

Risk Management

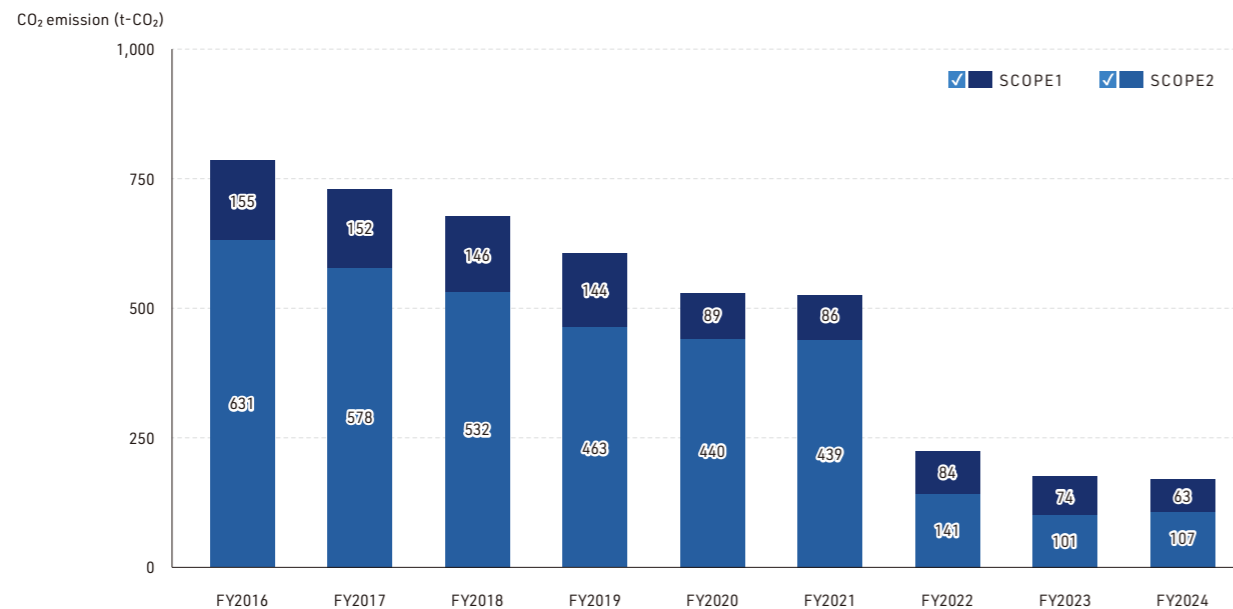
See "Risk Management" on p. 44 for details.

Indicators and Targets

Decarbonization and related climate change and energy issues are among the most important global concerns. The Mizuho Leasing Group is working to not only achieve CO₂ emission reduction targets but also to promote electricity generation from renewable resources and working to achieve a circular economy that recycles and conserves resources, energy, and finished goods. In our pursuit of a circular economy that minimizes waste generation by maximizing resource recycling, we have set the following indicators and targets to help us reduce CO₂ emissions to the benefit of society.

	Indicator	Target
Decarbonized society	Securing renewable energy power generation capacity	1GW (FY2025)
	Reduce CO ₂ emissions from scope 1 & 2*1	Net zero (FY2030)
Circular economy	Chemical and materials recycling rate	More than 85% (FY2027)

CO₂ emissions (scopes 1 and 2) *1



CO₂ emissions (scope 3) *1

Leasing companies own and manage vast inventories of assets but, in most transactions, the customer selects and uses the leased assets exclusively, making it difficult to keep track of emissions. Moreover, it is not possible to offer only to lease assets with low emissions or to control the emissions associated with the use of leased assets, and CO₂ emissions correlate with transactions scale. Despite these complications, as the owner of leased assets, we are in a position to curb emissions within the scope of our own influence.

We have calculated emission volumes and mitigating controls and have estimated the scale of emissions in categories 11 and 13, which cover the transportation equipment sector (automobiles and aircraft).

Category	FY2022	FY2023	FY2024
1 Purchased products and services	174,226	130,073	175,978
2 Capital goods	1,645	2,310	5,892
3 Fuel- and energy-related activities not included in scope 1 or 2	78	72	71
5 Waste generated by operations	12	10	12
6 Business travel	165	167	169
7 Employee commuting	309	309	315
11 Use of sold products	108,798	65,908	92,396
12 Disposal of sold products	21	13	11
13 Leased assets (downstream)	722,389	770,237	765,430
15 Investment	16,242	20,270	— *2
Total	1,023,885	989,369	— *2

*1: Parent plus seven domestic consolidated subsidiaries. However, some scope 3 data includes overseas consolidated subsidiaries.

*2: This data is preliminary; official values will be disclosed on our website when finalized.

Other environmental initiatives

Progress toward environmental targets

FY2024 Targets	Results for FY2024	Progress
Reuse rate* of at least 60%	72%	120%
Used product turnover of ¥170 million	¥194 million	114%
Thorough implementation of quasi-legal processing based on the rate of periodic surveys in companies commissioned to dispose of industrial waste	Companywide	100%

* Reuse rate: Number of sales / Number of leases and re-leases ending

Targets and Results of the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging

In accordance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, which came into effect on April 1, 2022, we have announced our targets as well as actual waste volumes and recycling rate data for plastic components of leased items that will be disposed of in FY2024.

Target	Results for FY2024
Recycling rate for properties at the end of the lease Recycling rate including thermal recycling for a five-year period starting in FY2022: average of 92% or more	Amount of waste from plastic products at end-of-lease: 212 tons Recycling rate (including thermal): 93.5%

Initiatives for a Circular Economy

As a nexus between production/distribution and recycling/disposal industries, we aim to build a platform for a circular economy through collaboration with alliance partners and to realize a recycling-oriented and decarbonized society. [p.27-30](#)

Initiatives for conserving biodiversity

Participation in the "Keidanren Initiative for Biodiversity Conservation"

We support the aims of the "Keidanren Declaration for Biodiversity and Guideline" formulated by the Keidanren (Japan Business Federation) and the Keidanren Committee on Nature Conservation, and have participated in the "Keidanren Initiative for Biodiversity Conservation." As corporate initiatives toward a nature-positive* are expected to accelerate in Japan, we will continue to promote business activities that contribute to the conservation and restoration of biodiversity and natural capital.



Integrating Forest Conservation and Finance

We have signed a basic agreement on collaboration with Green Elm Co., Ltd., a company engaged in forest conservation, to work toward the realization of a nature-positive. By combining Green Elm's expertise in creating locally adapted, naturally regenerative forests with our financial expertise, we aim to develop a new type of natural capital utilization service called "Natural Forest as a Service."

We will continue developing solutions to have corporates receive the long-term nature's value and foster a new relationship between companies and nature that meets the needs of the times.



*Nature-positive: The concept of halting and reversing biodiversity loss.