

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SIX MONTHS ENDED SEPTEMBER 30, 2025 and 2024

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
September 30, 2025 and March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30, 2025	March 31, 2025	September 30, 2025
<u>Assets</u>			
Current assets:			
Cash and bank deposits (Note 7)	¥ 488,542	¥ 391,641	\$ 3,282,997
Installment sales receivable	554,065	582,451	3,723,306
Lease receivables and investment assets	1,728,717	1,734,134	11,616,942
Loans receivable	559,079	565,242	3,757,000
Short-term investment securities	66,014	16,521	443,617
Merchandise	20,984	15,135	141,013
Real estate for sale	422,151	443,728	2,836,849
Real estate for sale in progress	35,292	50,264	237,163
Other	292,865	344,522	1,968,052
Allowance for doubtful accounts	(8,093)	(8,022)	(54,390)
Total current assets	4,159,618	4,135,620	27,952,550
Property and equipment:			
Assets for lease	4,921,070	4,860,828	33,069,486
Advances on purchases of assets for lease	251,764	232,690	1,691,853
Other operating assets	206,496	205,939	1,387,655
Advances on purchases of other operating assets	806	796	5,422
Property and equipment for internal use	27,616	17,901	185,579
Total property and equipment	5,407,754	5,318,156	36,339,995
Intangible assets:			
Goodwill	77,982	60,804	524,039
Other	84,876	81,722	570,367
Total intangible assets	162,858	142,526	1,094,406
Investments and other assets:			
Investment securities	494,480	474,477	3,322,898
Long-term loans receivable	2,906	3,055	19,529
Delinquent receivables	29,730	31,147	199,790
Deferred tax assets	13,640	12,193	91,665
Net defined benefit asset	250	246	1,685
Other	32,607	33,431	219,121
Allowance for doubtful accounts	(14,079)	(14,443)	(94,613)
Total investments and other assets	559,536	540,109	3,760,074
Total assets	¥ 10,289,768	¥ 10,136,413	\$ 69,147,025

(Continued)

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
September 30, 2025 and March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30, 2025	March 31, 2025	September 30, 2025
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Trade notes payable and accounts payable	¥ 71,566	¥ 79,003	\$ 480,925
Short-term loans	1,325,238	1,126,572	8,905,574
Long-term loans due within one year	833,955	860,364	5,604,165
Bonds due within one year	247,610	242,902	1,663,939
Commercial paper	652,000	700,000	4,381,426
Long-term payables under securitization of lease receivables due within one year	5,069	6,665	34,065
Lease obligations	6,817	7,819	45,811
Income taxes payable	25,535	17,899	171,595
Deferred profit on installment sales	33,328	35,054	223,970
Reserve for employee bonuses	4,443	3,889	29,858
Reserve for directors' bonuses	2,081	1,237	13,989
Asset retirement obligations	808	—	5,432
Other	208,466	237,096	1,400,892
Total current liabilities	3,416,921	3,318,506	22,961,642
Non-current liabilities:			
Bonds	1,269,381	1,089,379	8,530,216
Long-term loans	3,471,683	3,641,046	23,329,638
Long-term payables under securitization of lease receivables	20,834	23,104	140,008
Lease obligations	23,594	23,988	158,556
Deferred tax liabilities	125,510	115,076	843,431
Reserve for directors' retirement benefits	317	331	2,135
Net defined benefit liability	3,343	3,227	22,472
Guarantee deposits received	140,151	140,110	941,813
Asset retirement obligations	6,796	6,493	45,674
Other	239,186	245,596	1,607,326
Total non-current liabilities	5,300,801	5,288,354	35,621,270
Total liabilities	8,717,723	8,606,861	58,582,912
Net assets (Note 8):			
Shareholders' equity:			
Capital stock	50,000	15,000	335,999
Capital surplus	386,222	421,857	2,595,408
Retained earnings	657,718	624,908	4,419,851
Treasury stock	(73,313)	(73,313)	(492,665)
Total shareholders' equity	1,020,627	988,453	6,858,593
Accumulated other comprehensive income:			
Net unrealized holding gains or losses on securities	33,899	30,244	227,806
Deferred gains or losses on hedges	(5,854)	(968)	(39,340)
Foreign currency translation adjustments	107,236	119,413	720,626
Remeasurements of defined benefit plans	508	525	3,420
Total accumulated other comprehensive income	135,790	149,214	912,511
Stock acquisition rights	117	118	791
Non-controlling interests	415,509	391,766	2,792,218
Total net assets	1,572,045	1,529,551	10,564,114
Total liabilities and net assets	¥ 10,289,768	¥ 10,136,413	\$ 69,147,025
See accompanying notes.			(Concluded)

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED STATEMENTS OF INCOME
Six Months Ended September 30, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six Months Ended September 30,		
	2025	2024	2025
Revenues	¥ 1,224,087	¥ 976,088	\$ 8,225,845
Costs and expenses	1,029,712	820,986	6,919,645
Gross profit	194,375	155,102	1,306,199
Selling, general and administrative expenses	90,501	63,617	608,167
Operating income	103,874	91,484	698,032
Other income (expenses):			
Interest income	394	211	2,653
Dividend income	847	628	5,698
Interest expenses	(12,620)	(9,626)	(84,809)
Equity in earnings of affiliates	4,648	7,635	31,240
Foreign exchange losses	(2,571)	(33)	(17,281)
Amortization of bond issuance costs	(637)	(266)	(4,284)
Gain on step acquisitions	—	518	—
Gain on sales of investment securities	2,560	2,239	17,209
Gain on sale of business	—	747	—
Loss on sales of investment securities	(3)	(197)	(24)
Loss on valuation of investment securities	(511)	(17)	(3,439)
Loss on sales and retirement of property and equipment for internal use	(39)	(355)	(265)
Other—net	768	253	5,166
Total other income (expenses)—net	(7,163)	1,738	(48,136)
Extraordinary gains:			
Settlement income on insurance related to economic sanctions on Russia (Note 6)	23,660	—	159,000
Total extraordinary gains	23,660	—	159,000
Profit before income taxes	120,371	93,223	808,897
Income taxes	29,883	24,068	200,819
Profit	90,488	69,154	608,078
Profit attributable to non-controlling interests	25,189	13,884	169,274
Profit attributable to owners of parent	¥ 65,298	¥ 55,269	\$ 438,804
	Yen		U.S. Dollars
Per share of common stock (Note 15):			
Basic earnings per share	¥ 747.51	¥ 632.71	\$ 5.02
Diluted earnings per share	743.21	628.85	4.99

See accompanying notes.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Six Months Ended September 30, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six Months Ended September 30,		
	2025	2024	2025
Profit	¥ 90,488	¥ 69,154	\$ 608,078
Other comprehensive income:			
Net unrealized holding gains or losses on securities	3,755	1,013	25,236
Deferred gains or losses on hedges	(7,336)	(10,271)	(49,302)
Foreign currency translation adjustments	(12,992)	(18,706)	(87,311)
Remeasurements of defined benefit plans	1	(1,436)	12
Share of other comprehensive income of affiliates accounted for using equity method	801	1,056	5,383
Total other comprehensive income	(15,771)	(28,345)	(105,983)
Comprehensive income	¥ 74,716	¥ 40,809	\$ 502,095
Comprehensive income attributable to:			
Owners of parent	¥ 51,874	¥ 44,095	\$ 348,599
Non-controlling interests	22,841	(3,286)	153,496

See accompanying notes.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended September 30, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six Months Ended September 30,		
	2025	2024	2025
Cash flows from operating activities:			
Profit before income taxes	¥ 120,371	¥ 93,223	\$ 808,897
Depreciation and other amortization	96,814	88,446	650,591
Impairment loss	291	1,821	1,956
Amortization of goodwill	5,399	4,704	36,284
Increase (decrease) in allowance for doubtful accounts	47	(6,545)	320
Increase (decrease) in other reserves	1,393	(145)	9,364
Increase (decrease) in net defined benefit liability	125	239	845
Loss (gain) on disposal of property and equipment for internal use	35	355	240
Loss (gain) on valuation of investment securities	511	17	3,439
Loss (gain) on liquidation of investment securities	2	1	19
Loss on valuation of golf club membership	5	10	34
Settlement income on insurance related to economic sanctions on Russia	(23,660)	—	(159,000)
Interest income and dividend income	(1,242)	(840)	(8,351)
Interest expenses	97,354	81,874	654,220
Amortization of bond issuance costs	637	266	4,284
Loss (gain) on step acquisitions	—	(518)	—
Equity in losses (earnings) of affiliates	(4,648)	(7,635)	(31,240)
Loss (gain) on disposal of assets for lease	(15,130)	(11,010)	(101,675)
Loss (gain) on sales of investment securities	(2,557)	(2,042)	(17,185)
Loss (gain) on sales of investments in subsidiaries and affiliates	(597)	—	(4,018)
Loss (gain) on sale of business	—	(747)	—
Decrease (increase) in installment sales receivable	25,966	28,079	174,494
Net decrease (increase) in lease receivables and investment assets	2,060	127,800	13,848
Decrease (increase) in loans receivable	1,371	12,743	9,219
Decrease (increase) in operational investment securities	(30,181)	(12,392)	(202,816)
Decrease (increase) in delinquent receivables	594	4,365	3,995
Decrease (increase) in real estate for sale	21,576	(52,264)	144,996
Decrease (increase) in real estate for sale in progress	14,972	(2,755)	100,615
Purchase of assets for lease	(328,356)	(366,698)	(2,206,547)
Proceeds from sales of assets for lease	300,957	133,587	2,022,425
Decrease (increase) in advances on purchases of assets for lease	(18,526)	(15,444)	(124,496)
Purchase of other operating assets	(7,128)	(5,436)	(47,907)
Increase (decrease) in trade notes payable and accounts payable	(7,879)	(6,115)	(52,951)
Other—net	33,552	(65,301)	225,471
	284,133	21,642	1,909,371
Interest and dividends received	4,868	4,607	32,719
Interest paid	(95,061)	(89,163)	(638,814)
Settlement received on insurance related to economic sanctions on Russia	23,660	—	159,000
Income taxes paid	(11,219)	(16,941)	(75,392)
Net cash provided by (used in) operating activities	206,382	(79,855)	1,386,884

(Continued)

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended September 30, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six Months Ended September 30,		
	2025	2024	2025
Cash flows from investing activities:			
Purchase of property and equipment for internal use	(17,120)	(10,236)	(115,050)
Proceeds from sales of property and equipment for internal use	5	4	38
Purchase of investment securities	(1,606)	(4,082)	(10,798)
Proceeds from sales and redemption of investment securities	7,176	3,138	48,224
Decrease (increase) in time deposits	(1,481)	—	(9,958)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(45,884)	(15,158)	(308,342)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	3,160	—
Proceeds from sale of business	—	1,996	—
Other—net	63	102	428
Net cash provided by (used in) investing activities	(58,848)	(21,075)	(395,457)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans	84,912	11,385	570,607
Net increase (decrease) in commercial paper	(48,000)	25,000	(322,559)
Proceeds from long-term loans	605,954	342,145	4,072,001
Repayments of long-term loans	(787,690)	(444,390)	(5,293,265)
Proceeds from securitization of lease receivables	79	1,990	536
Repayments of payables under securitization of lease receivables	(3,946)	(6,327)	(26,517)
Proceeds from issuance of bonds	236,172	296,063	1,587,074
Redemption of bonds	(48,100)	(132,973)	(323,231)
Repayments of lease obligations	(178)	(297)	(1,197)
Decrease (increase) in pledged deposits	—	(4,884)	—
Increase (decrease) in cash collateral received	(7,431)	(9,582)	(49,936)
Cash dividends paid	(32,583)	(42,454)	(218,958)
Cash dividends paid to non-controlling interests	(330)	(274)	(2,221)
Repayments to non-controlling interests	(4,274)	—	(28,727)
Net cash provided by (used in) financing activities	(5,415)	35,400	(36,392)
Effect of exchange rate change on cash and cash equivalents	(3,593)	(4,284)	(24,147)
Net increase (decrease) in cash and cash equivalents	138,525	(69,814)	930,887
Cash and cash equivalents at the beginning of the period	403,045	454,813	2,708,456
Cash and cash equivalents at the end of the period	¥ 541,570	¥ 384,999	\$ 3,639,343

See accompanying notes.

(Concluded)

1. BASIS OF PRESENTATION

The accompanying interim consolidated financial statements of Sumitomo Mitsui Finance and Leasing Company, Limited (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”).

The accounting standard for semi-annual financial statements requires companies to prepare a set of interim consolidated financial statements comprised of the consolidated balance sheet as of the period-end and the consolidated statements of income, comprehensive income, and cash flows for the period. A statement of changes in net assets is not required. Therefore, the consolidated statement of changes in net assets is not presented herein.

These interim consolidated financial statements have been restructured and translated into English from the interim consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

Some supplementary information included in the statutory Japanese language interim consolidated financial statements, but not necessarily required for fair presentation, is not presented in the accompanying interim consolidated financial statements.

The interim consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. As permitted by the Financial Instruments and Exchange Act of Japan, amounts less than one million yen have been omitted. As a result, the totals shown in the interim consolidated financial statements do not necessarily agree with the sums of the individual amounts.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at September 30, 2025, which was ¥148.81 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

2. CHANGES IN SCOPE OF CONSOLIDATION AND SCOPE OF APPLICATION OF EQUITY METHOD

(1) Significant change in scope of consolidation

For the six months ended September 30, 2025

Macquarie Rotorcraft Limited and its seven subsidiaries, and LCI Analytics Limited, LCI Helicopters (UK) Limited, and LCI Operations Limited and its 14 subsidiaries became consolidated subsidiaries of the Company since a consolidated subsidiary of the Company acquired their shares in the six months ended September 30, 2025.

For the six months ended September 30, 2024

There were no changes in the scope of consolidation in the six months ended September 30, 2024.

(2) Significant change in scope of application of equity method

For the six months ended September 30, 2025

LCI Investments Limited was excluded from the scope of application of the equity method since the Company sold the shares of LCI Investments and the percentage of voting rights in it held by the Company decreased in the six months ended September 30, 2025.

For the six months ended September 30, 2024

Circular LinX CO., LTD. was included in the scope of application of the equity method since a consolidated

subsidiary of the Company established Circular LinX in the six months ended September 30, 2024.

3. SIGNIFICANT ACCOUNTING POLICIES

Substantially the same accounting policies have been followed in these interim consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended March 31, 2025, except for such policies as specifically allowed and adopted for interim accounting periods described below.

Calculation of income tax expenses

The Company and some of its domestic consolidated subsidiaries calculated their income tax expenses by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year that includes the six months ended September 30, 2025. The amount of income taxes includes deferred income taxes.

4. ADDITIONAL INFORMATION

Participation in the acquisition of Air Lease Corporation

SMBC Aviation Capital Limited, a consolidated subsidiary of the Company, entered into a series of agreements on participation in the acquisition of Air Lease Corporation, a U.S.-based aircraft leasing company, (“ALC”) on September 1, 2025 subject to obtaining the requisite approvals and clearances from the relevant authorities.

The acquisition will be executed through a new holding company, to be named Sumisho Air Lease Corporation, owned by four parties—SMBC Aviation Capital, Sumitomo Corporation, Apollo managed funds (“Apollo”) and Brookfield—which will acquire all the outstanding shares of ALC. SMBC Aviation Capital’s equity interest in Sumisho Air Lease will be 4.99% on a voting-rights basis and 24.99% on an economic-interest basis. Upon completion of the acquisition, SMBC Aviation Capital will acquire ALC’s aircraft on order and will be appointed as asset servicer by Sumisho Air Lease for the majority of Sumisho Air Lease’s fleet.

Through its participation in the acquisition, SMBC Aviation Capital will strengthen its position as one of the leaders in the aircraft leasing industry, further reinforcing its business foundation. Going forward, SMBC Aviation Capital will provide aircraft leasing solutions and scale-driven investment opportunities to an even broader range of airlines and aircraft investors in Japan and overseas. These efforts will drive the sustainable growth of its aircraft leasing business and enhance asset and capital efficiency.

5. CONTINGENT LIABILITIES

	Millions of Yen		Thousands of U.S. Dollars
	September 30, 2025	March 31, 2025	September 30, 2025
7,223 (7,143 at March 31, 2025) guarantees of obligations for business (including commitments to guarantee obligations).....	¥ 66,228	¥ 71,423	\$ 445,051
Loan guarantees to affiliates	4,850	4,619	32,592
Loan guarantees to employees (housing loans, etc.)	1	1	7

Note: ¥100 million (\$672 thousand) and ¥100 million at September 30, 2025 and March 31, 2025, respectively, of the above guarantees of obligations for business are guaranteed by other third parties.

6. SETTLEMENT INCOME ON INSURANCE RELATED TO ECONOMIC SANCTIONS ON RUSSIA

In the year ended March 31, 2022, SMBC Aviation Capital Limited, a consolidated subsidiary of the Company, terminated all lease contracts with Russian airlines pursuant to the rules of the sanctions against Russia imposed by the European Union, the United States, the United Kingdom and other countries due to Russia's invasion of Ukraine.

Afterwards, it filed lawsuits under its insurance contracts in a court in Ireland and reached settlements with some insurance companies in the above lawsuits. Accordingly, in the six months ended September 30, 2025, it received insurance settlements of \$159 million, and the Group recognized ¥23,660 million as extraordinary gains.

7. CASH FLOW INFORMATION

(1) Reconciliation of cash and bank deposits in the interim consolidated balance sheets to cash and cash equivalents in the interim consolidated statements of cash flows

As of September 30,	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Cash and bank deposits.....	¥ 488,542	¥ 393,338	\$ 3,282,997
Time deposits with maturities exceeding three months	(4,972)	(3,454)	(33,412)
Pledged deposits	—	(4,884)	—
Certificates of deposit included in short-term investment securities.....	58,000	—	389,759
Cash and cash equivalents	¥ 541,570	¥ 384,999	\$ 3,639,343

(2) Increase/decrease in other reserves

Increase/decrease in other reserves consists of increases/decreases in allowance for loss on disposal of assets for lease, reserve for employee bonuses, reserve for directors' bonuses, and reserve for directors' retirement benefits.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Six Months Ended September 30, 2025 and 2024

8. NET ASSETS

Dividends paid in the six months ended September 30, 2025 and 2024

For the Six Months Ended September 30, 2025

Class of Stock	Total Dividends		Dividend per Share		Record Date	Effective Date
	Millions of Yen	Thousands of U.S. Dollars	Yen	U.S. Dollars		
Common stock	¥ 32,583	\$ 218,958	¥ 373	\$ 2.51	March 31, 2025	June 26, 2025

Notes: 1. Resolved at the ordinary general meeting of shareholders held on June 25, 2025

2. The dividends were paid out from retained earnings.

For the Six Months Ended September 30, 2024

Class of Stock	Total Dividends		Dividend per Share		Record Date	Effective Date
	Millions of Yen		Yen			
Common stock	¥ 42,454		¥ 486		March 31, 2024	June 26, 2024

Notes: 1. Resolved at the ordinary general meeting of shareholders held on June 25, 2024

2. The dividends were paid out from retained earnings.

SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Six Months Ended September 30, 2025 and 2024

9. SEGMENT INFORMATION

(1) Information about revenues and profit or loss by reportable segment

	Millions of Yen						
	Reportable Segment						
For the six months ended September 30, 2025	Domestic Leasing	Global Environ- ment	Real Estate	Trans- portation	Overseas	Adjustments (*1)	Consolidated (*3)
Revenues:							
Lease sales	¥ 288,440	¥ 961	¥ 150,963	¥ 389,604	¥ 17,760	¥ –	¥ 847,729
Installment sales	129,155	–	–	668	51,701	–	181,525
Finance revenue	5,668	303	1,443	7,401	3,023	–	17,840
Other revenues (*2)	10,243	14,774	142,281	8,780	912	–	176,992
Revenues from external customers	433,507	16,039	294,688	406,454	73,398	–	1,224,087
Intersegment revenues or transfers	6,157	19,685	2,823	11,586	81,679	(121,932)	–
Total revenues	¥ 439,665	¥ 35,725	¥ 297,511	418,040	155,077	(121,932)	1,224,087
Segment profit (loss)	¥ 17,945	¥ 4,662	¥ 31,313	¥ 53,574	¥ (619)	¥ (12,757)	¥ 94,117

For the six months ended September 30, 2024	Millions of Yen						
	Reportable Segment					Adjustments (*1)	Consolidated (*3)
	Domestic Leasing	Global Environ- ment	Real Estate	Trans- portation	Overseas		
Revenues:							
Lease sales	¥ 353,454	¥ 980	¥ 99,273	¥ 242,299	¥ 16,694	¥ –	¥ 712,702
Installment sales	131,222	3	–	142	39,064	–	170,432
Finance revenue	4,080	453	753	4,954	3,340	–	13,582
Other revenues (*2)	10,053	10,852	52,527	4,692	1,246	–	79,371
Revenues from external customers	498,811	12,289	152,555	252,088	60,344	–	976,088
Intersegment revenues or transfers	5,202	20,260	1,943	12,992	81,882	(122,281)	–
Total revenues	¥ 504,013	¥ 32,549	¥ 154,498	265,080	142,227	(122,281)	976,088
Segment profit	¥ 20,612	¥ 5,242	¥ 28,700	¥ 39,720	¥ 519	¥ (4,527)	¥ 90,268

	Thousands of U.S. Dollars						
	Reportable Segment						
For the six months ended September 30, 2025	Domestic Leasing	Global Environ- ment	Real Estate	Trans- portation	Overseas	Adjustments (*1)	Consolidated (*3)
Revenues:							
Lease sales	\$ 1,938,311	\$ 6,458	\$ 1,014,468	\$ 2,618,131	\$ 119,347	\$ –	\$ 5,696,721
Installment sales	867,919	–	–	4,489	347,430	–	1,219,844
Finance revenue	38,089	2,036	9,697	49,735	20,314	–	119,884
Other revenues (*2)	68,833	99,281	956,125	59,001	6,129	–	1,189,382
Revenues from external customers	2,913,158	107,782	1,980,297	2,731,362	493,233	–	8,225,845
Intersegment revenues or transfers	41,375	132,283	18,970	77,858	548,881	(819,380)	–
Total revenues	\$ 2,954,539	\$ 240,071	\$ 1,999,268	2,809,220	1,042,114	(819,380)	8,225,845
Segment profit (loss)	\$ 120,590	\$ 31,329	\$ 210,423	\$ 360,016	\$ (4,160)	\$ (85,727)	\$ 632,464

- *1. “Adjustments” for “segment profit (loss)” of ¥(12,757) million (\$ (85,727) thousand) and ¥(4,527) million for the six months ended September 30, 2025 and 2024 include amortization of goodwill of ¥(4,860) million (\$ (32,659) thousand) and ¥(4,210) million and equity in earnings of affiliates of ¥3,254 million (\$ (21,867) thousand) and ¥4,748 million which were not allocated to the reportable segments.
- *2. “Other revenues” include revenue from contracts with customers.
- *3. “Segment profit (loss)” was reconciled to ordinary income, which is calculated as operating income plus non-operating income minus non-operating expenses in the interim consolidated statement of income as shown below. Ordinary income is required to be presented under Japanese GAAP and is widely used as key financial data in Japan.

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Operating income in the interim consolidated statements of income was reconciled to ordinary income as follows:

For the six months ended September 30,	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Operating income.....	¥ 103,874	¥ 91,484	\$ 698,032
Interest income	394	211	2,653
Dividend income.....	847	628	5,698
Interest expenses.....	(12,620)	(9,626)	(84,809)
Equity in earnings of affiliates	4,648	7,635	31,240
Foreign exchange losses	(2,571)	(33)	(17,281)
Amortization of bond issuance costs	(637)	(266)	(4,284)
Other—net	181	233	1,216
Ordinary income	¥ 94,117	¥ 90,268	\$ 632,464

(2) Changes in reportable segments

The Group changed its segmentation on the grounds that it made an organizational change as of April 1, 2025 to create a new growth driver that places decarbonization and carbon neutrality as well as a circular economy (CE) at its core and established the “Global Environment Business Unit.” As a result of the organizational change, the “Global Environment Business,” which constitutes the “Environmental and Energy Business,” the Circular Economy Division from the “Domestic Leasing Business,” and other departments, became a newly reportable segment, and therefore the Group has the reportable segments of “Domestic Leasing Business,” “Global Environment Business,” “Real Estate Business,” “Transportation Business,” and “Overseas Business.”

Segment information for the six months ended September 30, 2024 has been prepared on the new basis of segmentation.

(3) Information about impairment loss on fixed assets, goodwill, etc. by reportable segment

For the six months ended September 30, 2025

Significant change in the amount of goodwill

In the “Real Estate Business,” the amount of goodwill arising from the business combination with CRE, Inc. effected on March 21, 2025 was provisionally determined at the end of the year ended March 31, 2025 because the purchase price allocation was incomplete. During the six months ended September 30, 2025, the purchase price allocation was finalized, and the accounting for the business combination was completed. Accordingly, the amount of goodwill changed to ¥2,656 million (\$17,848 thousand) from the provisional amount of ¥4,426 million (\$29,743 thousand).

In the “Transportation Business,” goodwill arose from the investment in Macquarie Rotorcraft Limited by SMFL LCI Helicopters Limited, a consolidated subsidiary of the Company, on May 15, 2025. At the end of the six months ended September 30, 2025, goodwill increased by ¥23,716 million (\$159,371 thousand) due to the transaction. The amount of the goodwill has been provisionally determined based on the reasonable information that is available at this time because the purchase price allocation is incomplete.

For the six months ended September 30, 2024

There were no items to be reported.

10. FINANCIAL INSTRUMENTS

There were no significant changes in the Group's financial instruments compared with those at the end of the year ended March 31, 2025.

11. SECURITIES

There were no significant changes in the Group's securities compared with those at the end of the year ended March 31, 2025.

12. DERIVATIVE TRANSACTIONS

There were no significant changes in the Group's derivatives compared with those at the end of the year ended March 31, 2025.

13. BUSINESS COMBINATION

For the six months ended September 30, 2025

(1) Business combinations through acquisition

Investment in Macquarie Rotorcraft Limited

On May 15, 2025, SMFL LCI Helicopters Limited, a consolidated subsidiary of the Company, ("SMFLH") completed an investment in Macquarie Rotorcraft Limited, an affiliated helicopter leasing company of Macquarie Asset Management, which is an asset management company of Macquarie Group, a major financial services company in Australia, ("MRL") pursuant to the share purchase agreement executed on March 7, 2025.

(a) Outline of the business combination

(i) Name of acquired company and its business

Name: Macquarie Rotorcraft Limited
Business: Helicopter leasing

(ii) Major reason for the business combination

MRL owns a fleet of about 120 leased helicopters, and its portfolio mainly consists of medium-sized helicopters, which are core aircraft for SMFLH. SMFLH will further expand its business and customer bases that are essential for the sustained growth of the business whose number of aircraft owned, managed and on order is major in the helicopter leasing industry by involving affiliated companies of MRL.

(iii) Date of the business combination

May 15, 2025

(iv) Legal form of the business combination

Share acquisition in exchange for cash

(v) Name of the company after the business combination

Sumitomo Mitsui Finance and Leasing Company, Limited

(vi) Percentage of voting rights acquired

100%*

* Acquisition through SMFLH

(vii) Basis for determining the acquirer

It is based on the fact that SMFLH acquired a majority of the voting rights in the acquired company in (i) above in exchange for cash.

(b) The period for which the operating results of the acquired company are included in the interim consolidated statement of income

From May 15, 2025 through June 30, 2025

(c) Acquisition cost of the acquired company and each class of consideration

Consideration for acquisition	cash	¥37,847 million (\$254,331 thousand)
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Acquisition cost		¥37,847 million (\$254,331 thousand)
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The acquisition cost has not yet been determined and the investment amount is provisional since consideration for the share acquisition pursuant to the agreement is under scrutiny.

(d) Amount of and reason for goodwill arising from the business combination, and method and period of amortization

(i) Amount of goodwill arising from the business combination

¥23,716 million (\$159,371 thousand)

The above amount was provisionally determined because the purchase price allocation has not been completed at the end of the six months ended September 30, 2025.

(ii) Reason for goodwill arising from the business combination

The acquisition cost exceeded the Group's share of the fair value of the acquired company's net assets at the date of the business combination. Accordingly, the difference was recognized as goodwill.

(iii) Method and period of amortization

The goodwill will be amortized on a straight-line basis over a period of time for which the effect lasts. The amortization period will be determined on the basis of the purchase price allocation.

Acquisition of helicopter leasing companies from LCI Investments Limited

SMFL LCI Helicopters Limited, a consolidated subsidiary of the Company, (“SMFLH”) completed the acquisition of a business under the control of LCI Investments Limited, an affiliate of the Company, (“LCII”) which includes the acquisition of all the shares of helicopter leasing companies under the control of LCII on April 1, 2025 pursuant to the share purchase agreement executed on December 31, 2024.

(a) Outline of the business combination

(i) Names of acquired companies and their business

- a. Name: LCI Analytics Limited
 Business: Helicopter leasing
- b. Name: LCI Helicopters (UK) Limited
 Business: Helicopter leasing
- c. Name: LCI Operations Limited
 Business: Helicopter leasing

(ii) Major reason for the business combination

The business combination was for SMFLH to acquire companies under the control of LCII and to broaden SMFLH’s business base essential for the sustained growth of the business whose number of aircraft owned, managed and on order is major in the helicopter leasing industry. Furthermore, the Group integrated SMFLH with LCII and seeks to streamline the corporate structure. By bringing in the LCII management with considerable expertise and combining it with the Group’s strengths such as the Company’s creditworthiness, the Group will offer more competitive proposals than ever before to helicopter operating companies. The Group will, moreover, aim to further expand its asset turnover-based business through business expansion, increase in the number of owned aircraft and the expansion of products for investors in the future.

(iii) Date of the business combination

April 1, 2025

(iv) Legal form of the business combination

Share acquisition in exchange for cash

(v) Name of the company after the business combination

Sumitomo Mitsui Finance and Leasing Company, Limited

(vi) Percentage of voting rights acquired

100%*

* Acquired through SMFLH

(vii) Basis for determining the acquirer

It is based on the fact that SMFLH acquired a majority of the voting rights in the acquired companies in (i) above in exchange for cash.

(b) The period for which the operating results of the acquired companies are included in the interim consolidated statement of income

From April 1, 2025 through June 30, 2025

(c) Acquisition cost of the acquired companies and each class of consideration

Consideration for acquisition	Cash	¥7,445 million (\$50,030 thousand)
Acquisition cost		¥7,445 million (\$50,030 thousand)

The acquisition cost has not yet been determined and the investment amount is provisional since consideration for the share acquisition pursuant to the agreement is under scrutiny.

(d) Amount of and reason for goodwill arising from the business combination, and method and period of amortization

(i) Amount of goodwill arising from the business combination

¥189 million (\$1,270 thousand)

The above amount was provisionally determined because the purchase price allocation has not been completed at the end of the six months ended September 30, 2025.

(ii) Reason for goodwill arising from the business combination

The acquisition cost exceeded the Group's share of the fair value of the acquired companies' net assets at the date of the business combination. Accordingly, the difference was recognized as goodwill.

(iii) Method and period of amortization

The goodwill will be amortized on a straight-line basis over a period of time for which the effect lasts. The amortization period will be determined on the basis of the purchase price allocation.

(2) Completion of the accounting for the business combination with CRE, Inc.

The Group provisionally accounted for the business combination with CRE, Inc. effected on March 21, 2025 (the deemed date of acquisition: January 31, 2025) in the year ended March 31, 2025 and completed the accounting in the six months ended September 30, 2025. Due to the completion, comparative information for the six months ended September 30, 2024 presented in the interim consolidated financial statements reflects significant adjustments made to the initial allocation of the purchase price.

As a result, the provisional amount of goodwill of ¥4,426 million (\$29,743 thousand) decreased by ¥1,769 million (\$11,888 thousand) to ¥2,656 million (\$17,848 thousand) due to the completion.

The decrease in goodwill resulted from increases in current assets of ¥2,048 million (\$13,763 thousand), intangible assets (customer-related intangible assets) of ¥4,676 million (\$31,423 thousand), non-current liabilities of ¥1,531 million (\$10,288 thousand), and non-controlling interests of ¥1,688 million (\$11,343 thousand) and a decrease in investments and other assets of ¥1,735 million (\$11,659 thousand).

The amortization period for goodwill and the weighted-average amortization period for customer-related intangible assets are presented below:

Goodwill:	18 years
Customer-related intangible assets:	12 years

For the six months ended September 30, 2024

There were no items to be reported.

14. REVENUE RECOGNITION

Disclosures of revenue recognition have been omitted since the amount of revenue from contracts with customers was immaterial.

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15. PER SHARE DATA

	Yen		U.S. Dollars
For the six months ended September 30,	2025	2024	2025
Basic earnings per share..... ¥	747.51	¥ 632.71	\$ 5.02
Diluted earnings per share	743.21	628.85	4.99

Note: Basic earnings per share and diluted earnings per share were calculated based on the following:

	Millions of Yen		Thousands of U.S. Dollars
For the six months ended September 30,	2025	2024	2025
Basic earnings per share:			
Profit attributable to owners of parent ¥	65,298	¥ 55,269	\$ 438,804
Amount not attributable to common shareholders	—	—	—
Profit attributable to owners of parent related to common stock.....	65,298	55,269	438,804
Average number of shares of common stock during the period (thousands of shares)	87,354	87,354	
Diluted earnings per share:			
Adjustment for profit attributable to owners of parent.....	(375)	(336)	(2,520)
Adjustment of dilutive shares issued by consolidated subsidiary.....	(375)	(336)	(2,520)
Increase in number of shares of common stock (thousands of shares)	—	—	
Overview of potential shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect and that significantly changed compared with those at the end of the previous fiscal year	—	—	

16. SUBSEQUENT EVENT

There were no items to be reported.