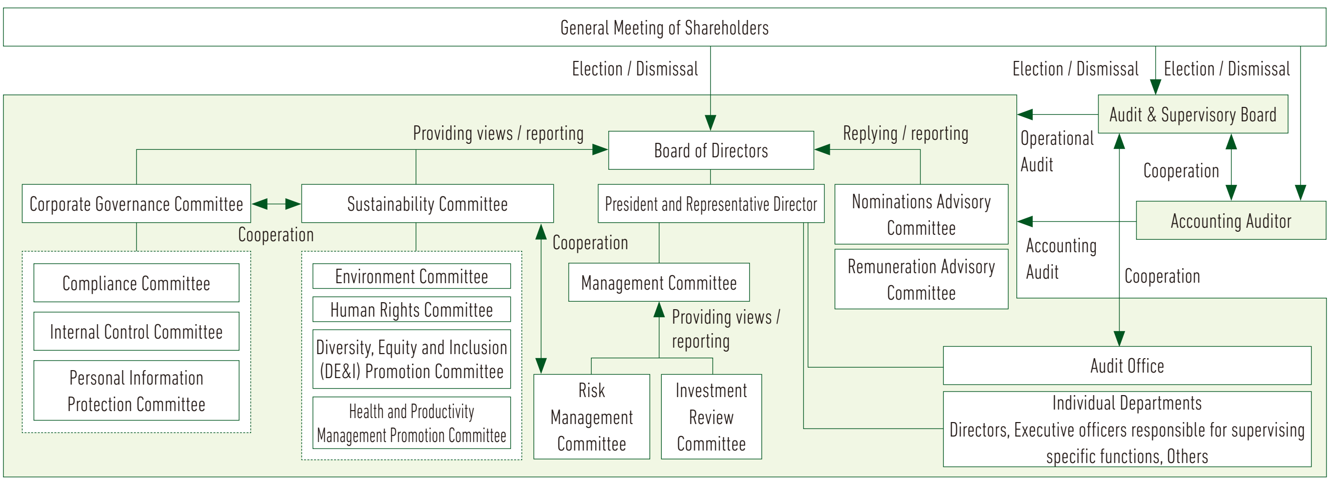
JACCS has established the Risk Management Committee as an advisory body to the Management Committee. The purpose of the Risk Management Committee is to ensure the effectiveness of the JACCS Group's ERM preparedness. The committee considers and debates matters relating to the following, and reports its findings to the Management Committee.

- Reports received from the Credit Risk Management Committee, the ALM Committee, and the Operational Risk Management Committee, and miscellaneous matters relating to risk management in general
- Matters relating to risk appetite, changes in risk amount, and actual risk amount
- Matters relating to the identification, evaluation and review of major risks affecting the JACCS Group, as well as the determination of countermeasures and monitoring of implementation of such measures
- Examination of the performance situation of risk management as a whole and medium- to long-term risk strategy

The Risk Management Committee is chaired by the President and Representative Director and comprises the members of the Management Committee, the general manager of the Audit Office, and, as required, general managers of headquarters departments and officers appointed by nomination. The committee is held in principle four times a year.

The committee may, as necessary, call JACCS officers or employees that are not committee members, as well as outside experts, and full-time Audit & Supervisory Board members have the right to attend meetings of the committee, whether or not their attendance is specifically requested.

Corporate Governance Structure



● **Investment Review Committee**

The Company has established the Investment Review Committee as an advisory body to the Management Committee. The Investment Review Committee evaluates and discusses the growth potential, profitability, and related risks of investments, and reports its findings to the Management Committee.

The Investment Review Committee is chaired by the President and Representative Director and comprises inside directors, general managers of headquarters departments, and officers appointed by nomination. The committee may, as necessary, call JACCS officers or employees that are not committee members, as well as outside experts, and full-time Audit & Supervisory Board members have the right to attend meetings of the committee, whether or not their attendance is specifically requested.

Outside Directors and Outside Audit & Supervisory Board Members

The Company has appointed four outside directors and two outside Audit & Supervisory Board members.

Based on the Companies Act and stipulations by stock exchanges regarding the independence of outside directors and outside Audit & Supervisory Board members, the Company has established the following as its Standards for the Independence of Outside Officers. If none of the following stipulations apply to an outside officer, the officer is judged to have independence.

<Standards for the Independence of Outside Officers>

1. A party with a material trading relationship with the Company, or an executive for such a party
2. A party that belongs to an organization that receives a large consulting fee from the Company in relation to accounting or legal consulting services, excluding officer remuneration
3. A major shareholder owning 5% or greater of the voting rights of the Company, or an executive of such a corporate body
4. A party who is related to a JACCS Group director, Audit & Supervisory Board member, or executive officer, etc., up to the second degree (e.g., spouse, parent, child, sibling, grandparent, or any such relative's spouse), or related to the second degree to any party fulfilling stipulations 1–3 above
5. A party who has held the appointment of outside officer for a long period

The lead independent outside director is appointed from among the independent outside directors through mutual election. We have also established an Outside Officer Liaison Committee comprising outside directors and outside Audit & Supervisory Board members to exchange information and share awareness.

Evaluation of Effectiveness of the Board of Directors

JACCS' Board of Directors conducts an analysis and evaluation of its effectiveness every year.

To this end, all directors and Audit & Supervisory Board members are surveyed by external consultants to ensure they are able to express honest opinions and provide objective analysis on themes such as Board composition, enhancing Board deliberations, management and business strategies, corporate ethics and risk management, and strengthening relationships with shareholders and other stakeholders. The results of these surveys are reported to the Board of Directors for deliberation.

In fiscal 2023, although effectiveness was generally ensured, we also identified an issue involving the content and processes of Management Committee and internal meetings leading to proposals being submitted to the Board of Directors requiring enhanced explanations during Board meetings.

In fiscal 2024, we responded by further enhancing the explanation of proposals prior to their discussion at Board meetings thus far, while also providing reports at Board of Directors' meetings that include the process leading up to proposals being added to meeting agendas, as well as the content of discussions at Management Committee meetings and internal meetings, in an effort to promote enhanced deliberations.

Skills Matrix of Directors

(As of June 26, 2025)

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

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

Furthermore, we revised the structure of the survey to bring issues to light and enable more in-depth analysis. As a result, although we confirmed that Board effectiveness is ensured, it also became clear that there is room for improvement in terms of presentations to the Board of Directors (internal deliberation process). Accordingly, we will strive to further enhance explanations of proposals deliberated by the Board of Directors at Management Committee and other meetings.

We are also attempting to further improve Board of Directors' effectiveness through various initiatives that include meetings to exchange opinions with Representative Directors, site visits, and interviews with director candidates, aimed at deepening outside director understanding of JACCS' business and maintaining an awareness of progress toward medium- to long-term strategic objectives.

Board of Directors Evaluation Analysis and Assessment Process

Survey of Board of Directors' meeting members

- Survey incorporating outside consultant knowledge is provided to all Directors and Audit & Supervisory Board members (March 2024)

Survey results

- Reported to Board of Directors for deliberation (May 2024)

Identification of issues

- Ideal process for submitting proposals to the Board of Directors

Fiscal 2024 initiatives

- Enhanced pre-meeting explanations of Board agenda items for outside directors
- Reported on process for submitting agenda items at Board meetings
- Revised survey structure

Compensation of Officers

Total compensation of directors is set by a resolution of the 90th Ordinary General Meeting of Shareholders, held on June 25, 2021, within a maximum annual limit of ¥600 million. Within this total, the total annual compensation of outside directors is set within a maximum annual limit of ¥50 million. At present, there are 11 directors, including four outside directors. A resolution of the Ordinary General Meeting of Shareholders, held on June 28, 2018, set a maximum annual limit for total monetary compensation under the restricted stock compensation plan at ¥126 million, and a maximum annual limit for total monetary compensation claims and cash under the performance share unit (stock-based program linked to business performance) at ¥72 million.

Compensation for Audit & Supervisory Board members is set by a resolution of the 90th Ordinary General Meeting of Shareholders, held on June 25, 2021, within a maximum annual limit of ¥80 million. At present, there are four Audit & Supervisory Board members, including two outside members.

The composition of compensation of officers, and the method for determining compensation, are as follows.

1. Compensation of Inside Directors

Compensation of inside directors comprises basic compensation (cash compensation) and compensation linked to business performance (stock-based compensation).

(i) Basic compensation (Cash compensation)

Basic compensation is determined based on the position held by each director.

(ii) Compensation linked to business performance (Stock-based compensation)

The Company introduced a stock-based compensation program utilizing shares with restriction on transfer, and a performance share unit (stock-based program linked to business performance). The objectives of these programs are to provide a medium- to long-term incentive as well as create a compensation structure that further promotes shared value with shareholders, and thereby promote sustainable growth in corporate value. The stock-based compensation program utilizing shares with

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

Officer category	Total compensation (Millions of Yen)	Total compensation by type (Millions of Yen)					Number of directors or Audit & Supervisory Board members
		Basic compensation	Stock-based compensation utilizing shares with restriction on transfer	Retirement allowance	Performance share unit	Non-cash compensation, etc., included within the amount shown on the left	
Directors (excluding outside directors)	356	321	34	—	—	—	9
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	45	45	—	—	—	—	3
Outside officers	53	53	—	—	—	—	7

Notes:1. The amounts presented have been truncated to whole million-yen amounts.
2. Pursuant to resolutions of the 90th Ordinary General Meeting of Shareholders, held on June 25, 2021, the total annual amount of directors' compensation is set within a ¥600 million limit (including the total annual amount of compensation of outside directors set within a ¥50 million limit), and the total annual amount of compensation of Audit & Supervisory Board members is set within an ¥80 million limit.
3. The total amount of compensation for the above-listed directors includes two directors who retired at the conclusion of the 93nd Ordinary General Meeting of Shareholders, held on June 27, 2024.
4. The total amount of compensation for the above-listed Audit & Supervisory Board members includes one Audit & Supervisory Board member who retired at the conclusion of the 93rd Ordinary General Meeting of Shareholders held on June 27, 2024.
5. The total amount of compensation for the above-listed outside officers includes one outside Audit & Supervisory Board member who retired at the conclusion of the 93rd Ordinary General Meeting of Shareholders, held on June 27, 2024.
6. The evaluation criteria for restricted stock compensation related to compensation linked to business performance are based on consolidated operating revenue, consolidated ordinary income, and ROE, which are set as key indicators under the medium-term business plan "MOVE 70." In fiscal 2024, we finalized evaluation ranks based on performance assessments for fiscal 2023, and granted shares to eligible individuals in August 2024. Accordingly, in fiscal 2023, consolidated operating revenue was ¥184.7 billion, consolidated ordinary income was ¥33.0 billion, and ROE was 10.9%. While consolidated operating revenue and ROE targets were achieved, we fell short of the consolidated ordinary income target.

restriction on transfer grants shares as performance-based compensation applicable to a single fiscal year in accordance with performance evaluation ranks for each position. The performance share unit (stock-based program linked to business performance) grants shares and cash after the conclusion of a medium-term business plan, with performance evaluation ranks established based on the level of achievement of the medium-term business plan. Details of these programs are described in the Company's annual securities report (*Yuka Shoken Hokokusho*) within "Part 4: Status of the Submitting Company; 1. Status of shares, etc. (8) Details of share ownership programs for officers and employees."

2. Compensation of Outside Directors

Compensation of outside directors comprises basic compensation (cash compensation) only.

3. Procedures for Determining Compensation of Officers

The procedures for determining compensation of officers are based on the Internal Rules regarding Officer Compensation established by the Board of Directors. To ensure that objectivity and transparency are maintained during the determination of compensation, the Remuneration Advisory Committee comprehensively considers the draft plan, including such aspects as the determination policy and consistency. The Board of Directors respects the content of the report received from the committee, and judges that the relevant content complies with the determination policy.

4. Compensation of Audit & Supervisory Board Members

Compensation of Audit & Supervisory Board members comprises basic compensation (cash compensation) only, and is determined after discussions by the Audit & Supervisory Board.

Total compensation by officer category, type of compensation, and number of directors or Audit & Supervisory Board members in fiscal 2024 is shown on the previous page.

Measures to Revitalize the General Meeting of Shareholders and Promote the Exercise of Voting Rights

The Company works to dispatch notices of convocation of the General Meeting of Shareholders as early as possible. Notice of the Ordinary General Meeting of Shareholders held on June 26, 2025, was dispatched on June 4, 2025. An English translation of the notice of convocation (summary version) is published on the JACCS website. To promote the exercise of voting rights, the Company participates in an electronic voting platform.

Internal Control

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

The Company has established the Internal Control Committee and the Compliance Committee—both chaired by the President and Representative Director—which convene regularly. The Corporate Governance Committee carries out evaluation of these committees' activities and confirms important matters handled by them, and reports on this to the Board of Directors.

Furthermore, the Company has established the Basic Policy Relating to the Internal Control System. For further details, please refer to the JACCS website.

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

Compliance

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

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

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

Anti-Money Laundering and Combating the Financing of Terrorism

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

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

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

https://www.jaccs.co.jp/en/corporate/sustainability/govenance/compliance/anti-moneylaundering/

Risk Management

Basic Risk Management Policy

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

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

* ERM: Enterprise Risk Management

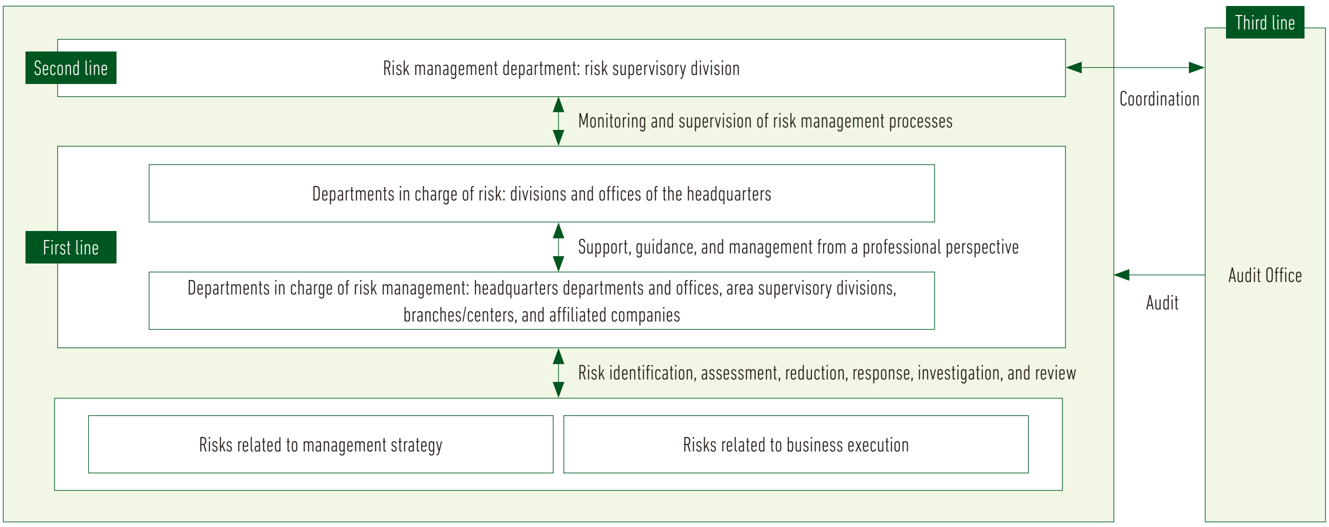
Risk Management System

JACCS has established the Risk Management Committee and the Investment Review Committee as meeting bodies chaired by the President and Representative Director. The contents of the discussions and deliberations of each committee are reported to the Management Committee and the Board of Directors as necessary to ensure the effectiveness of ERM. With an offensive and defensive system, management is able to make decisions based on an understanding of various risk situations.

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

Risk Management System Diagram

Three Lines of Defense

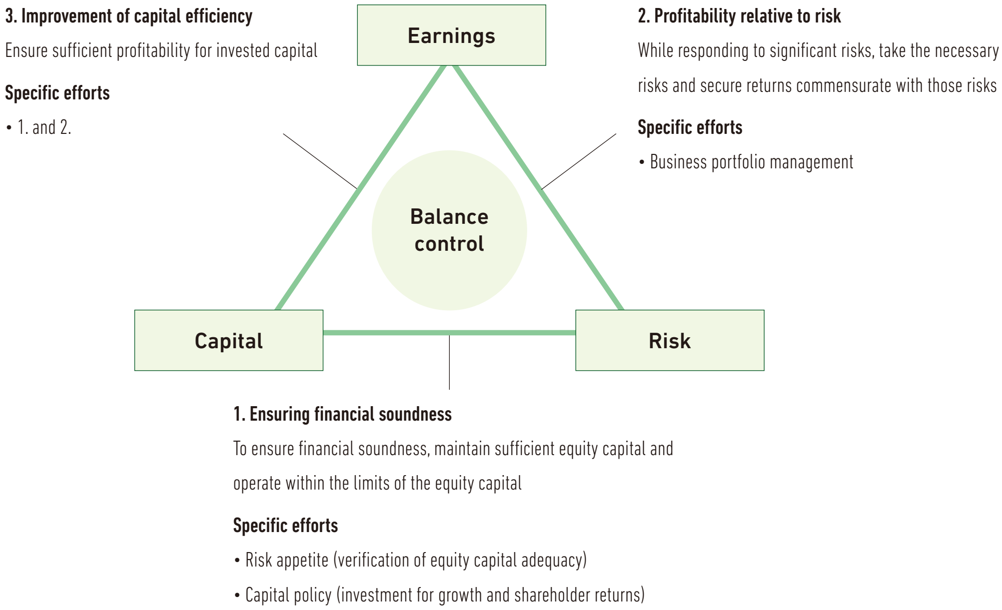


ERM Initiatives

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

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

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

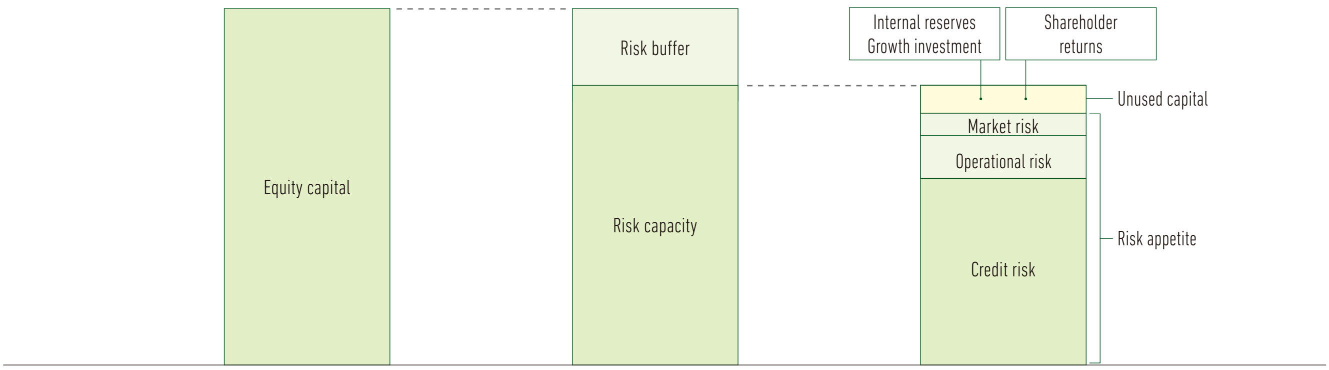


● Ensuring Financial Soundness

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

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

At the end of March 2025, the measured risk amount remained within the limit of risk capacity, ensuring adequate financial soundness for the execution of the current business strategy.



● ERM-Based Business Portfolio Management

The JACCS Group engages in business portfolio management in which it evaluates and allocates resources based on the profitability and growth potential of risk assets, aiming to take on the necessary risks and secure returns that are commensurate with those risks. We have also established a basic policy for our business portfolio and developed a strategy based on our domestic and overseas business segments, focusing on four main areas: the credit, payments, financing, and overseas businesses. Furthermore, in addition to allocating resources to promote the growth of existing businesses, the JACCS Group has established the Investment Review Committee to appropriately assess growth potential, profitability, and risk management for strategic investments, including new businesses and M&A. Through these efforts, we conduct comprehensive evaluations and monitoring of each business, considering factors such as growth potential, capital efficiency, risk-adjusted profitability, and growth strategy. To ensure appropriate risk-taking, we regularly discuss the strategic positioning and operational policies of our Group businesses in Management Committee meetings, with oversight provided by the Board of Directors.

Officers

Board of Directors

(As of June 26, 2025)

Toru Yamazaki

Chairman and Director

Ryo Murakami

President and Representative Director

Akihito Suehiro

Senior Managing Executive Officer and Representative Director
Supervisor of Corporate Planning

Ichiro Kobayashi

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

Kazuhiko Segawa

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

Tatsuo Nakazawa

Director and Managing Executive Officer
Supervisor of Accounting and Finance

Go Iwase

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

Masahito Suzuki

Outside Director*

Kyoko Okada

Outside Director*

Hiroji Sanpei

Outside Director*

Yuko Shitamori

Outside Director*

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

Please see the Securities Report for biographies of Directors and Audit & Supervisory Board members (in Japanese only).

https://www.jaccs.co.jp/corporate/ir/library/securityreport/

Audit & Supervisory Board Members

(As of June 26, 2025)

Keigo Abo

Audit & Supervisory Board Member (Full-time)

Nobuyoshi Watanabe

Audit & Supervisory Board Member (Full-time)

Yusuke Komachiya

Outside Audit & Supervisory Board Member**

Hideki Ono

Outside Audit & Supervisory Board Member**

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

Executive Officers

(As of June 26, 2025)

Managing Executive Officer

Takeshi Yoshikawa
Business Strategy and Payments Business

Senior Executive Officers

Hirofumi Kato
Credit Screening and Operation

Muneo Tobinaga
Risk Supervisory

Tatsuya Kosuge
Information Systems

Satoru Yamashita
Financing Business

Kazuaki Yamazaki
International Business

Yasuhiko Uchiyama
Chubu Area

Shingo Asakawa
Corporate Planning

Kenji Naiki
Credit Management

Yosuke Sato
Credit Business

Yoshito Shima
Kinki Area

Takashi Kuwamoto
Shutoken Area

Masaaki Otsuka
General Affairs and Personnel

Noriko Ishizaki
Compliance

Tatsumi Miura
JACCS FINANCE PHILIPPINES CORPORATION
Representative Director

Executive Officers

Tatsuya Higuchi
Compliance

Yasuhiro Ohhashi
Housing Loan Guarantee

Yoichi Arai
Kita-Kanto Area

Takeo Horikoshi
Kyushu Area

Hitoshi Yamada
Corporate Planning

Takashi Masumizu
Corporate Communications

Yoshitomo Suzuki
Credit Screening and Operation

Noriyuki Miyao
Risk Supervisory

Shigeru Oeda
Tohoku Area

Shinichi Komiyama
Credit Management

Yuji Tanabe
Shopping Credit Promotion

Yasunobu Sumitomo
Credit Card Promotion

Daiji Fukumoto
Guarantee Business

Hideyuki Nomura
Hokkaido Area

Satoshi Harada
Chugoku-Shikoku Area

Yuzo Yamamoto
Payments Promotion

Yohei Higaki
International Business

Koichi Inagaki
Auto Loans Promotion

Financial Data

FY (Millions of Yen)	2015	2016	2017	2018
Summary of operations for the year:				
Total volume of new contracts	3,404,510	3,768,118	4,158,700	4,559,202
Domestic: Credit	—	—	—	—
Payments (Note 1)	—	—	—	—
Financing	—	—	—	—
Other	—	—	—	—
Domestic total	—	—	—	—
Overseas: Credit	—	—	—	—
Payments (Note 1)	—	—	—	—
Other	—	—	—	—
Overseas total	—	—	—	—
Volume of new contracts: Credit card (Note 2)	1,127,244	1,196,177	1,247,046	1,306,927
Volume of new contracts: Installment sales finance (Note 2)	446,153	640,321	782,994	1,041,888
Volume of new contracts: Credit guarantee (Note 2)	751,580	780,378	856,716	837,565
Volume of new contracts: Financing (Note 2)	77,348	72,667	74,386	86,465
Volume of new contracts: Other operations (Note 2)	1,002,182	1,078,573	1,197,557	1,286,354
Total operating revenue	113,673	119,654	134,051	145,836
Operating income	12,242	11,798	12,679	14,370
Ordinary income	12,091	11,815	12,733	14,448
Net income attributable to owners of the parent	7,569	8,724	7,859	8,955
Net cash provided by (used in) operating activities	(144,453)	(152,722)	(167,815)	(309,890)
Net cash provided by (used in) investing activities	(8,859)	(6,143)	(10,464)	(8,644)
Net cash provided by (used in) financing activities	151,897	124,318	210,159	329,161
At year-end:				
Total assets (Note 3)	3,437,641	3,710,582	4,193,058	3,749,167
Total net assets	133,282	140,287	153,123	156,738
Shareholders' equity	133,110	140,071	146,894	150,835
Interest-bearing debt	1,085,286	1,211,953	1,458,517	1,787,800
Balance of deferred installment income	104,253	111,767	134,296	162,097
Allowance for doubtful accounts (Note 4)	12,609	18,158	24,597	22,102
Per share data:				
Net income—basic (Notes 5 and 6)	220.10	252.95	227.32	260.13
Net assets (Notes 5 and 6)	3,864.05	4,055.91	4,242.44	4,388.98
Cash dividends (Notes 5 and 6)	70	75	80	80
Key ratios (%):				
ROA (Note 3)	0.4%	0.3%	0.3%	0.4%
ROE	5.7	6.4	5.5	6.0
Equity ratio (Note 3)	3.9	3.8	3.5	4.0
Supplementary data (As of March 31):				
Number of JACCS cardholders (Thousands) (Non-consolidated)	6,823	6,958	7,022	7,161
Number of shares outstanding at year-end (Note 5)	175,395,808	175,395,808	35,079,161	35,079,161
Number of employees	3,710	4,015	5,492	5,721

Notes: 1. The name of the Credit Card and Payments business was changed to the Payments business. There is no change in the classifications used to tabulate results.

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

3. Previously, finance receivable-installment sales-credit guarantee and finance payable-credit guarantee were presented as corresponding asset and liability items in the consolidated balance sheets. However, from fiscal 2019 the Company made a change in accounting treatment of guarantee obligations that do not involve loan collection service, meaning these guarantee obligations are no longer presented on the consolidated balance sheets. The aforementioned change in accounting policy has been applied retroactively, and the figures for total assets and equity ratio presented for fiscal 2018 in the table above are subsequent to retroactive application of this change.

Previously, the Company presented guarantee obligations on loans and other debt held by financial institutions as well as the balance of guarantees related to receivable collection services as accounts receivable-installment sales-credit guarantee and accounts payable-credit guarantee on the consolidated balance sheets. However, the Company made a change in accounting treatment from fiscal 2022 and these figures are no longer presented on the

2019	2020	2021	2022	2023	**2024**
4,981,508	4,973,421	5,273,264	5,641,393	5,853,833	**5,701,077**
—	1,302,584	1,403,443	1,644,150	1,644,358	**1,370,913**
—	2,610,412	2,690,304	2,799,212	2,867,575	**2,980,667**
—	650,906	728,072	639,935	742,046	**847,208**
—	365,704	399,293	472,501	510,607	**422,736**
—	4,929,607	5,221,113	5,555,800	5,764,588	**5,621,526**
—	35,505	44,216	73,985	75,729	**72,862**
—	843	655	943	1,397	**965**
—	7,465	7,279	10,664	12,118	**5,722**
—	43,814	52,151	85,592	89,245	**79,550**
1,358,230	1,271,609	—	—	—	**—**
1,259,068	1,341,756	—	—	—	**—**
942,765	1,001,656	—	—	—	**—**
85,292	54,870	—	—	—	**—**
1,336,149	1,303,528	—	—	—	**—**
158,610	160,650	164,070	173,506	184,782	**190,978**
16,506	16,326	26,743	31,678	33,126	**25,732**
16,700	16,506	26,786	31,769	33,060	**25,765**
10,732	11,778	18,316	21,651	23,770	**18,620**
(308,473)	(141,114)	(152,023)	(214,000)	(98,024)	**(45,170)**
(11,871)	(8,816)	(7,311)	(8,161)	(6,258)	**(7,448)**
326,484	164,868	186,121	246,060	129,021	**39,738**
4,231,590	4,484,954	3,215,006	3,575,732	3,777,595	**3,806,786**
162,889	174,152	192,217	210,605	238,440	**255,809**
156,804	169,900	186,615	204,040	230,422	**248,273**
2,130,545	2,295,676	2,491,829	2,751,237	2,893,030	**2,946,259**
182,760	194,175	204,448	229,876	243,464	**249,785**
26,572	30,745	30,487	30,149	31,102	**33,578**
311.65	340.69	528.97	624.60	685.13	**536.11**
4,543.94	4,910.76	5,386.05	5,883.59	6,637.17	**7,142.20**
95	105	160	190	220	**190**
0.4%	0.4%	0.6%	0.9%	0.9%	**0.7%**
7.0	7.2	10.3	11.1	10.9	**7.8**
3.7	3.8	5.8	5.7	6.1	**6.5**
7,135	6,840	6,543	6,464	6,231	**5,966**
35,079,161	35,079,161	35,079,161	35,079,161	35,079,161	**35,079,161**
6,188	6,285	6,145	6,065	6,097	**5,518**

consolidated balance sheets. The aforementioned change in accounting policy has been applied retroactively, and the figures for total assets and equity ratio presented for fiscal 2021 in the table above are those after retroactive application of this change.

4. Including allowance for loss on guarantees

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

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

Non-Financial Data*1

FY		2018	2019
Environment	CO_2 emissions: Scope 1 (tCO_2)*2	—	1,731
	CO_2 emissions: Scope 2 (tCO_2)*2	—	5,759*3
	CO_2 emissions: Scope 3 (tCO_2)*2	—	595,402*3
	CO_2 emissions: Total (tCO_2)*2	—	602,892*3
	Energy consumption (kl)*5	1,949	1,930
Social	Number of employees	2,707	2,692
	Number of employees (Consolidated basis)	5,721	6,188
	Ratio of female employees among all section manager or higher positions (%)*6	3.7	4.4
	Total number of employees hired	206	183
	Number of new graduates hired	84	111
	Of which, number of male graduates hired	39	48
	Of which, number of female graduates hired	45	63
	Ratio of female graduates hired (%)	53.6	56.8
	Number of mid-career employees hired	122	72
	Of which, number of male mid-career employees hired	23	22
	Of which, number of female mid-career employees hired	99	50
	Ratio of female mid-career employees hired (%)	81.1	69.4
	Number of employees with disabilities*7	69	80
	Employment rate of employees with disabilities (%)*7	2.33	2.56
	Average number of days of leave (Days)	—	—
	Implementation ratio for at least three days per month with no overtime worked and at least one "Premium Weekday" per month (%)*8	98.9	98.8
	Average utilization ratio of annual paid leave granted (%)	72.0	69.6
	Ratio of employees who took at least 60% of their annual leave entitlement	74.3	75.4
	Employees' average monthly overtime hours*10	—	15.6
	Implementation ratio for periodic health check-ups (%)	—	99.8
	Stress check implementation ratio (%)	—	98.1
	Stress check: Overall health risk (Points)*11	—	96
	Ratio of male employees taking childcare leave among those eligible (%)	—	—
	Ratio of female employees taking childcare leave among those eligible (%)	—	—
	Average female-to-male wage ratio (%)	—	—
	Of which, full-time employees (%)	—	—
	Of which, part-time and fixed-term contract employees (%)	—	—
	Number of employees certified as possessing advanced digital skills*13	—	—
Governance	Total number of directors	12	11
	Of which, number of outside directors	3	3
	Ratio of outside directors (%)	25.0	27.3
	Of which, number of female directors	1	1
	Ratio of female directors (%)	8.3	9.1

*1 Non-consolidated basis
*2 Consolidated basis
*3 Due to a change in calculation method, prior fiscal year results have been revised.
*4 Calculation data was incorrect, and past performance figures have been corrected.
*5 JACCS Co., Ltd. and its domestic subsidiaries basis
*6 The ratio of female employees among all section manager or higher positions, as of April 1 following the end of each fiscal year
*7 Number and employment rate of employees with disabilities, as of June 1 of each fiscal year

	2020	2021	2022	2023	2024
	1,621	1,809	1,809	1,533	**1,476**
	5,379*3	5,229*3	5,061*3	5,450	**5,248**
	494,250*3	393,599*3	422,831	418,132	**364,829**
	501,251*3	400,637*3	429,701*3	425,115	**371,554**
	1,899	1,729	1,585	1,534*4	**1,545**
	2,770	2,747	2,694	2,695	**2,673**
	6,285	6,145	6,065	6,097	**5,518**
	8.0	9.8	13.3	17.8	**18.4**
	201	154	127	194	**171**
	109	86	52	91	**61**
	54	32	26	43	**27**
	55	54	26	48	**34**
	50.5	62.8	50.0	52.7	**55.7**
	92	68	75	103	**110**
	10	19	16	18	**27**
	82	49	59	85	**83**
	89.1	72.1	78.7	82.5	**75.5**
	82	81	77	79	**81**
	2.61	2.55	2.47	2.50	**2.61**
	2.3	2.4	2.5	2.1	**1.8**
	98.4	99.1	98.6	99.2	**99.5**
	66.1	74.9	75.5	76.1	**76.2**
	—*9	74.2	79.3	79.3	**79.1**
	13.1	12.9	11.7	12.2	**12.9**
	100	100	100	100	**100**
	99.8	99.8	100	99.9	**100**
	102	100	95*12	93*12	**88**
	—	84.4	84.6	129.4	**87.1**
	—	100	100	100	**100**
	—	55.0	56.9	58.7	**62.9**
	—	54.0	54.6	55.5	**59.2**
	—	68.6	70.6	75.3	**71.5**
	—	—	—	219	**321**
	12	12	12	12	**11**
	4	4	4	4	**4**
	33.3	33.3	33.3	33.3	**36.3**
	2	2	2	2	**2**
	16.7	16.7	16.7	16.7	**18.1**

*8 "Premium Weekday" is JACCS' adaptation of "Premium Friday."
*9 Due to the COVID-19 pandemic, the recommendation to take 60% or more of paid leave was temporarily suspended.
*10 Includes hours exceeding the Company's prescribed working hours, which are within the statutory working hours
*11 Calculated as a numerical value that compares the results of an assessment with the national average, which has an index value of 100. The overall assessment is based on an evaluation chart comprising "work volume burden, control" and "manager support, co-worker support."
*12 Due to a change in calculation method, prior fiscal year results have been revised.
*13 Employees who completed a training program related to DX basic knowledge, etc., and who also passed the IT Passport exam

Corporate Directory

Name: JACCS CO., LTD.

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

Founded: June 29, 1954

Paid-in Capital:
¥35,680 million (As of September 12, 2025)

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

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

Number of Employees: (As of March 31, 2025)
2,673 (Parent)
5,518 (Consolidated)

JACCS Services Network (As of September 1, 2025)

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

Housing Loan Centers
(Tokyo, Osaka)

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

Head office: Ebisu Neonato

Domestic Affiliated Companies:

Consolidated Subsidiaries

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

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

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

Overseas Affiliated Companies:

Consolidated Subsidiaries

JACCS International Vietnam Finance Company Limited
(Equity stake: 100%)

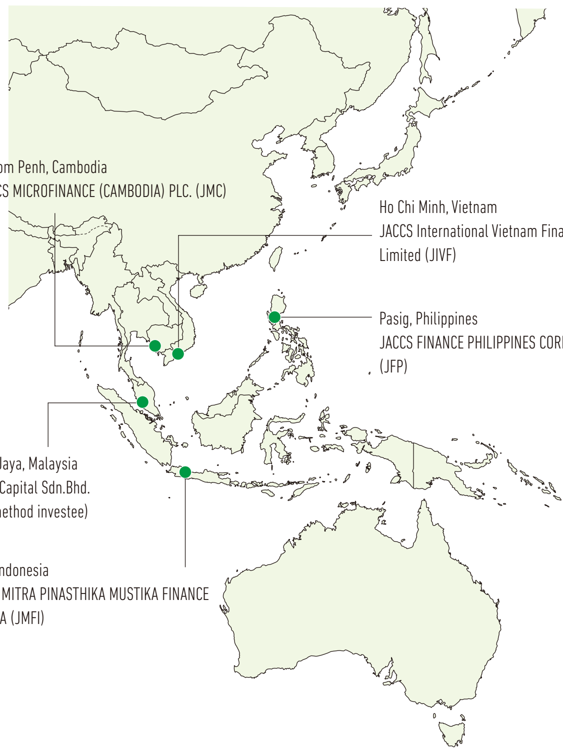
PT JACCS MITRA PINASTHIKA MUSTIKA FINANCE INDONESIA
(Equity stake: 60%)

JACCS FINANCE PHILIPPINES CORPORATION
(Equity stake: 65%)

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

Equity-Method Investee

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



Investor Information

(As of March 31, 2025)

Number Of Shareholders:
70,552

Shares Outstanding:
35,079,161

Share Unit:
100 shares

Stock Listing:
Tokyo Stock Exchange (Prime Market)

Securities Identification Code:
8584

Transfer Agent:
Mitsubishi UFJ Trust and Banking Corporation

Principal Shareholders:

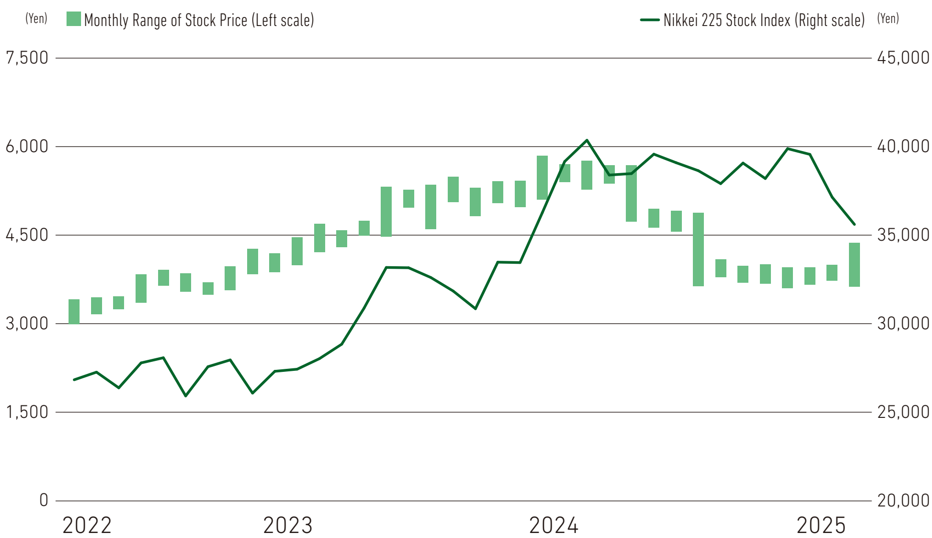
Name of Shareholders	Number of Shares Held (Thousands)	Percentage of Ownership*
MUFG Bank, Ltd.	7,015	20.18
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,992	8.60
Custody Bank of Japan, Ltd. (Trust Account)	2,792	8.03
Shareholding Association of JACCS	1,660	4.77
The Dai-ichi Mutual Life Insurance Company, Limited	1,359	3.91
Meiji Yasuda Life Insurance Company	1,275	3.67
JACCS Co., Ltd. Employee Stock Ownership Association	931	2.67
Nippon Life Insurance Company	588	1.69
Mitsubishi UFJ Trust and Banking Corporation	564	1.62
DFA INTL SMALL CAP VALUE PORTFOLIO	441	1.26

* The percentage of ownership is calculated excluding the number of treasury stock (317 thousand shares).

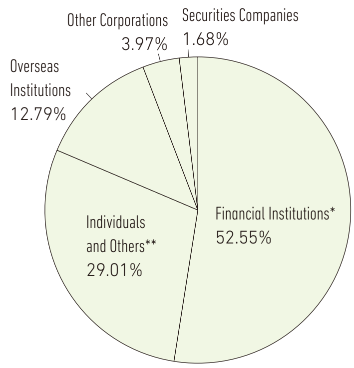
Common Stock Price Range:

(FY) (Tokyo Stock Exchange)

	2022		2023		2024	
	High	Low	High	Low	High	Low
First quarter	¥3,465	¥2,987	¥5,320	¥4,300	¥5,680	¥4,625
Second quarter	3,915	3,360	5,490	4,600	4,915	3,635
Third quarter	4,270	3,490	5,420	4,825	4,005	3,600
Fourth quarter	4,690	3,875	5,840	5,100	4,375	3,630



Stock Held by Investor Type



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

** The Individuals and Others category includes 317 thousand shares (0.92%) of treasury stock.

Cash Dividends:

(FY)

	2022	2023	2024
Yearly	¥190	¥220*	¥190
Interim	95	100	90

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

Seed the Future.

JACCS CO.,LTD.
Ebisu Neonato Bldg., 1-18, Ebisu 4-chome,
Shibuya-ku, Tokyo 150-8932, Japan
https://www.jaccs.co.jp/en/corporate/

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www.fsc.org

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