

Independent Auditor's Report
(English Translation*)

March 4, 2026

To the Board of Directors of **Mercedes-Benz Finance Co., Ltd.**

PricewaterhouseCoopers Japan LLC
Tokyo office
Ryutaro Ohtsuji, CPA
Designated limited liability Partner
Engagement Partner

AUDIT OF THE FINANCIAL STATEMENTS AND THE SUPPLEMENTARY SCHEDULES

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of **Mercedes-Benz Finance Co., Ltd.** (hereinafter referred to as the "Company") for the **35th** fiscal year from **January 1, 2025 to December 31, 2025**.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the reporting process over the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or to remain alert for whether there are the indications that the other information appears to be materially misstated beyond such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Those charged with governance are responsible for overseeing the directors' execution of their duties in designing and operating the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit and other matters required by auditing standards.

FEE-RELATED INFORMATION

In connection with our audit of the financial statements for the year ended December 31, 2025, the amounts of fees for the audit and the other services charged to the Company by PricewaterhouseCoopers Japan LLC and other PwC Network firms are disclosed in "Remuneration of the Auditor" included in "7. Audit remuneration" in the Business Report.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report (original version in Japanese) for the conveniences of the reader. In case of any discrepancy between this English translation and the original, the original shall prevail.

Financial Statements
(Translation)

The Thirty-Fifth Fiscal Year

From January 1, 2025 to December 31, 2025

Mercedes-Benz Finance Co., Ltd.

Mercedes-Benz Finance Co., Ltd.

Balance Sheet

As of December 31, 2025

(Unit: 1,000 yen)

ASSETS	Amount	LIABILITIES	Amount
Current assets:	681,301,099	Current liabilities:	345,757,546
Cash in banks	1,102,359	Trade accounts payable	9,952,323
Short-term loans receivable	88,823,118	Short-term loans payable	159,120,151
Investment in finance leases	207,523,223	Current portion of long-term loans payable	87,000,000
Installment sales receivables	334,681,292	Current portion of long-term payables under securitization of Installment sales receivables	38,748,222
Accrued interest	1,019,202	Current portion of bonds	21,495,047
Prepaid expenses	13,272,957	Other payables	267,027
Other current assets	35,207,584	Accrued expenses	3,159,493
Allowance for doubtful accounts	△ 328,639	Income taxes payable	1,691,614
		Advances received	2,992,200
		Allowance for bonuses	181,677
		Unrealized profit on installment sales	21,107,329
		Other current liabilities	42,458
Non-current assets:	12,681,843	Non-current liabilities:	285,892,694
Tangible fixed assets:	9,024,209	Bonds	36,691,987
Operating lease assets	8,776,994	Long-term loans payable	114,300,000
Leasehold improvements	155,719	Long-term payables under securitization of Installment sales receivables	134,622,706
Furniture and fixtures	16,701	Asset retirement obligation	133,000
Vehicles	74,794	Other non-current liabilities	145,000
Intangible fixed assets:	213,001	TOTAL LIABILITIES	631,650,240
Software	213,001	NET ASSETS	
Investments and other assets:	3,444,632	Shareholders' equity:	62,332,702
Guarantee deposits	19,551	Paid-in capital	4,400,000
Deferred tax assets	1,083,771	Capital surplus:	4,410,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,341,309	Capital reserve	400,000
		Other capital surplus	4,010,000
		Earned surplus:	53,522,702
		Legal reserve	1,102,500
		Retained earnings	52,420,202
		TOTAL NET ASSETS	62,332,702
TOTAL ASSETS	693,982,943	TOTAL LIABILITIES AND NET ASSETS	693,982,943

(Note) Amounts are rounded down to the nearest thousand yen.

Mercedes-Benz Finance Co., Ltd.

Income Statement

For the fiscal year ended December 31, 2025

(Unit: 1,000 yen)

	Amount	
Sales:		
Installment sales	13,273,830	
Operating lease income	2,578,328	
Interest income on finance leases	7,758,754	
Interest income on loans	935,285	
Proceeds from sale of leased assets	2,777,219	
Other income	2,147,528	29,470,946
Cost of Sales:		
Cost of installment sales	3,854,222	
Cost of operating leases	2,366,807	
Financing costs	4,529,251	
Cost of leased assets sold	2,770,021	
Other costs	432,432	13,952,735
Gross profit		15,518,210
Selling, general and administrative expenses		5,782,314
Operating income		9,735,896
Non-operating income:		
Interest income		4,860
Recovery Prior Year Write-Offs		39,085
Miscellaneous income		128,511
Ordinary income		9,908,353
Extraordinary loss		
Loss on retirement of fixed assets		41,787
Net income before taxes		9,866,565
Income taxes - current		3,061,132
Income taxes - deferred		29,419
Net income		6,776,013

(Note) Amounts are rounded down to the nearest thousand yen.

Mercedes-Benz Finance Co., Ltd.

Statement of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2025

(Unit: 1,000 yen)

	Shareholders' equity								Total net assets
	Paid-in capital	Capital surplus			Earned surplus			Total shareholder's equity	
		Capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Retained earnings	Total earned surplus		
Balance as of January 1, 2025	4,400,000	400,000	4,010,000	4,410,000	1,102,500	61,984,299	63,086,799	71,896,799	71,896,799
Dividend	-	-	-	-	-	△ 16,340,111	△ 16,340,111	△ 16,340,111	△ 16,340,111
Net income for the year	-	-	-	-	-	6,776,013	6,776,013	6,776,013	6,776,013
Total changes during the year	-	-	-	-	-	△ 9,564,097	△ 9,564,097	△ 9,564,097	△ 9,564,097
Balance as of December 31, 2025	4,400,000	400,000	4,010,000	4,410,000	1,102,500	52,420,202	53,522,702	62,332,702	62,332,702

(Note) Amounts are rounded down to the nearest thousand yen.

Notes to Financial Statements

Amounts included in the following notes to the financial statements are rounded down to the nearest thousand yen.

1. Significant Accounting Policies

(1) Depreciation and amortization

1) Tangible fixed assets

Operating lease assets are depreciated using the straight-line method over the lease contract period with an estimated disposal value at the expiry of the lease contract as a residual value. Tangible fixed assets other than operating lease assets are depreciated using the declining balance method. However Leasehold improvements acquired on or after April 1, 2016 are depreciated using straight-line method. Useful lives applied are as follows.

Operating lease assets	1	~	4	years
Leasehold improvements	6	~	18	years
Furniture and fixtures	5	~	15	years
Vehicles	6			years

2) Intangible fixed assets

Software for internal use is amortized using the straight-line method over the estimated useful life of five to ten years.

(2) Allowances

1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for at an estimated uncollectible amount based on historical default rates for general receivables, on individual assessment of receivable collectability, and receivables in bankruptcy or reorganization.

2) Allowance for bonuses

Allowance for bonuses has been established based on amounts incurred in the current year.

(3) Revenue recognition

1) Revenue from operating lease contracts is recognized as "operating lease income" on an accrual basis over the lease contract period.

2) Revenue from finance leases without ownership-transfer consists of interest income allocated to each period not including lease payments received from users.

3) Gross receivable from installment sales are recorded at execution of installment sales contracts. Interest on such receivables is recognized when each installment becomes due. Interest on installment receivables that have not fallen due is deferred as Unrealized profit on installment sales.

2. Accounting estimates (Unit: 1,000 yen)

Allowance for doubtful accounts

(1) Amount recorded in the financial statements for the current fiscal year

Allowance for doubtful accounts(Current)	328,639
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(2) Information about the nature of significant accounting estimates for identified items

1) Calculation Method

Estimates of bad debt losses are based on the actual rate of bad debts for general receivables, and for receivables such as claims of concern and bankruptcy rehabilitation claims, the estimated amount of uncollectible losses is recorded in consideration of the recoverability of individual claims.

2) Key Assumptions

The primary assumption used in estimating bad debt loss is the bad debt ratio. The bad debt ratio is calculated based on the ratio of bad debt losses to outstanding receivables over a certain period of time in the past.

3) Impact on the financial statements of the following fiscal year

The allowance for doubtful accounts is estimated based on information available as of the end of the current fiscal year, but the actual amount of losses on bad debts may deviate from the estimate due to changes in the credit conditions of customers, including delinquencies.

3. Notes to Revenue Recognition

Proceeds from sale of leased vehicles

Our company recognizes revenue when title to the vehicle is transferred to the customer. Specifically, the Company recognizes revenue based on the following criteria

1) Sale to a leaseholder

After confirming the intention to purchase, the transfer of risk and economic benefits is considered complete when the purchase acceptance letter is issued, and revenue is recognized.

2) Sale to Mercedes-Benz Japan G.K.

Revenue is recognized upon issuance of a notice of sale after confirmation of the return of the leased vehicle.

4. Notes to the Balance Sheet

(Unit: 1,000 yen)

1) Receivables from and payables to affiliated companies	
Short-term monetary payables	188,756
2) Accumulated depreciation of tangible fixed assets	
Operating lease assets	2,745,733
Other tangible assets	115,673
Total	<u>2,861,406</u>
3) Securitized assets	
Installment sales receivables	185,498,752
Corresponding liabilities	
Long-term loan payables under securitization of Installment sales receivables (including current portion of long-term loans payable)	173,370,928

5. Notes to the Income Statement

(Unit: 1,000 yen)

1) Transactions with affiliated companies	
Cost of sales	219,557
Operating expenses	1,542,289

6. Notes to the Statement of Changes in Shareholders' Equity

1) Type and total number of outstanding shares

(Unit: Shares)

Share Type	Beginning Balance	Increase	Decrease	Ending Balance
Common stock	135,463	-	-	135,463

2) Dividends

Dividend payments

The following resolution regarding dividends was made at the regular shareholders' meeting held on March 18, 2025.

Dividends on Common Shares

1) Total dividend	6,340 million yen
2) Dividend per share	46,803 yen
3) Date of record	December 31, 2024
4) Effective date	March 26, 2025

The following resolution regarding dividends was made at the extraordinary shareholders' meeting held on September 19, 2025.

Dividends on Common Shares

1) Total dividend	10,000 million yen
2) Dividend per share	73,820 yen
3) Date of record	December 31, 2024
4) Effective date	September 29, 2025

7. Deferred Tax Accounting

Main sources of deferred tax assets

The deferred tax assets mainly arise from allowances for doubtful accounts, accrued expenses and deferred subsidies.

8. Financial Instruments

(1) General information of financial instruments

The Company manages and controls credit risk and residual value risk inherent in its main business, lease and installment sales of cars, based on the transaction information accumulated in the database. The Company's main sources of funding are bond issue and loans from related companies and banks.

(2) Risk control system for financial instruments

The Company does not conduct qualitative analysis of market risk. Financial instruments that are subject to risk of interest rate fluctuations are mainly Investment in finance leases, Installment sales receivables, bonds, Long-term payables under securitization of lease receivables, and Long-term loans payable. Assuming all other risk factors remain unchanged, 10 basis point (0.1%) decrease of the market interest rate at December 31, 2025 would have caused an increase of fair value of net financial assets and liabilities by 659 million yen and 10 basis point (0.1%) increase would have caused a decrease of fair value of net financial assets and liabilities by 656 million yen.

(3) Fair values of financial instruments

The following table shows the carrying amounts and fair values of the financial instruments as of December 31, 2025. Cash is omitted from the notes and deposits are omitted from the notes because they are settled in a short period of time and their fair value approximates their book value.

(Unit: 1,000 yen)

	Carrying amount	Fair value	Difference
(1) Short-term loans receivable (* 1)	88,823,118		
Allowance for doubtful accounts	△ 91,128		
	88,731,989	88,731,989	-
(2) Investment in finance leases (* 1)(*2)	207,523,223		
Allowance for doubtful accounts	△ 237,509		
	207,285,714	196,110,889	△ 11,174,824
(3) Installment sales receivables(*2)	334,681,292		
Unrealized profit on installment sales	△ 21,107,329		
	313,573,963	310,279,532	△ 3,294,430
Financial assets total	609,591,667	595,122,410	△ 14,469,254
(1) Bonds(*3)	58,187,035	57,255,705	△ 931,329
(2) Short-term loans payable	159,120,151	158,969,625	△ 150,526
(3) Long-term loans payable(*4)	201,300,000	197,592,647	△ 3,707,352
(4) Long-term payables under securitization of lease receivables(*5)	173,370,928	176,690,812	3,319,883
Financial liabilities total	591,978,115	590,508,790	△ 1,469,325

(*1) Allowance for doubtful accounts are deducted.

(*2) Deferred subsidies are not deducted from carrying amounts.

(*3) Current portion of bonds are also included.

(*4) Long-term loans payable due in one year are also included.

(*5) Long-term payables under securitization of lease receivables due in one year are also included.

(Note) The following methods and premises were used for calculation of the fair values of financial

Financial assets

(1) Short-term loans receivable

The fair values of loans with variable interest rates are estimated to be equal to the respective carrying amounts since the actual interest rates and those available on the market do not significantly differ unless credit conditions of debtors materially deteriorate. The fair values of loans with fixed interest rates are determined on the basis of discounted expected future cash flows. The discounting is based on the current interest rates at which similar loans could have been borrowed.

(2) Investment in finance leases and (3) Installment sales receivables

The fair values are determined on the basis of discounted expected future cash flows. The discounting is based on the current interest rates at which financial programs could have been utilized.

Financial liabilities

(1) Bonds, (2) Short-term loans payable, (3) Long-term loans payable, and (4) Long-term payables under securitization of lease receivables

The fair values of loans with variable interest rates are estimated to be equal to the respective carrying amounts since the actual interest rates and those available on the market do not significantly differ. The fair values of loans with fixed interest rates are calculated as the present values of the estimated future cash flows using current market interest rates.

9. Related Party Transactions

(1) Parent Companies

Relationship	Company name	Business	Ownership percentage of voting right	Details of relationship		Transaction details	Transaction amount (1,000 yen)	Account	Ending balance (1,000 yen)
				Concurrent directorship	Business relationship				
Parent company	Mercedes-Benz AG	Production and sales of vehicles and Finance and mobility service provider	95.11% (direct)	-	IT service	IT service cost*	10,519	Other payables	108,934
						MBM License fee*	1,531,770		
						Loan guarantee	Borrowing operating funds		

*As of December 31, 2025, Mercedes-Benz Mobility AG merged with Mercedes-Benz AG. These transactions reflect amounts transacted prior to December 31, 2025.

(2) Subsidiaries of Parent Companies

Relationship	Company name	Business	Ownership percentage of voting right	Details of relationship		Transaction details	Transaction amount (1,000 yen)	Account	Ending balance (1,000 yen)
				Concurrent directorship	Business relationship				
Subsidiary of parent company	Mercedes-Benz Japan G.K.	Import, sales of automobiles and related services	-	-	Borrowing Funds, Commission of administrative operation	Interest expense	305,940	Other current liabilities	26,664,379
						Outsourcing fee	262,454	Short-term loans payable	26,122,292
								Accrued expenses	97,173
								Other payables	6,405
Subsidiary of parent company	Mercedes-Benz International Finance B.V.	Financing of activities of Mercedes-Benz AG as well as Group companies and affiliated companies.	-	-	Borrowing Funds	Interest expense	851,882	Short-term loans payable	33,000,000
								Current portion of long-term loans payable	54,000,000
								Long-term loans payable	11,000,000
								Accrued expenses	1,351
								Other payables	448,480
Subsidiary of parent company	Mercedes-Benz Capital Invest. BV	Financing of activities of Mercedes-Benz AG as well as Group companies and affiliated companies.	-	-	Borrowing Funds	Interest expense	299,823	Short-term loans payable	91,000,000
								Current portion of long-term loans payable	17,000,000
								Accrued expenses	1,572
								Other payables	60,618

- (3) Transaction Terms and Policies to determine Transaction Terms, Etc.
1. Interest associated with the lending or borrowing of funds to or from the companies noted above is determined consistent with market conditions.
 2. Outsourcing expenses are determined based on operating expenses incurred by Mercedes-Benz Japan Co., Ltd.
 3. Transaction amounts do not include consumption taxes. Ending balances include consumption taxes.
 4. MBM license fees are determined by the License Contract "MBM License Model".
 5. IT service costs are determined by the "IT-Service Agreement" with Mercedes-Benz Mobility AG.
 6. Our company has received guarantees for bank loans from Mercedes-Benz AG. The guarantee fee (borrowing operating funds) is determined in accordance with the "Mercedes-Benz Group AG Guarantee Framework Agreement".

10. Per Share Information

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|--------------------------|----------------|
| (1) Net assets per share | 460,145.59 yen |
| (2) Net income per share | 50,021.14 yen |

Supplementary Schedules of Financial Statements
(Translation)

The Thirty-fifth Fiscal Year

From January 1, 2025 to December 31, 2025

Mercedes-Benz Finance Co., Ltd.

1. Details of Tangible Fixed Assets and Intangible Fixed Assets

(Unit: 1,000 yen)

Category	Asset type	Net book value at beginning of year	Increase	Decrease	Depreciation and amortization	Net book value at end of year	Accumulated depreciation	Acquisition cost
Tangible fixed assets	Operating lease assets	9,913,387	2,511,802	1,813,951	1,834,244	8,776,994	2,745,733	11,522,727
	Leasehold improvements	199,137	133,536	160,321	16,633	155,719	39,337	195,056
	Vehicles	161,276	64,571	102,979	48,073	74,794	49,791	124,585
	Furniture and fixtures	26,761	15,097	19,964	5,192	16,701	26,544	43,246
	Total	10,300,561	2,725,008	2,097,217	1,904,143	9,024,209	2,861,407	11,885,617
Intangible fixed assets	Software	267,124	0	5,407	48,715	213,001	/	/
	Telephone rights	2,981	-	2,981	-	0		
	Total	270,106	0	8,388	48,715	213,001		

(Notes) 1. Major increases for the current year are as follows.

(Unit: 1,000 yen)

Operating lease assets	Purchase of operating lease assets	2,511,802
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2. The major decrease for the current year is as follows.

(Unit: 1,000 yen)

Operating lease assets	Disposal and sale of lease assets	1,813,951
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2. Details of Allowances

(Unit: 1,000 yen)

Category	Beginning balance	Increase	Decrease		Ending balance
			Utilization	Others	
Allowance for doubtful accounts	509,874	197,868	379,104	-	328,639
Allowance for bonuses	127,914	181,677	127,914	-	181,677

3. Details of Selling, General and Administrative Expenses

(Unit: 1,000 yen)

Account	Amount
Salaries and bonuses	1,104,169
Social insurance	130,607
Temporary staff salaries	96,824
Other personnel expense	166,335
Retirement and severance benefits	42,514
Recruiting	5,334
Couriers	86
Advertising	47,153
Bank charges	25,528
Entertainment	41,063
Travel	34,756
Transportation	24,947
Taxes and public dues	196,555
Rent	40,073
Communication	9,841
Supplies	1,760
Professional fees	83,018
Utilities	6,387
IT costs	2,037,929
Depreciation and amortization	118,614
Outside services	478,364
Provision for doubtful accounts	197,868
Incentives	874,887
Others	17,693
Total	5,782,314