Supplementary material for Financial Statements for Q3 of FY2026

Ticker Code:471A

NS Group, Inc.

01

Our strengths

Consolidated results for Q3 of FY2026

Growth strategy and shareholder returns

Our market share in the rent guarantee service market

We hold a high market share in both the residential rent guarantee market and the commercial rent guarantee market, and we hold the top market share in the overall market. (※1)

Overall market

Overall market size (FY2025)
JPY **272** bn
(※2)

Rent guarantee company	NS Group	A	B	C	D
FY2025 Sales	**29.8**	26.2	21.6	12.8	12.3
Overall market share ※3	**No.1 11.0%**	9.6%	7.9%	4.7%	4.5%

When alpha is included in the total **11.5%**

Residential rent guarantee market

Residential rent guarantee market size (FY2025)
JPY **239** bn
(※2)

NSグループ
JPY **23.7** bn (※4)
Market share 9.9%

Commercial rent guarantee market

Commercial rent guarantee market size (FY2025)
JPY **34** bn
(※2)

NSグループ
JPY **6.1** bn (※4)
Market share 18.2%

※1. Each company sales figures are excerpted from financial disclosure materials; market share's are calculated by company using estimated market size.
※2. Source: Yano Research Institute Ltd., "Rent guarantee service market 2026: Current status and outlook" (July 2026)
※3. Comparison of the top five listed companies by sales revenue primarily engaged in rent guarantee services
※4. Each market size is including both new guarantee fees and renewal guarantee fees.

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Our strengths

1 Extensive partner network driven by strong sales capabilities

With 30 locations nationwide for broad coverage.
Particularly strong in major metropolitan areas.

The largest in the industry ※1
74,345

2 Strong collection capabilities directly linked to profitability

Maintain a collection rate exceeding 95% each period with an organized and experienced collection team.

Collection rate ※2
96.1%

High profitability structure

3 *The highest in the industry*

High screening approval rate supported by strong collection capabilities

AI review leveraging extensive data and expertise accumulated over years of industry experience.

4 Differentiated market positioning

Leveraging these strengths to become a true partner for small and medium-sized real estate companies.

These strengths are well received by small and midsize real estate agencies with limited tenant placement capabilities, ultimately enabling them to capture a blue ocean market.

※1. The combined number of Agencies of Nihon safety, inc. and alpha as of the end of September 2026
Comparison among the top five listed companies by revenue primarily engaged in rent guarantee services.
※2. Collection rates for the Q3 of 2026.

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Our strengths

02 Consolidated results for Q3 of FY2026

Growth strategy and shareholder returns

Executive summary

Revenue growth	**+11.3%**
Recurring revenue mix	**53.6%**
EBITDA margin ※EBITDA ･･･ Operating profit + depreciation and amortization	**Over 40%**
Collection rate (YTD Q3)	**96.1%**

Change in scope of consolidation :

Alpha's B/S has been consolidated from the end of Q3 with its income statement scheduled to be consolidated from Q4

(Acquisition-related costs of ¥122 million and goodwill of ¥170 million were already recognized Q3.)

Key indicators remain at strong levels.

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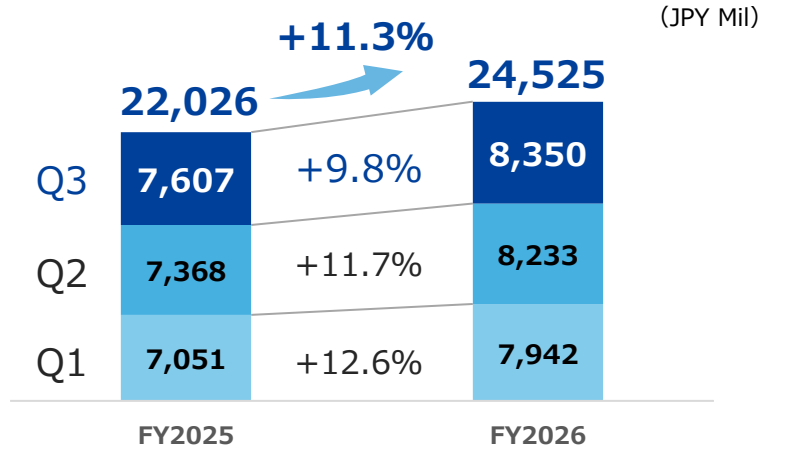
Consolidated results (YoY/Progress rate for guidance)

(JPY Mil)

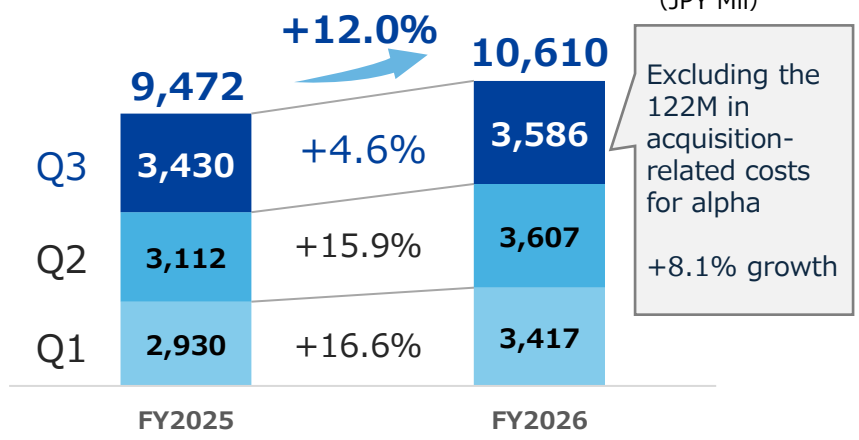
	FY2026 Q3 results	Guidance of FY2026 (Full year)	FY2026 Q3 results	Change rate YoY	Progress rate against full-year guidance
Operating revenue	22,026	33,069	**24,525**	**+11.3%**	**74.2%**
Breakdown : New guarantee fees Before period allocation	11,505	16,703	**12,061**	**+4.8%**	**72.2%**
Operating expenses	14,258	21,494	**15,604**	**+9.4%**	**72.6%**
Operating profit	8,140	11,898	**9,215**	**+13.2%**	**77.5%**
Operating profit margin	37.0%	36.0%	**37.6%**	**+0.6pt**	**-**
Net income	5,029	7,900	**6,109**	**+21.5%**	**77.3%**
Net income margin	22.8%	23.9%	**24.9%**	**+2.1pt**	**-**
EBITDA	9,472	13,779	**10,610**	**+12.0%**	**77.0%**
EBITDA margin	43.0%	41.7%	**43.3%**	**+0.3pt**	**-**

EBITDA…Operating profit + depreciation and amortization
※The results for the first half of the previous fiscal year include 386 million yen in listing-related expenses and other costs.
※alpha's profit and loss will be consolidated starting from Q4.

Operating revenue



EBITDA

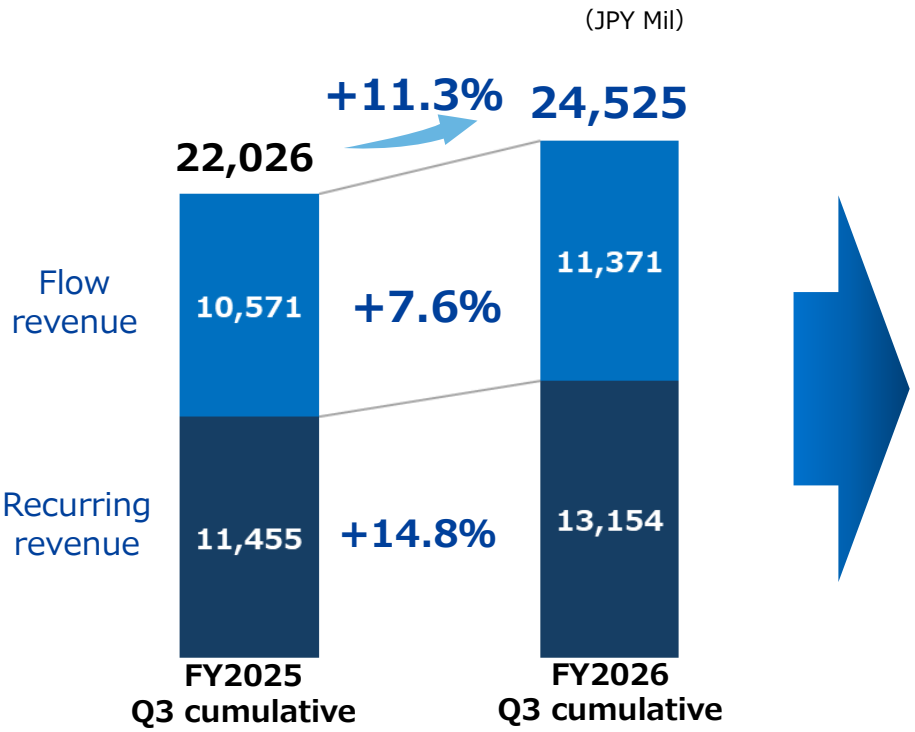


Maintaining high profitability alongside steady top-line growth

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Breakdown of Operating revenue (Flow/Recurring analysis)

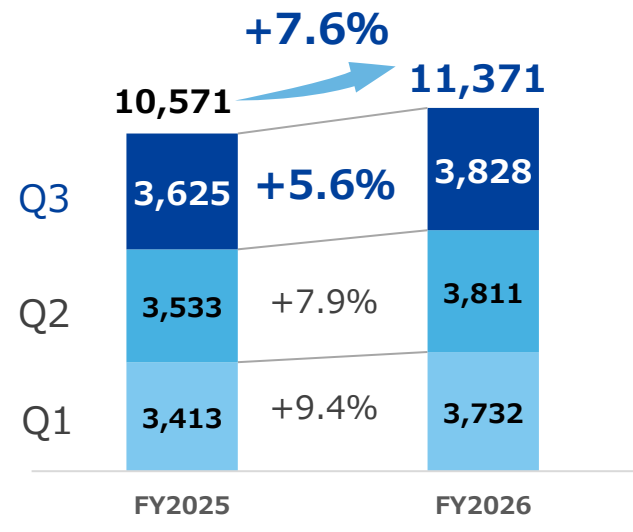
Operating revenue (Flow/Recurring analysis)



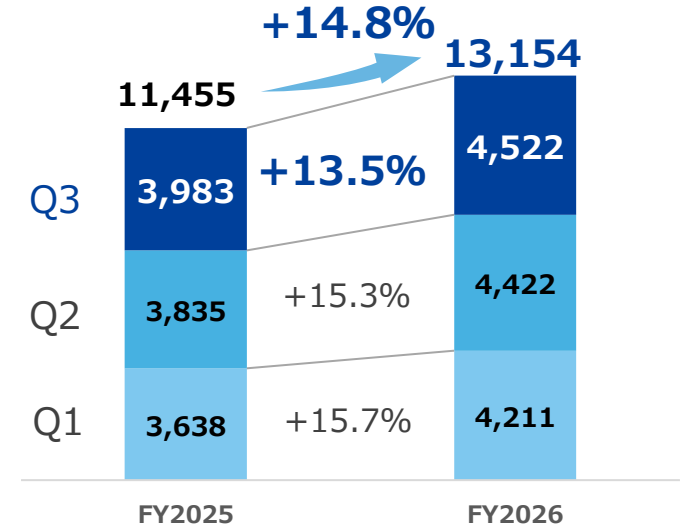
	FY2025 YTD Q3	FY2026 YTD Q3
Flow revenue ratio	48.0%	46.4%
Recurring revenue ratio	52.0%	53.6%

Operating revenue Flow／Recurring quarterly breakdown

Flow revenue (New guarantee fees after period allocation)



Recurring revenue (Renewal fee, etc.)



Recurring revenue breakdown	FY2025 YTD Q3	FY2026 YTD Q3	YoY change
Annual renewal fee	7,614	7,927	+4.1%
Monthly renewal fee	1,235	1,843	+49.3%
Other revenue	2,607	3,383	+29.8%

※ Other･･･ Collection service, etc.

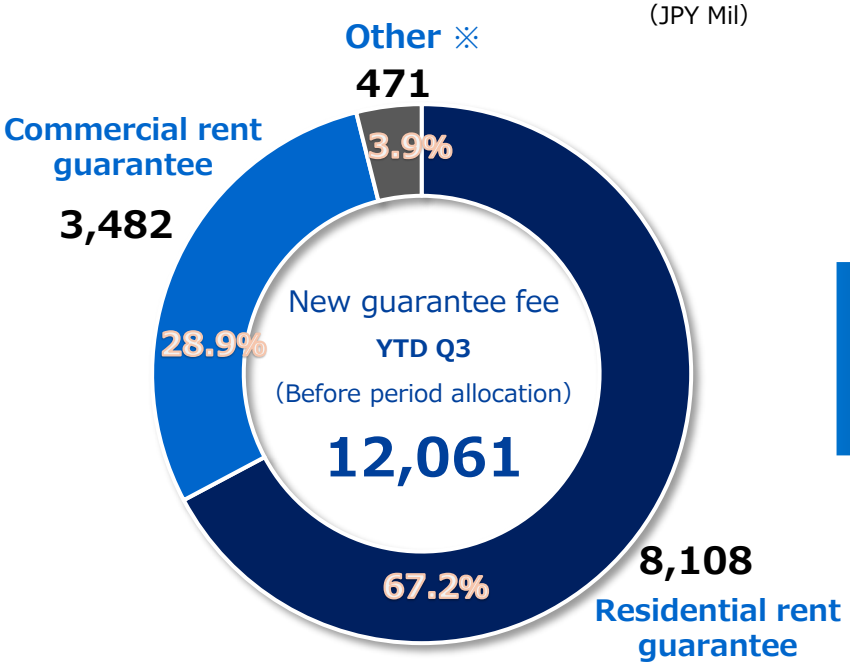
Recurring revenue continues to grow steadily, supporting amore stable earnings profile.

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Breakdown of New guarantee fees

New guarantee fee (Before period allocation)

(JPY Mil)

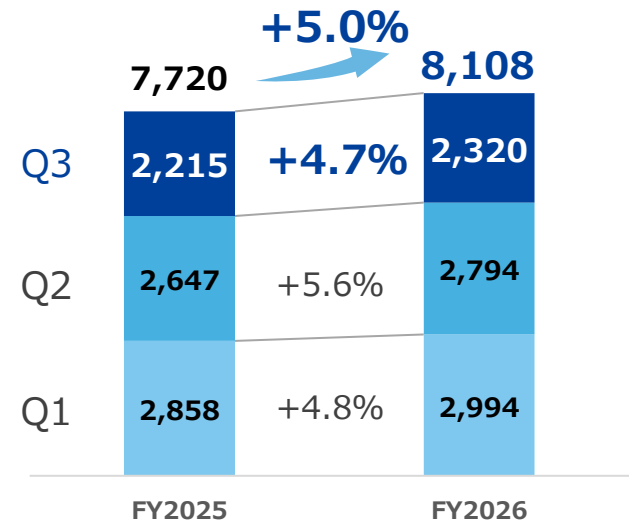


※ Other･･･Factory、Leased land、Warehouse、Storage Box、Parking lots

New guarantee fee breakdown by application for the quarter

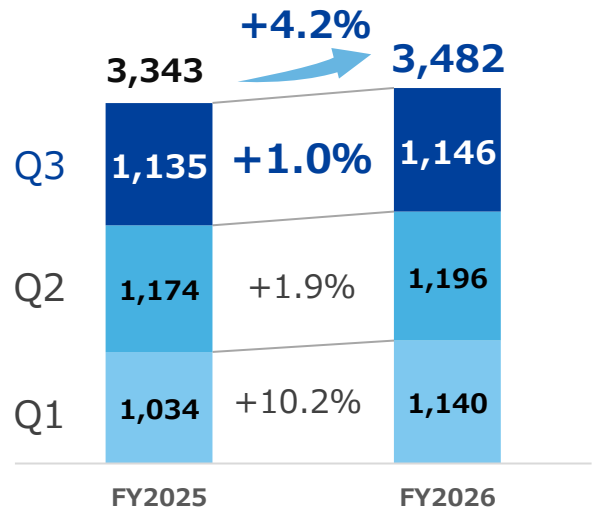
Residential

(JPY Mil)



Commercial

(JPY Mil)



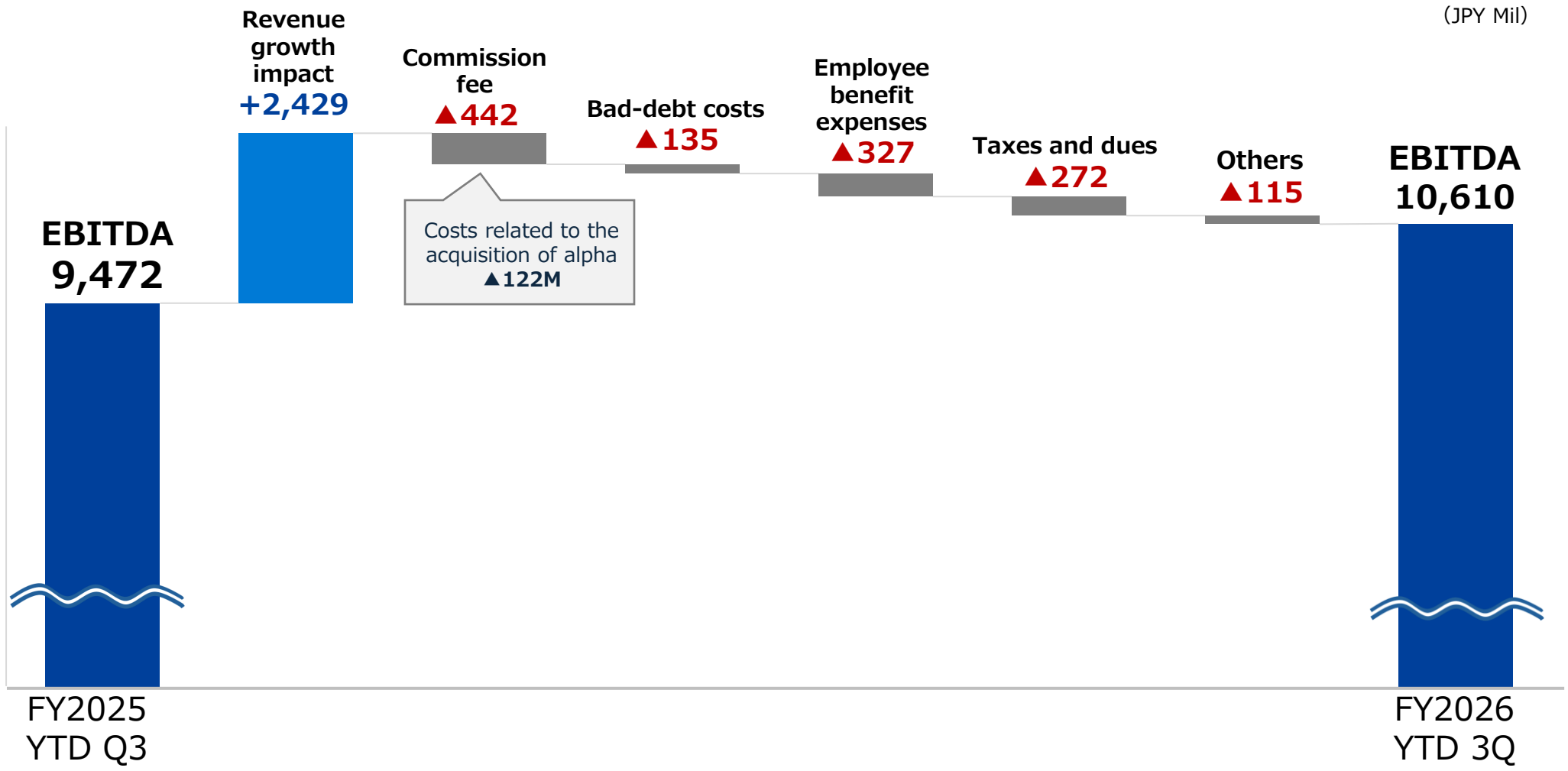
YTD Q3 Total new guarantee fee YoY+4.8%	《Growth driver》	Unit growth rate ±0.0% Unit price growth rate +4.9%

Higher average fees in both residential and commercial segments are driving revenue growth.

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Changes in the EBITDA

EBITDA ･･･ Operating profit + Depreciation and amortization

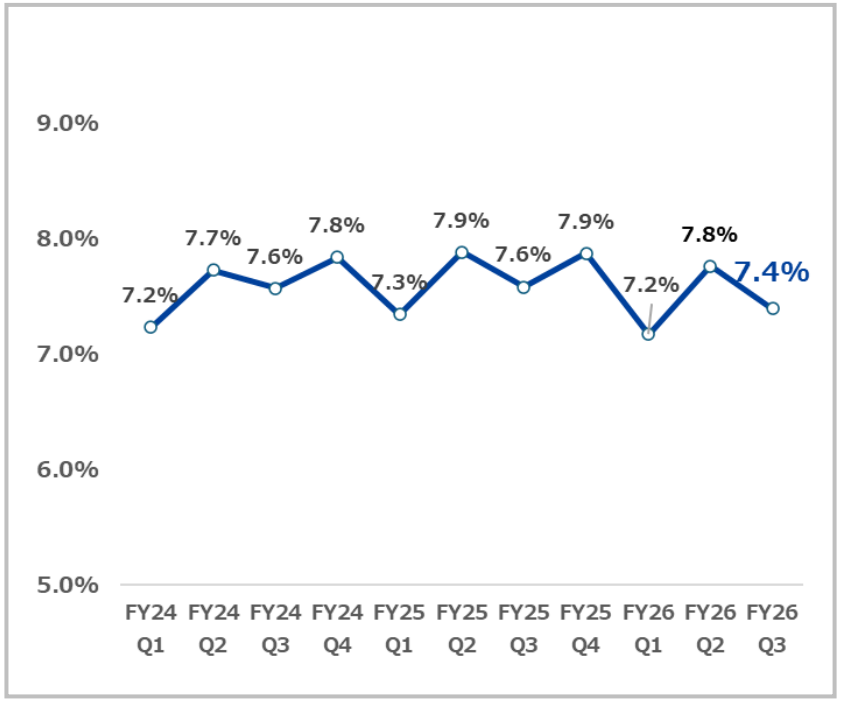


EBITDA increased as disciplined cost management more than offset temporary M&A-related expenses.

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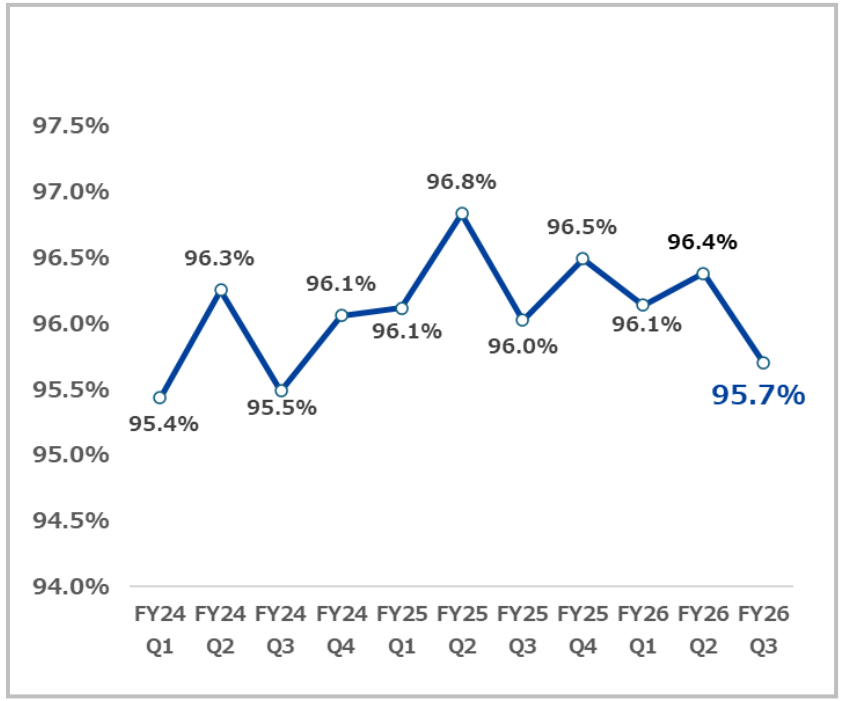
Other Indicators

Subrogation rate



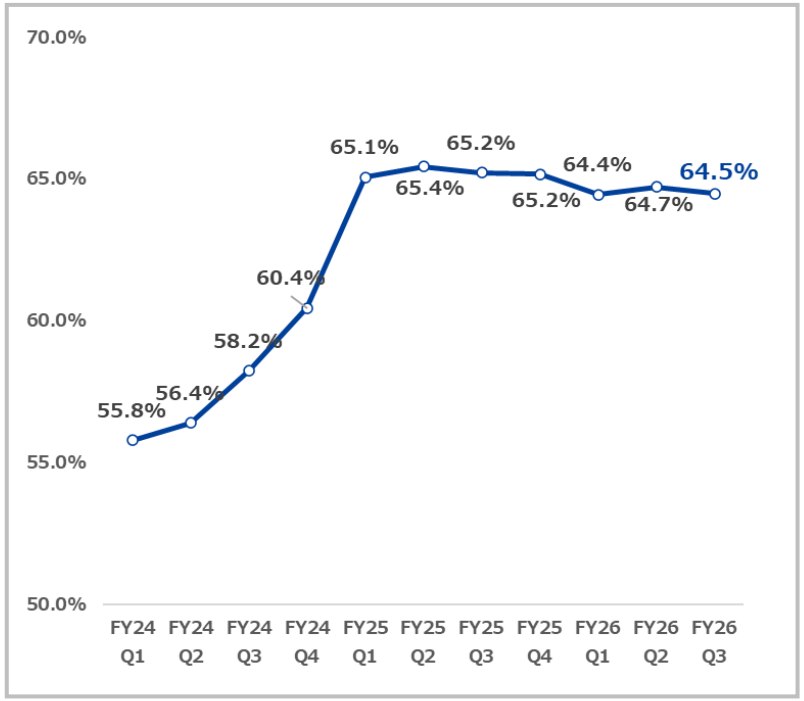
- An improvement of 0.2 percentage points compared to the same period of last year and keeps a stable trend.
- AI-powered improvements in screening accuracy are expected to further reduce subrogation.

Collection rate



- The rate remains above 96.0%, on par with the same period last year
- Although the collection rate declined due to fewer working days resulting from a Holiday period in September, the increase in bad-debt costs was kept in check as the quality of receivables improved.

Provision for doubtful accounts (Guarantee claim)



- Records a provision exceeding 60% of guarantee claim for each period
- The FY24 provision rate was 50%, but there has been no change to the criteria for recording allowances. The FY24 provision rate became relatively weaker because the collection rate in FY23 was poor and guarantee claims increased.

The subrogation rate and collection rate continue to remain stable, strict provisioning calculations based on IFRS standards ensure appropriate provision for guarantee claims.

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Our strengths

03

Consolidated results for Q3 of FY2026

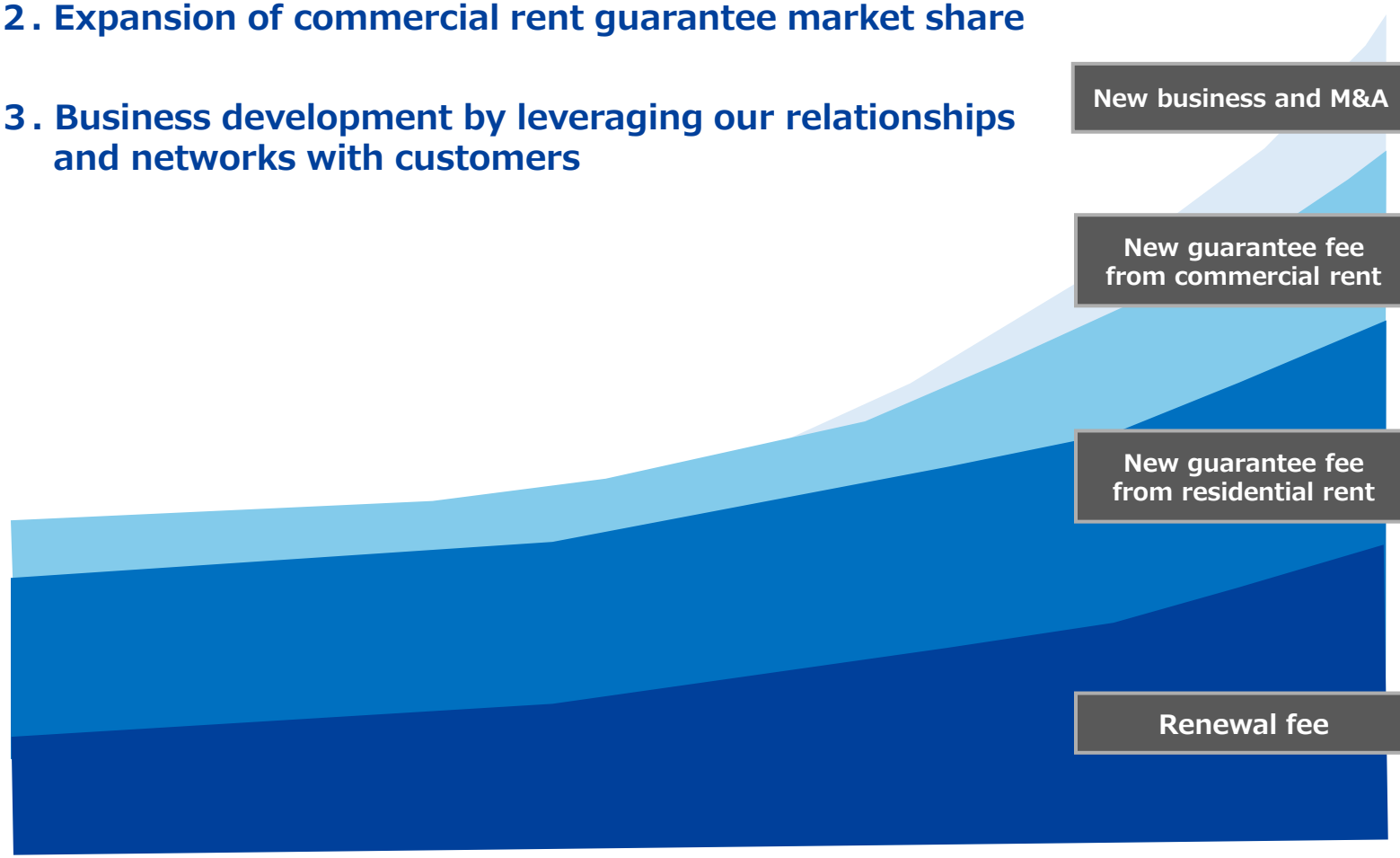
Growth strategy and shareholder returns

Growth strategy

1. Stable growth of recurring revenue and expansion of residential rent guarantee market share

2. Expansion of commercial rent guarantee market share

3. Business development by leveraging our relationships and networks with customers



Utilize relationships with existing customers

- Develop various bundled products
- New business development with data utilization

M&A

- Explore acquisitions of mid-sized and smaller rent guarantee companies,as well as M&A opportunities in other industries.

- Strengthening sales efforts toward real estate companies handling commercial rent guarantees
- Diversification of product design

- Strengthening the sales workforce
- Enhancing product value-added features
- Promoting the transition to monthly renewal fees

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Initiatives to increase average guarantee fees

In addition to rent increases driven by inflation, expanding and refining guarantee plans and ancillary services,
as well as broadening the target market for commercial guarantees, are expected to support further growth in average fees.

Residential rent guarantee

■ Launch new plans and ancillary services

✓ Plans for Non-Japanese Residents

✓ Move-in inspections, AI-assisted move-out inspections and other ancillary services

Higher new and renewal guarantee fee rates are accompanied by

plans and ancillary services tailored to customer needs,

which are designed to meet diverse customer needs.

Broader adoption of new plans and ancillary services is expected to

contribute to revenue growth and higher average guarantee fees.

■ Review renewal guarantee fee pricing

Moving toward more appropriate pricing

For both annual and monthly renewal fees, pricing is shifting from

fixed amounts to rent-linked amounts,

with minimum fees also raised from existing plan levels.

Introduced initially through new partner agencies,

with rollout to existing partners to follow,

supporting growth in renewal fee revenue and average fees.

Commercial rent guarantee

■ Expand acquisition of higher-value contracts

Alongside enhanced screening for corporate commercial tenants,

growing demand for commercial rent guarantees, partly driven by a greater focus on capital efficiency,

is creating opportunities to secure more high-value contracts with monthly rents

exceeding ¥1 million.

With appropriate risk controls,

Expand Acquisition of Higher-Value Contracts

this is expected to drive growth in commercial guarantee revenue and average fees.

These initiatives are expected to gain traction and support continued growth in average fees.

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Cash allocation・Shareholder return

Cash allocation strategy

2025-2027

Operating cash flow
24～30
(JPY Bil)

Cash in

- Growth investments
  IT investment/
  M&A / Invest in human capital
- Shareholder return
  Target dividend payout ratio: 50% or higher
- Loan repayment

Cash out

Share Buybacks

The purpose of this buyback is to improve capital efficiency and to provide shares for allocation under the share-based incentive scheme (stock options).

Date of acquisition	May 29
Number of shares acquired	3,469,400 shares
Acquisition cost	4,964,711,400 yen
Date of acquisition	July 1–August 31
Number of shares acquired	Up to 810,000 shares
Acquisition cost	Up to 1,500 million yen

M&A

On July 17: To strengthen competitiveness and expand market share in the Kyushu region, Acquired 100% of the Alpha

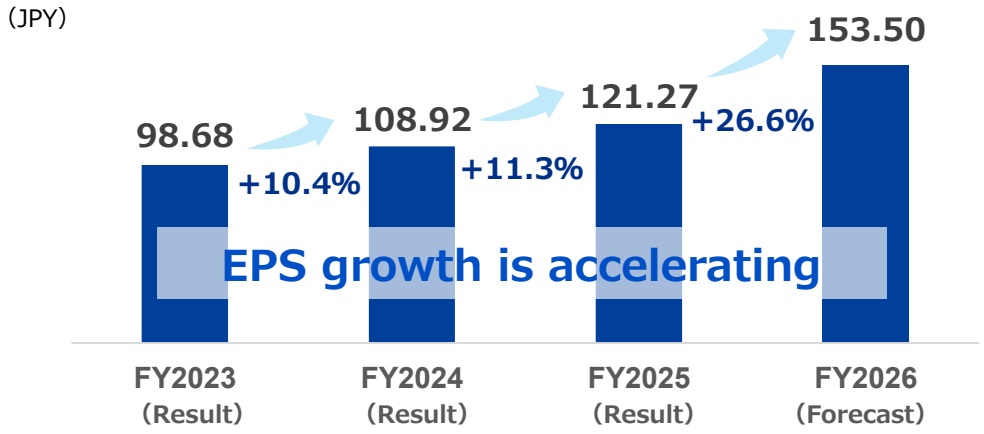
Dividend information

	FY2025	FY2026
Dividend per share (JPY)	35.0	76.0
	Year-end dividend	Annual deividend forecast
Dividend Policy	Pay out Ratio 50% or higher	
Payout ratio	50.1%	50.2%

Dividend yield ※ Closing price on November 11

Stock price ¥1,487※ ¥76／¥1,487 = 5.11%

EPS trend



Maintain a high level of returns

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Appendix

FY2026 Q3 Consolidated financial statements of profit or loss

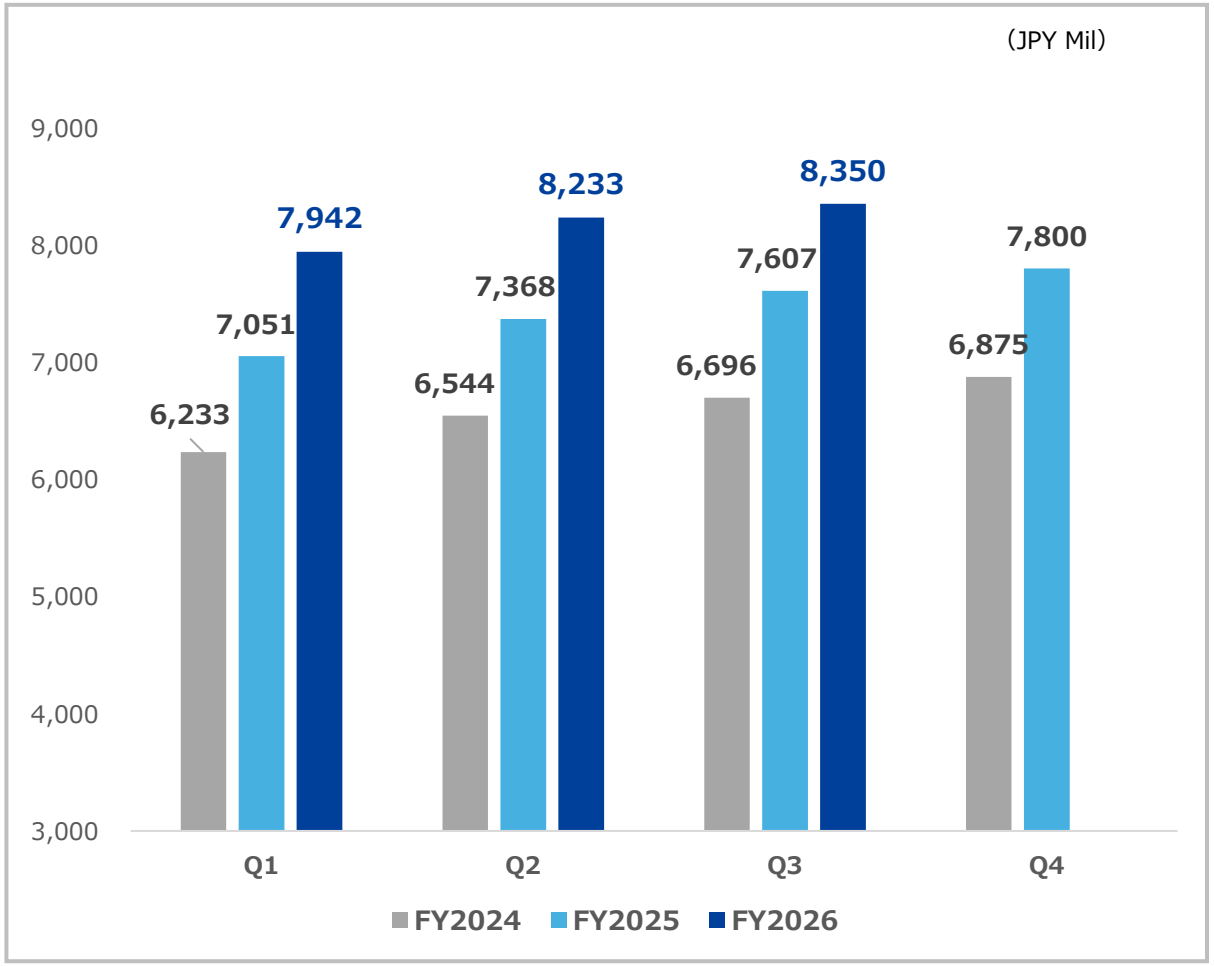
(JPY Mil)

	FY2025 Q3 results	FY2026 Q3 results	YoY		FY2025 Q3 cumulative results	Y2026 Q3 cumulative results	YoY	
			(JPY Mil)	(%)			(JPY Mil)	(%)
Operating revenue	7,607	8,350	742	9.8%	22,026	24,525	2,499	11.3%
Operating expenses	4,733	5,312	580	12.3%	14,258	15,604	1,346	9.4%
Commission fee	1,253	1,495	242	19.4%	3,719	4,158	439	11.8%
Employee benefit expenses	1,425	1,545	121	8.5%	4,247	4,574	327	7.7%
Bad debt cost	904	938	34	3.7%	2,650	2,785	135	5.1%
Depreciation and amortization	449	467	18	4.0%	1,332	1,395	62	4.7%
Taxes and dues	158	268	111	70.2%	516	788	272	52.8%
Others	544	599	55	10.0%	1,794	1,904	110	6.1%
Other income	104	91	-12	-11.9%	374	305	-69	-18.6%
Other expenses	-2	9	12	-473.3%	2	11	8	331.0%
Operating profit	2,981	3,119	138	4.6%	8,140	9,215	1,075	13.2%
Finance income	3	20	17	604.4%	9	46	37	433.7%
Finance costs	131	156	26	19.8%	392	445	53	13.5%
Net income before tax	2,853	2,983	130	4.5%	7,756	8,816	1,060	13.7%
Income tax expense	1,007	944	-62	-6.2%	2,727	2,708	-19	-0.7%
Net income	1,847	2,039	192	10.4%	5,029	6,109	1,079	21.5%

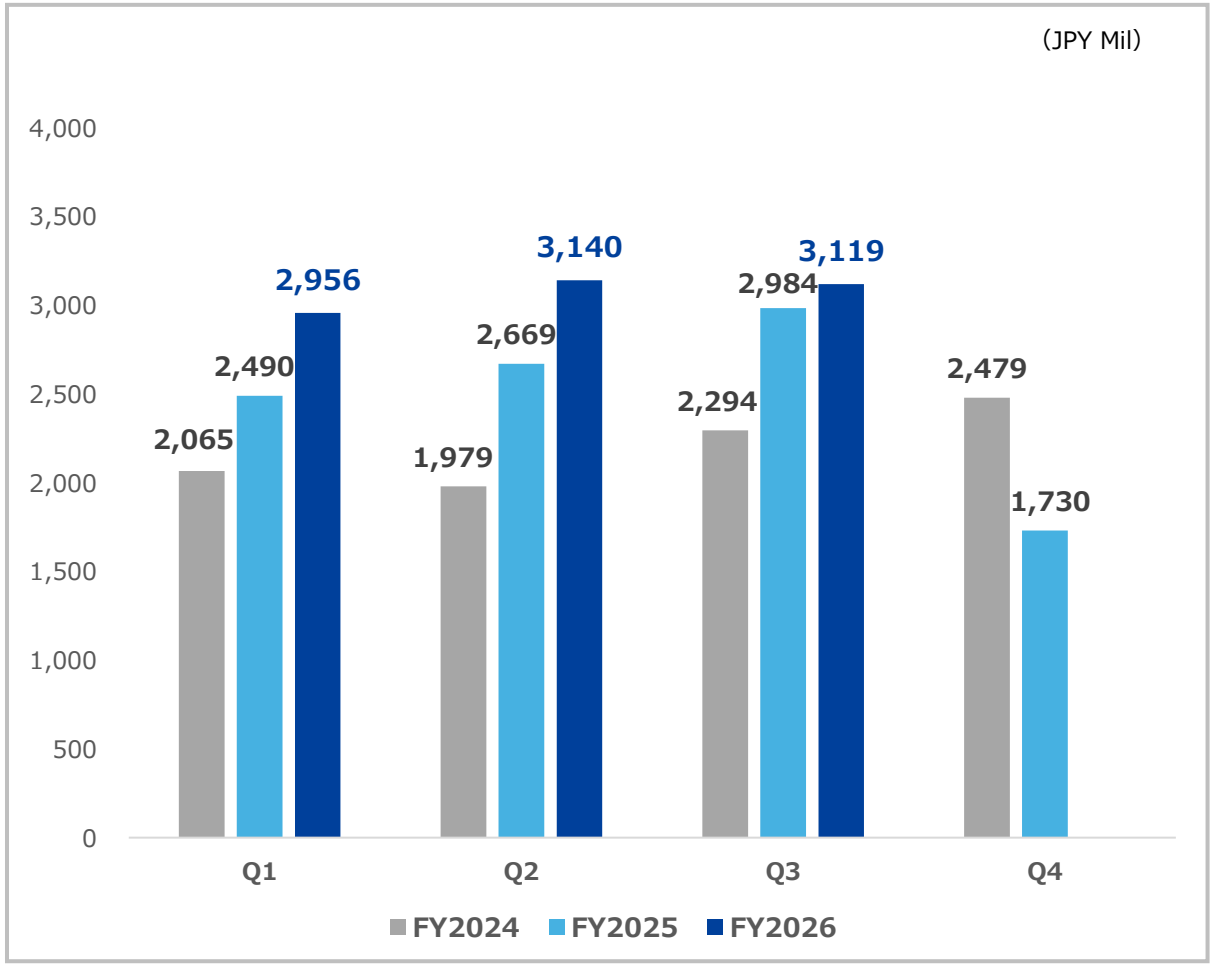
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Operating revenue / Operating profit quarterly trends

Operating revenue



Operating profit



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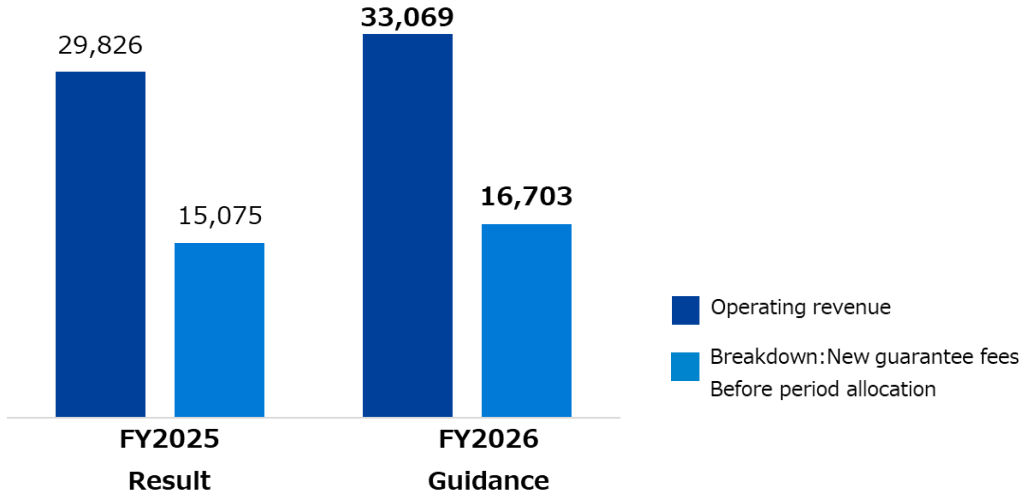
FY2026 Consolidated earnings guidance

（Unit:：million JPY）

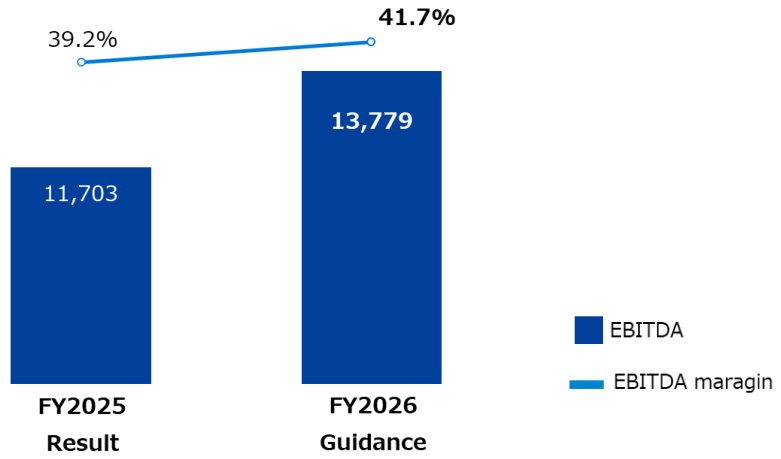
	FY2025 (Result)	FY2026 (Guidance)	Increase/ Decrease
Operating revenue	29,826	33,069	+10.9%
Breakdown : New guarantee fees Before period allocation	15,075	16,703	+10.8%
Operating profit	9,873	11,898	+20.5%
Operating profit margin	33.1%	36.0%	+2.9pt
Net income	6,325	7,900	+24.9%
Net income margin	21.2%	23.9%	+2.7pt
EBITDA	11,703	13,779	+17.7%
EBITDA margin	39.2%	41.7%	+2.4pt

Regarding the consolidated earnings guidance for the fiscal year ending December 2026, there are no revisions from the guidance announced on February 13, 2026.

■ Operating revenue / New guarantee fee



■ EBITDA / EBITDA margin



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Company overview / History

Company overview

Representative	Takayuki Otsuka（Representative Director, CEO）	
Board members	Senior Managing Director	Kazuhiro Houyama
	Director, Senior Corporate Advisor	Shin Shimizu
	Director and Audit and Supervisory Committee Member	Motoo Matsuzawa
	Director and Audit and Supervisory Committee Member	Tomosada Yoshikawa
	Director and Audit and Supervisory Committee Member	Shinkichi Matsuo
	Director	Masako Shigeno
Head Office Location	10th floor, Nakanoshima Mitsui Building, 3-3-3 Nakanoshima, Kita-ku, Osaka City, Osaka Prefecture	
Number of employees	Parent company: 85 Consolidated: 985 *As of September 30, 2026	
Business Activities	Management of group companies, etc.	
Group companies	Nihon Safety Co., Ltd. (Rent guarantee business) Alpha (Rent guarantee business)	
Capital	100 million yen	

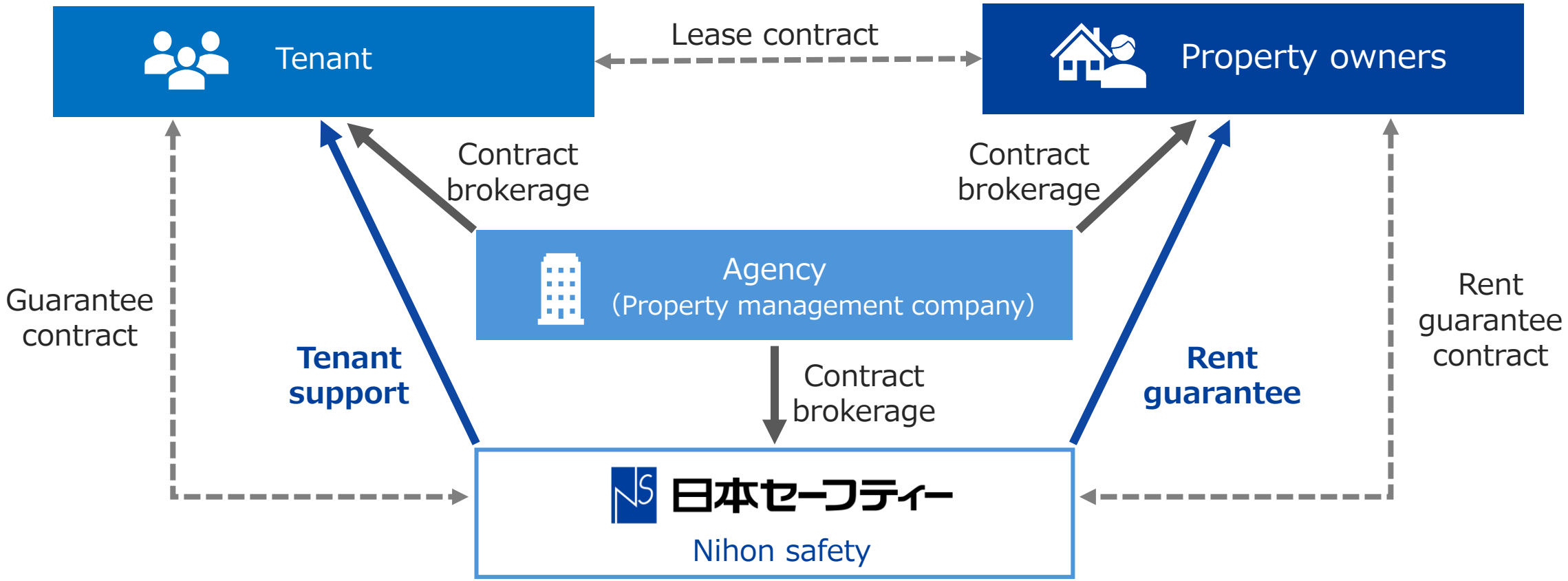
Group history

Feb. 1997	Nihon Safety Co., Ltd. established in Osaka
Jan. 2006	The number of agencies exceeded 10,000
Feb. 2009	Introduced downloadable contract forms
Nov. 2011	Launched billing-proxy collection services
Feb. 2013	The number of agencies exceeded 30,000
Jan. 2015	Released core system for rent guarantee service management
Sep. 2018	Dealer business support system “N-Pallet” released
Jan. 2019	Launched “N Tenant” to expand the market share in the commercial rent guarantee industry
Dec. 2019	The number of agencies exceeded 50,000
Dec. 2021	Bain Capital Group acquired 51% of Nihon Safety shares
Jul. 2023	The number of agencies exceeded 60,000
Oct. 2023	NS Group established
Dec. 2025	**Listed on the Tokyo stock exchange prime market**
Jul. 2026	Made alpha as a wholly owned subsidiary

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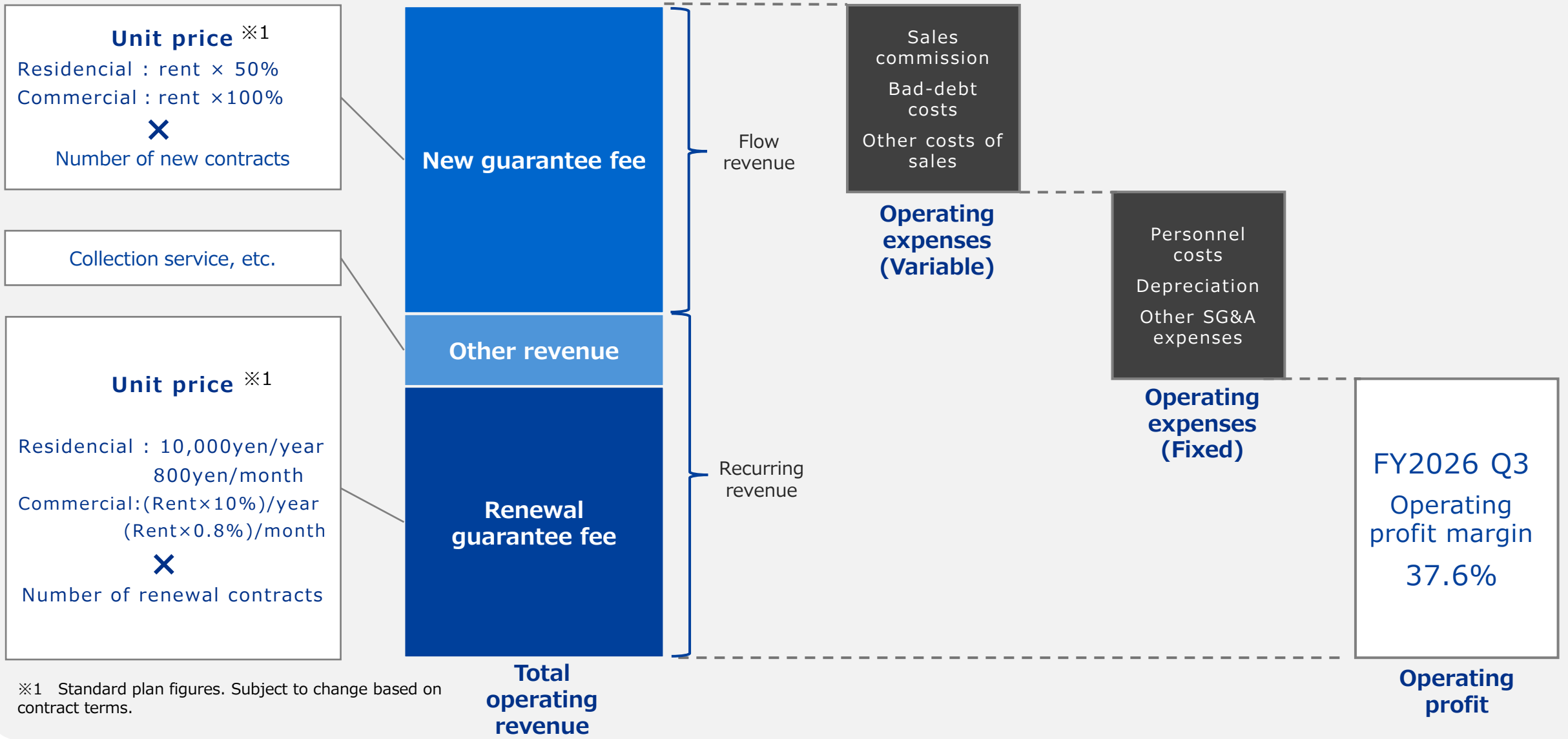
Service flow

By acting as a joint guarantor for real estate lease agreements, we make it easier for tenants to rent their desired rooms even if they do not have a personal guarantor.
For property owners, having rent and other payments guaranteed in case of unforeseen circumstances allows them to rent out rooms with peace of mind.



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Economics



※1 Standard plan figures. Subject to change based on contract terms.

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NS Group's strengths　1 .Number of agencies

Number of agencies for listed competitors *1

NS	A	B	C	D
74,345	59,068	32,000	15,672	Not disclosed

※1. The combined number of Agencies of Nihon safety, inc. and alpha as of the end of June 2026
Comparison among the top five listed companies by revenue primarily engaged in rent guarantee services.

Covering the entire Kyushu region through the grouping of alpha

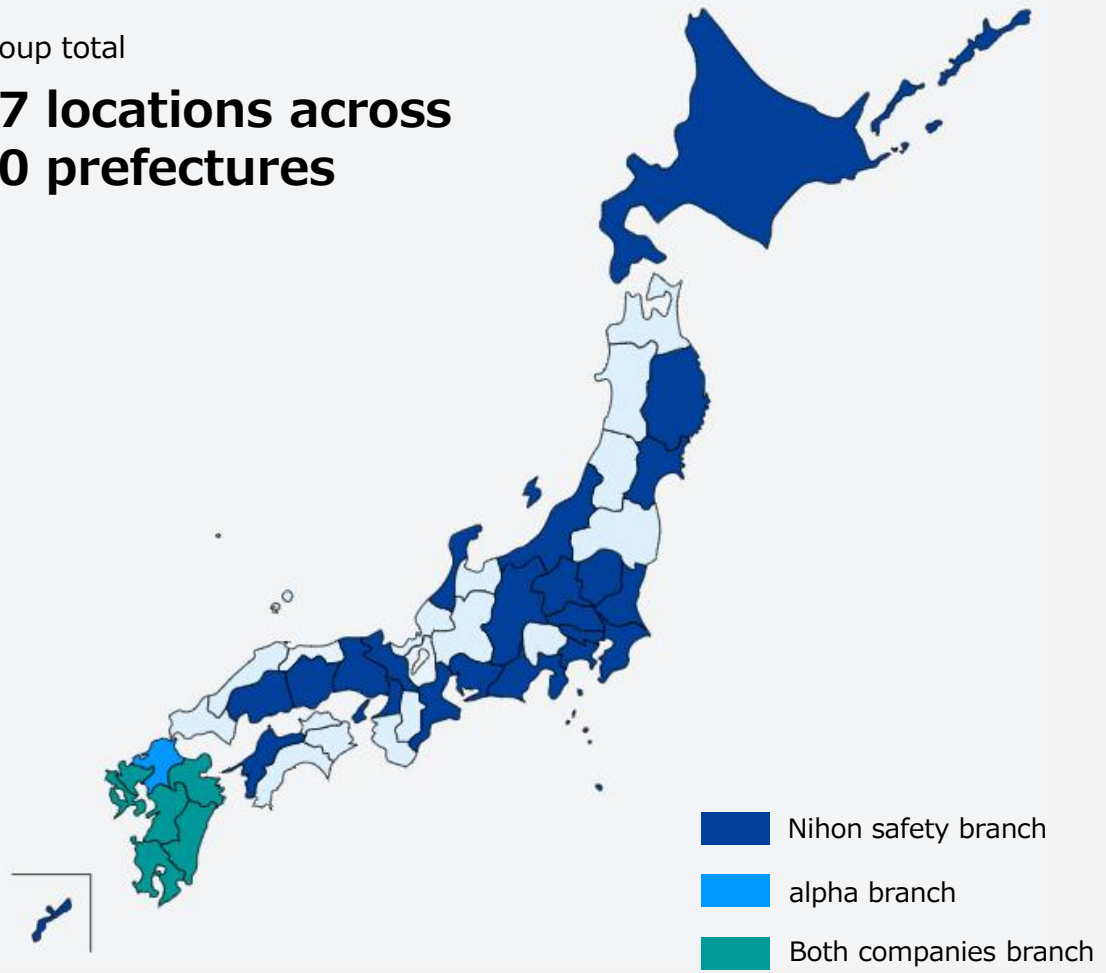
Nihon safety, inc. is expanding its market share, centered on the major metropolitan areas of Kanto and Kansai

Continuing to focus on urban areas where average rents are on an upward trend

Geographic Map of store locations by prefecture

Group total

37 locations across 30 prefectures



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NS Group's strengths　2. Strong collection capabilities

Collection process and structure by Delinquency stage

Accrual of delinquency

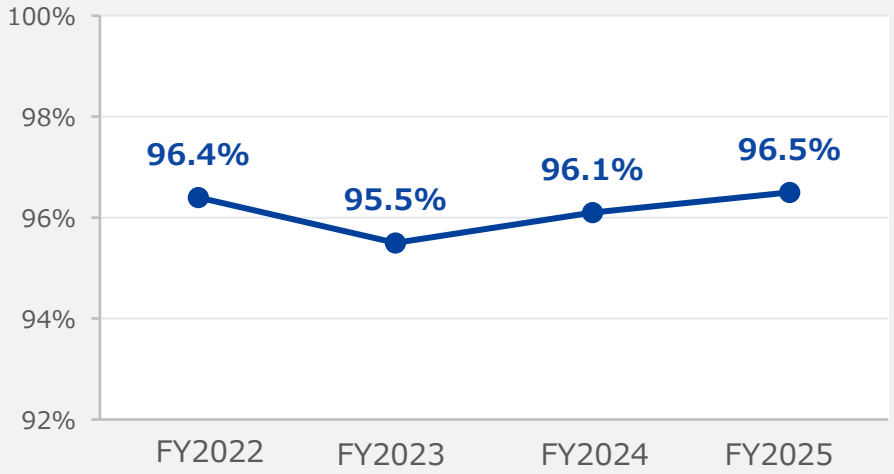
Initial response (Approx.60%)
Early collection, primarily through telephone reminders

Counseling (Approx.40%)
A dedicated team will handle everything, including visits.

Litigation (Approx.0.5%)
Execution of an eviction lawsuit

Preventing delinquency from becoming protracted through a tailored organizational structure suited to each stage of non-payment.

Collection rate trend



Maintains a high collection rate exceeding 95% every period

Three Key drivers of our high collection rate

1 Early correction through monitoring

Closely monitor performance at both the company-wide and branch levels, and implement measures such as staffing adjustments or the formation of dedicated teams for branches facing issues.

2 Ensuring a sound collection process

Develop detailed codes of conduct and record and monitor negotiations for all cases. urb excessive collection practices, keeping the number of complaints low.

3 Advanced collection operations through AI

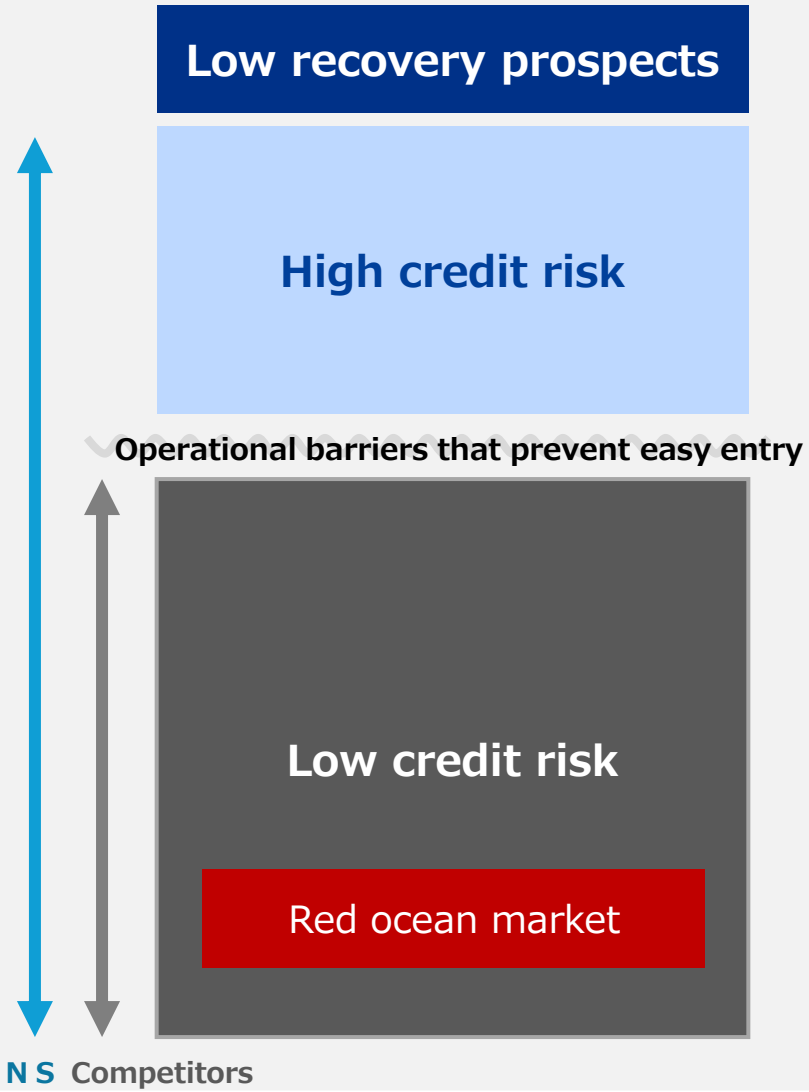
Developed an in-house AI system to assess bad-debt risk based on delinquency data from hundreds of thousands of cases. It optimizes the collection department and collection sequence according to difficulty, enabling efficient debt recovery.

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NS Group's strengths　3. Application screening

Approval rate industry-leading standard

Tenant segment



Screening concept

Expanding occupancy possibilities

- ✓ A high-precision screening model that combines AI with a vast dataset of approximately 4.7 million records accumulated over more than 25 years in the industry.
- ✓ By developing our own credit assessment model without relying on credit information from external agencies, we are able to conduct a wide range of credit assessments for both residential and commercial properties.

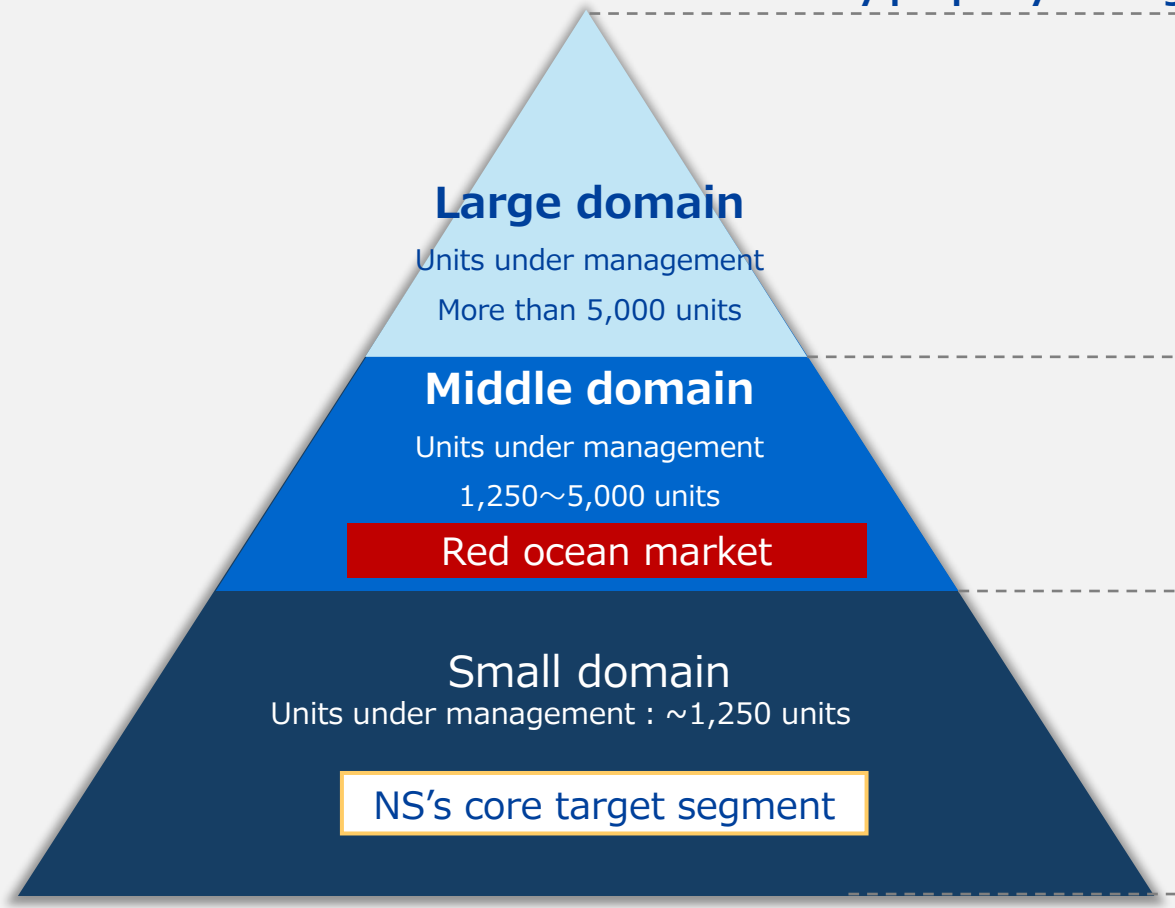
By combining our proprietary high-precision credit assessment model with our strong collection capabilities, we are able to provide guarantees for high-risk borrowers.

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NS Group's strengths　4. Differentiated positioning

When property management companies are segmented by the number of properties under management, the NS Group has a strong position in the "Small domain", leveraging its high screening approval rate, comprehensive guarantee plans, and ancillary services.

Characteristics of segments by number of units managed by property management companies



- ✓ Handles many properties owned by major real estate companies
- ✓ **Competitive environment ; fierce**

- ✓ Handles many popular properties in urban areas.
- ✓ Tenants tend to have a low credit risk.
- ✓ The primary battlefield for guarantors under consumer finance groups
- ✓ **Competitive environment ; highly**

- ✓ We handle many properties with affordable rents.
- ✓ Tenants tend to have a high credit risk.
- ✓ A tendency to prioritize screening approval rates and detailed services when selecting rent guarantee service providers.
- ✓ **Competitive environment ; moderate**

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Market environment and NS Group's competitive advantage

Residential rent guarantee

Competitive advantage

- ✓ The industry's largest nationwide network of affiliated agencies, centered in major metropolitan areas
- ✓ High screening approval rate
- ✓ Extensive ancillary services
- ✓ Expansion of various services to reduce the burden on property management companies
- ✓ Comprehensive guarantee plan

Market growth drivers

- ✓ Increase in the number of single-person households, senior citizens living alone, and foreign households
- ✓ Amendment to the civil code
- ✓ Inflation

Commercial rent guarantee

Competitive advantage

- ✓ The industry's largest nationwide network of affiliated agencies, centered in major metropolitan areas
- ✓ Screening division specializing in commercial rent guarantee
- ✓ Comprehensive guarantee plan

Market growth drivers

- ✓ It became difficult to receive security deposits due to COVID-19
- ✓ Amendment to the civil code
- ✓ Inflation

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Risks and impacts related to the business environment

Rising interest rates

- ＋ New guarantee contracts may increase due to rising rental demand.
- － Interest expenses on borrowings may increase.

Inflation

- ＋ Potential increase in the unit guarantee fee due to rising rents.
- ＋ The contract renewal rate may increase due to fewer relocations, resulting in higher renewal guarantee fee revenue.
- － Potential decrease in New guarantee fee revenue due to tenant relocations.

Rent guarantee business model demonstrates resilience to changes in the economic environment

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Disclaimer

The forward-looking statements regarding performance forecasts contained in this documentare based on information available to the Company as of the date of this document's release.

Actual results may vary due to various factors. Please note that no commitment or guarantee is made regarding the inclusion of these performance forecasts or measures.

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