

Initiatives toward realizing a circular economy

We are connecting the “arterial” industries that manufacture and sell products with the “venous” businesses responsible for material recycling and moving beyond the scope of finance to take on the challenge of maximizing the value of recycled resources.



— Please tell us about your responsibilities and Mizuho Leasing's initiatives.

Ms. Shinsakaue: As an organization dedicated to new business development, our Innovation Co-creation Department plans and promotes business initiatives related to the circular economy. We believe the Company's primary focus should be on reducing society's environmental impact through efficient resource use and waste reduction. Leasing services hinge on “using” rather than “owning” things—an inherent characteristic that meshes well with collection, reuse, and recycling processes for used goods that gives the industry a strong affiliation with the circular economy. We believe we can help maximize the value of resources not only by providing leasing services but also by bridging the gap between upstream industries that manufacture and sell products and downstream industries that collect and recycle used products.

Mizuho Leasing signed a basic agreement with TRE HOLDINGS in 2022 to establish a business framework for the circular economy and committed capital to the partnership the following year in 2023. In my previous role in sales, I focused primarily on finance-driven activities. Today, through this collaboration, I've been able to move beyond traditional financial frameworks and shift my focus toward addressing the fundamental challenges faced by our customers and society—with a long-term perspective looking 10 to 20 years ahead.

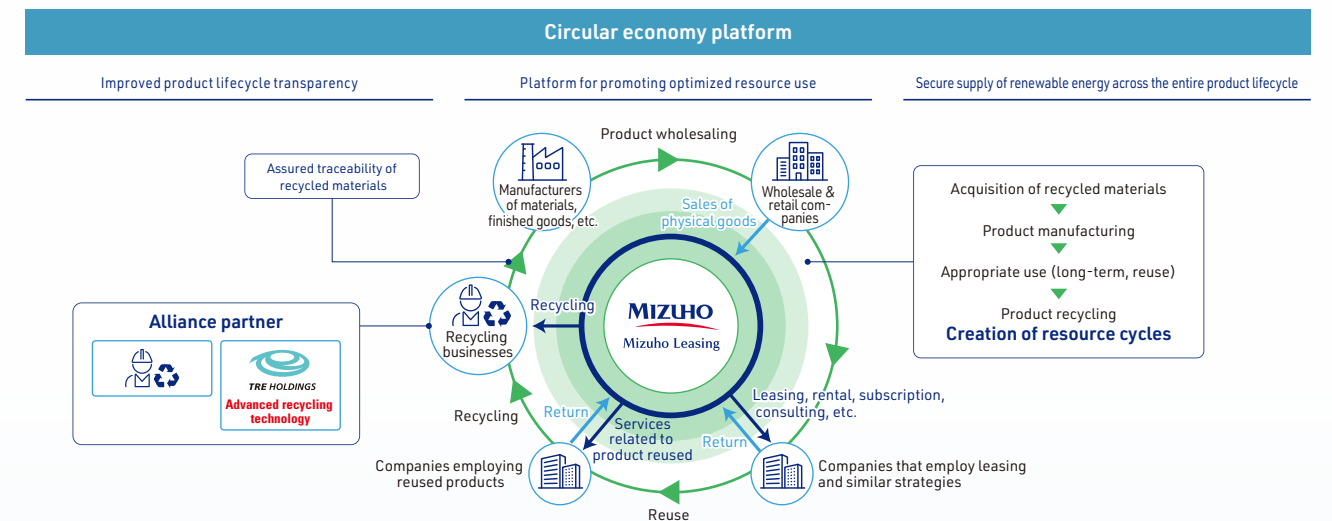
TRE HOLDINGS is a trusted partner with deep and practical understanding of on-the-ground realities. Their concrete, experience-based advice has been invaluable in complementing our perspective, helping us build a strong and collaborative relationship.

Mr. Kimura: I joined Mizuho Leasing as a midcareer hire last July. In my previous role, I sold petroleum derivative products in the chemical industry. As society's interest in environmentally conscious business has grown, my own awareness of sustainability has intensified and directed me toward a career change.

What has impressed me since joining Mizuho Leasing was the concrete progress being made on the circular economy. Seeing it not just in theory but as an operational business convinced



◀ Vision



me of the Company's serious commitment and growth potential. Currently, while engaged in work focused on the effective use of resources, I am deepening my expertise regarding the materials used in the products we handle through leasing, and improving my understanding of material lifecycle flows. I am grateful to be involved in meaningful work that contributes to society.

Mr. Momoi: I work in the Corporate Planning Department on inorganic growth strategies, where I support the establishment of frameworks dedicated to the circular economy. While the circular economy concept aligns well with our leasing business, what we can achieve on our own is limited. I want to pursue collaboration not only with alliance partners with whom we have capital ties, such as Mizuho Financial Group and Marubeni, but also with various companies that share our vision.

Mr. Furukawa: In the Digital Technology Promotion Department, we are exploring the promotion and management of resource circulation using digital technology and making it easier to share information across multiple companies. The current one-way system in which upstream industries produce, consumers use and discard, and downstream industries handle disposal, cannot achieve a true circular economy.

In recent years, digital technologies like IoT and AI have increasingly made managing in real time possible. While challenges remain, including operational frameworks and burdensome costs, the solution lies in mutual understanding born from the empathy and trust of the companies involved and people on the front lines.

Furthermore, to raise awareness of the circular economy, it's crucial for customers to experience tangible changes, even if they are minor. No one is prepared to wait for an outcome that takes a decade to materialize. While fixing everything at once is difficult, tangible changes in part of the process should encourage customers to think, “Let's expand on this a bit more,” paving the way for further growth.

— Please share the key points for advancing the circular economy going forward, as seen by our strategic partner TRE HOLDINGS.

Ms. Ono: TRE HOLDINGS is involved in the waste management business. When it comes to the circular economy, we have seen significant differences in customers' levels of commitment. While building digital platforms is important, I also believe a foundation of empathy and trust with our customers is indispensable. We need a dual-pronged approach: both the painstaking effort of visiting manufacturing sites to explain and deepen understanding of the circular economy's significance and building the platform.

Mr. Okuno: At TAKEEI, I also work in the waste management industry. Currently, I am seconded to METREC, a joint venture formed by Mizuho Leasing, REVER, and TAKEEI. As Mr. Furukawa mentioned, gaining customer understanding requires them to experience tangible change. I also believe it's crucial to steadily implement solutions at the societal level, beginning with small steps. I see the birth of METREC as one such step forward.

While it is common for companies to regularly publish press releases about the circular economy, translating relevant concepts into actual business models and subsequently developing them is not without difficulty. METREC, the new



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company that has emerged from our collaboration with Mizuho Leasing, is building this philosophy into an actual business. I believe our customers will recognize that we can effectively drive resource circulation.

— Please elaborate on the objectives behind establishing two new companies and the current status of their specific business.

Ms. Shinsakaue: Previously, during leasing proposals, when we received information from customers about facility closures or relocations, we limited our response to financial counsel. However, the establishment of METREC Co., Ltd., in August 2024 significantly broadened the scope of our business. METREC is a joint venture that leverages the strengths of three companies: TAKEEI, which specializes in waste disposal, contaminated soil surveys, and asbestos inspections; REVER, which primarily engages in purchasing valuable materials, taking industrial waste on consignment, and recycling; and ML Shoji, our subsidiary specializing in the reuse of idle assets. We now offer a one-stop solution covering everything from environmental services during facility consolidation to resale, removal, dismantling, and recycling of equipment as well as waste disposal. This permits us to take a comprehensive approach to serving customer requirements. This has also led to mutually complementary relationships with METREC.

Mr. Okuno: METREC is a newly established company with a high degree of freedom regarding how it develops as a business. We recognize one of its roles as serving as a hub connecting “venous” companies like TAKEEI and REVER with manufacturers and other “arterial” enterprises. In this capacity, it plays a central role in gathering and sharing information across a broad range of industries.

Mr. Kimura: In April 2025, we established ML ITAD Solutions Co., Ltd., to provide new services and value through our ITAD business. ITAD stands for IT Asset Disposition and refers to business services for properly disposing of IT equipment, including data erasure for PCs and shredding of storage media. The ITAD market is expected to continue expanding globally, driven by the advancement of DX, increased emphasis on data security, and improving supply chain transparency. Approximately 62 million tons of electronic waste (E-waste), including used IT equipment, is generated worldwide annually. It is estimated that about 80% of this is processed through



informal channels, leading to environmental pollution and human rights issues such as child labor.

ITAD business can contribute to solving these problems. Furthermore, the Japanese government is strengthening policies to secure and recycle rare metals as domestic resources. ML ITAD Solutions plans to establish a system in which TRE HOLDINGS disassembles used IT equipment collected from customers and recycles rare metals domestically. Additionally, the company intends to provide customers with traceability information regarding the domestic resource recycling process.

Mr. Momoi: From the initial idea for a new business venture to the establishment of ML ITAD Solutions took only about six months. While our current medium-term management plan targets a future for the Company as an organization that challenges itself to create new value, I believe the keys to success have been the management team's leadership with organizational culture reform and participating companies' shared vision, cooperation, and strong commitment.

We are currently pursuing facility consolidation services and ITAD business through separate joint ventures. However, to further advance the circular economy, there are still gaps affecting other products and value chains that need to be filled, which will demand collaboration with new partners.

Mr. Furukawa: As Mr. Momoi mentioned, empathy and shared vision are absolutely critical. Even when tackling groundbreaking initiatives, we constantly strive to co-create new ventures with partners and customers.

As one such new initiative, multiple companies including our firm and TRE HOLDINGS are sponsoring a reuse matching platform project for Expo 2025 Osaka, Kansai, Japan. We are involved in operating a service called “MYAKU-ICHI!” that matches businesses seeking to effectively reuse materials, equipment, and fixtures from pavilions slated for demolition after the Expo with those looking to repurpose them.

— From a partner's perspective, how do you evaluate the collaboration with Mizuho Leasing?

Ms. Ono: A key development since we began collaborating with Mizuho Leasing is the accelerated pace of cooperation among upstream and downstream companies. In just a year, we've produced numerous examples: the establishment of METREC, the domestic resource circulation initiative for used

IT equipment using ML ITAD Solutions, and the demonstration project conducted with the Nippon Light Metal Group to build a closed-loop system for aluminum used in commercial waste truck bodies.

In launching circular economy initiatives, it was previously necessary to build bilateral relationships from scratch between an upstream and a downstream business. The biggest bottleneck was the time required just to get to the starting line, as aligning the objectives of companies representing completely different industries involved a lot of trial and error.

However, with Mizuho Leasing acting as a coordinator, the discussion steps became clearer, enabling swift and candid conversations between us. The scope and nature of our collaboration also expanded significantly—from proofs-of-concept to actual business ventures—allowing us to appropriately address the growing interest and demands surrounding the circular economy.

Mr. Okuno: Since our collaboration began, opportunities for discussion have increased significantly. Previously, when REVER and TAKEEI worked together, our conversations inevitably focused solely on matters common to two “venous” companies. However, with Mizuho Leasing joining us, we can



now have lively discussions that incorporate perspectives from the “arterial” side, as well as insights into customer challenges and initiatives—information we previously lacked.

Ms. Ono: I appreciate Mizuho Leasing's management deals, “Connecting Needs, Creating the Future.” Through our collaboration, I increasingly recognize how this concept is profoundly relevant to the circular economy—specifically in bridging the gap between upstream and downstream industries.

Personally, I hope we can further deepen our collaboration in areas like domestic resource circulation for metals and plastics. From an economic security perspective, the outflow of various recovered resources overseas has recently become a concern. Establishing a system where these materials are reprocessed domestically by “venous” companies and recirculated into the “arterial” flow through Mizuho Leasing is one of the key themes we should tackle moving forward.

Mr. Okuno: Another change, to reiterate an earlier point, is that we've actually commercialized this model through the establishment of METREC and ML ITAD Solutions. Regardless

of how much we advocate for a circular economy, we will not be able to gain consensus without tangible results.

Another crucial factor is the volume of business we can develop for the Mizuho Financial Group's clients using these two newly established companies as hubs. While the TRE Group primarily focuses on environmental solutions, our collaboration with Mizuho Leasing enables us to address client requirements on two fronts: finance and the environment. Expanding this platform will be vital for propelling development of the circular economy.

— Please share Mizuho Leasing's future initiatives and outlook for advancing the circular economy.

Mr. Kimura: We will continue to strengthen our role as a coordinator for the integration of supply and return streams alongside TRE HOLDINGS. Our goal is to establish a sustainable business model that not only contributes to society but also produces economic returns.

Moreover, we aim to widen the scope of our business beyond Japan and broaden our horizons internationally. As we closely monitor trends in Europe, which is leading in rulemaking, we plan to research global markets, including Asia, and explore potential business expansion opportunities.

Mr. Momoi: As someone tasked with aiding everyone working to advance our inorganic growth strategy, I intend to maintain our support by building the necessary framework. This involves leveraging the capabilities of partners and parties from various industries to supplement capabilities we lack internally. Thereby, we can further drive the circular economy.

Ms. Shinsakaue: The most critical factor in realizing a circular economy is linking up and strengthening the value chain from manufacturing to use to recycling and across industry boundaries.

Traditionally, many sectors have operated in silos, leading to fragmented resource circulation. However, the essence of the circular economy lies in enabling products and resources to generate value repeatedly through multiple stakeholders, rather than being scrapped after a single use. By strengthening cross-industry collaboration, we aim to transform resource flows from isolated points into connected lines, and ultimately into expansive networks. We are committed to driving this forward by pooling the combined strengths of the TRE Group, Mizuho Leasing, and the Mizuho Financial Group.

