

Outside Directors Roundtable

Leasing real estate is a traditional business, this particular project involved the challenge of developing our own branded properties and developing the business ourselves.

This represents a step beyond the conventional approach: cross-selling tied to lease contracts and the creation of new business opportunities. The circular economy initiatives we promoted in the previous year follow the same logic. We sense a clear aggressive stance, with the Company transitioning to more highly leveraged business models and beyond the simple accumulation of lease contracts.

Regarding corporate value, PBR was intensively discussed at the May Board of Directors meeting. We rigorously examined whether management had put concrete improvement plans in place and if the strategic execution schedule was appropriate. We commend the ongoing efforts to review the business portfolio for profitability improvements and strengthen project screening, and we are closely monitoring medium-to-long-term quantitative changes.

Ms. Watanabe: Regarding the next medium-term management plan, I believe that both challenging new areas and deepening our existing core businesses are equally important. Our traditional core businesses, such as aircraft leasing and real estate, continue to show significant potential for growth. While it is essential to expand into new areas, the Company also possesses numerous subsidiaries, which represent substantial assets and various strengths. The key to growth lies in the way we go about expanding and deepening our current core domains, including these subsidiaries.

At the same time, Marubeni's involvement enables us to pursue a more ambitious risk-taking agenda than before. We must boldly accept this challenge while carefully balancing risk and return. In so doing, it is crucial that we build upon our leasing foundation while incorporating characteristics of trading companies and property developers to broaden the scope of our operations.

Ultimately, the most critical factor in realizing these initiatives is lining up the talent and resolve to decisively execute what we are determined to do. At this stage, we recognize that execution capability is the key to enhancing corporate value.

Mr. Itai: Our asset size and corporate scale are still insufficient to attract significant attention from overseas investors. That said, rather than indulging in M&A solely for the sake of getting bigger, we need to create strategic scale that also produces qualitative growth. There are also ongoing discussions among the Board members regarding talent acquisition and whether our current talent base can handle new business domains and how we can obtain talent through our own sourcing

capabilities.

While it takes time to develop talent, I believe one approach is to recruit experienced professionals from diverse industries. Naturally, many of our current employees have financial backgrounds. Competition for talent will be fierce, but I consider it crucial to attract individuals from outside Marubeni, including individuals from other industries.

Mr. Aonuma: It's undeniable that the complexity of our business can be hard for the market to understand. Therefore, we need to focus more intently on IR disclosure and clearly communicate our value as a platform company to investors.

Regarding risk management, we maintain the reliability expected of a financial company and have established strict rules for both financial and operational risk. For financial risk, we observe preset limits on the risks that can be taken. We also need to emphasize that our rules for operational risks, such as misconduct, are clearly defined.

Mr. Urata: Actively recruiting experts from the market through midcareer hiring and effectively utilizing the management teams we have welcomed through M&A are also crucial. If we can effectively leverage the talent of these teams, it may be possible in some cases to recruit that talent to our company. Furthermore, there may be individuals in possession of superior skills and insights who could greatly inspire the next generation of talent at Mizuho Leasing.

Communication with the market is also a major challenge. At the Board of Directors meeting, it has been pointed out that our IR activities should be more proactive and that efforts to engage overseas institutional investors need to be strengthened. We must therefore engage in more proactive communication with investors. One challenge is that, when viewed within the framework of the leasing industry, our current scale and profit levels within the industry have resulted in almost no analysts covering us. Alongside efforts to increase awareness among overseas institutional investors, we believe wider information dissemination strategies are extremely important.

Mr. Sone: The catalyst needed for the Company to generate growth is momentum. To achieve this, we must proactively execute our investment strategy, publish information about our transformation, and earn recognition from the markets and other stakeholders. This approach will help us increase corporate value while generating tangible business results, which are essential for our future growth.

We, as members of the Board of Directors, intend to oversee these execution challenges and provide ardent support.

Message from the Chairman of the Board of Directors

Beyond the scope of leasing

As we navigate our ongoing transformation, the Board of Directors is to fulfill its traditional oversight role but also proactively support the Company's executive team as needed. Our strategic direction is shifting dramatically as we enter new areas of investment, and we are pursuing an approach to Board business that precisely aligns with the nature of each initiative.

Fostering a board that drives transformation: cultivating an environment for active discussion

What I prioritize most in the Board of Directors' operations is an atmosphere that invites open discussion. To create conditions where participants feel relaxed and comfortable speaking up, we schedule icebreakers before meetings and carefully consider the order of speakers. For instance, on system-related agenda items, I purposefully avoid having experts like Director Mari Sagiya, who has overseen numerous projects as an executive at IBM Japan, lead off. Instead, I encourage other directors to speak first from the perspective of an interested nonexpert in the field and then conclude the discussion with the expert's insights. This approach ensures we consciously communicate to avoid overlooking risks or pitfalls obscured by the discussion process.

Even during lively discussions, fundamental questions can sometimes be missed. For example, when considering a new business initiative, if there are cases where similar ventures failed at other companies, we work to ensure that the Board of Directors consistently avoids overlooking basic questions. This prevents opinions from being pushed through without discussing fundamental issues, such as factors that precipitated the failure.

Revamping organizational culture through diversified talent

A major change in the Board between last fiscal year and today has been the participation of two new outside directors. We regularly bring in new outside directors to introduce fresh perspectives and maintain a sense of urgency in our deliberations. This time, we welcomed outside directors from ORIX Corporation and Marubeni Corporation.

We have also welcomed executive talent from Marubeni, with whom we have a business alliance. Our corporate culture is verifiably changing. Traditionally, our company has been dominated by people with financial backgrounds, but the participation of new executives from trading companies has significantly broadened the scope of our agenda. For example, when considering real estate investment projects in hot spring areas, the traditional financial perspective focused primarily on analyzing property value and visitor numbers. However, perspectives from trading company professionals, who may pose such questions as over what duration can sufficient hot spring flow be projected, give us a multifaceted view. This has sharpened our assessment of business opportunity and risk.

Enhancing the effectiveness of Board activities through separation of executive and supervisory roles

I previously served concurrently as both President and Chairman of the Board of Directors of our company. I keenly felt the difficulty of distinguishing between these roles. There were times when even I had trouble discerning whether I was speaking as the head of the executive function or as Chairman. I imagine it was even more difficult for other



Chairman of the Board of Directors
Shusaku Tuhara

Message from the Chairman of the Board of Directors

directors to determine the capacity in which my remarks were made. Currently, I am completely detached from executive duties and do not participate in the Management Committee or attend any other executive-level meetings. To gather information necessary for the operation of the meeting of the Board of Directors, I receive reports lasting approximately 30 minutes to one hour from each division head and group leader about once a month. This helps me understand the underpinnings of questions raised at Board meetings despite my nonexecutive role and to elicit answers from appropriate executives in attendance. I believe that carrying out the Board's proceedings with a clear delineation of executive and supervisory roles while maintaining an understanding of executive operations is crucial to enhancing the Board's effectiveness.

Modifying investment criteria to support business expansion

In response to our diversifying business domains, we established a new Business Investment Committee within our internal committee structure to assess the risks of prospective business investments from multifaceted perspective. We are also considering modifying the criteria for deciding matters for discussion at Board meetings. Previously, all matters, including those of lesser prominence, were uniformly discussed at the meeting of the Board of Directors. As our business domains expand, we need to more effectively tune the level of detail discussed from a supervisory standpoint. When discussing the ¥10 billion investment in Rent Alpha Pvt. Ltd., we thoroughly deliberated on the matter, which represented a large investment relative to the previous fiscal year's net profit of ¥14.9 billion. Starting with the fundamental question of whether it makes sense to invest at this scale in India, where we have no prior experience, we thoroughly

examined the risks and opportunities before proceeding. In this way, from an early stage we carefully consider the timing of when matters are brought before the Board of Directors based on the significance of each case.

Capital efficiency improvement and future business outlook

Our PBR is currently around 0.9 (as of September 2025), and we recognize that a PBR below 1x poses a critical challenge. As one measure to improve PBR, the Board of Directors deliberated to firmly align our understanding of the current state of our collaboration with Marubeni. To gain agreement regarding areas in which we currently do not engage, we need to encourage greater awareness of our company within each of Marubeni's operational units. We are monitoring the ways in which tighter executive-level collaboration with Marubeni can ultimately boost profits and serve as a key driver of PBR improvement. Meanwhile, as we expand our domestic investor base, we are also prioritizing our appeal to overseas investors as a key agenda item for improving PBR. Led by our CFO, who has extensive experience overseas, we are exploring methods for strengthening our global IR agenda. Moreover, as collaboration with trading companies enhances the potential for overseas business expansion, the Board of Directors is supporting the executive team in advancing the parallel globalization of our business and our investor base. Finally, as we formulate the next medium-term management plan, the Board of Directors is thoroughly debating the Company's vision, where we currently fall short of achieving it, and how to close that gap. By consistently addressing fundamental questions and constructively discussing matters from multiple perspectives, we can realize sustainable growth and deliver value to our stakeholders.

Message from the Audit & Supervisory Board



Outside Corporate Auditor

Hideki Amano

Effective corporate governance

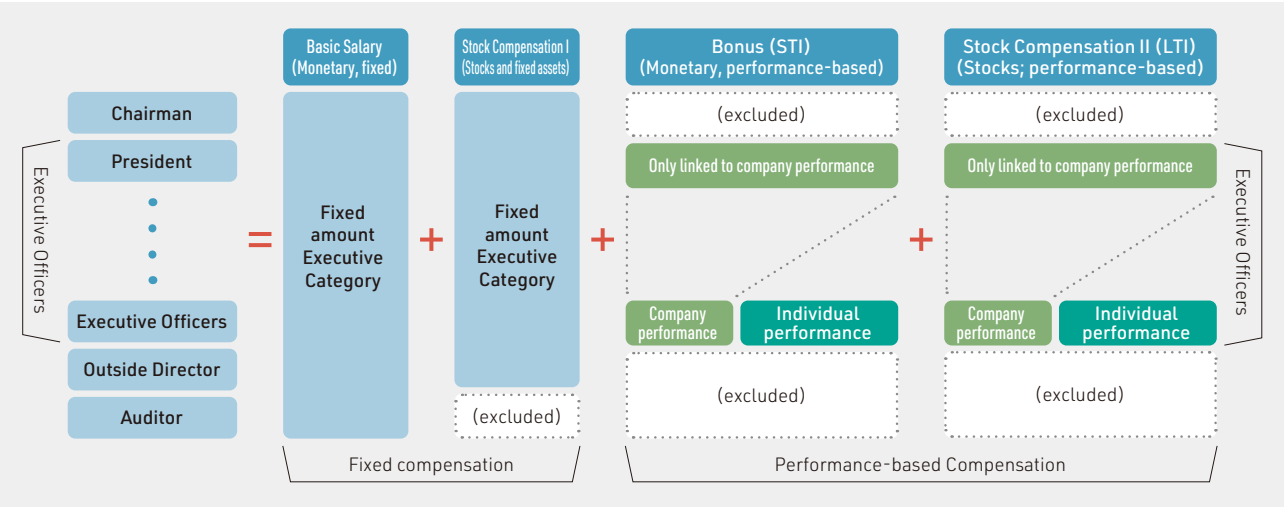
We recognize that the Company maintains an open atmosphere with smooth internal communication. At meetings of the Board of Directors, free and open exchanges of opinion occur, with a focus on business development and growth balanced against discussions on mitigating attendant risks. As a member of the Audit & Supervisory Board, I strive to accurately assess the situation on the ground and pay heed to voices from the field. This involves not only meetings with inside and outside directors and executives of each business group, but also onsite inspections at our operating locations. We are also working to transform our corporate culture and have observed positive and steady change. This fiscal year marks the final year of our Medium-term Management Plan 2025. In a business environment of intensifying uncertainty, this is a crucial year for driving the next medium-term management plan forward, strengthening the management foundation to support growth beyond that, and transforming and enhancing the business portfolio. From the perspective of internal controls and corporate governance, I intend to closely monitor progress to ensure efforts to strengthen our business foundation and other initiatives are suitably transparent.

Executive Compensation

Basic Policy

The underlying policy governing executive compensation is to clarify the link between compensation and the performance of the company and the value of its shares. This ensures that directors are motivated to raise performance and corporate value over the medium-to-long term while imparting to shareholders an awareness that this will increase the value of the company's shares. To achieve this, the compensation for executive officers consists of a base salary (fixed compensation) and performance-linked compensation. The maximum amount of compensation for directors is deliberated by the optional Nomination and Compensation Committee with a quorum consisting of a majority of outside directors. Compensation is then decided by a resolution of the board of directors and put forward as an agenda item at the General Meeting of Shareholders. The calculation method for directors' compensation pool's share of the budget are decided by the board after deliberation by the optional Nomination and Compensation Committee. On June 25, 2025, the board of directors resolved to revise the policy regarding the determination of individual compensation for directors. The summary is as follows.

Composition of Executive Compensation



Company Performance Evaluation Metrics

	Evaluation Metrics	Content and Purpose
Bonus (STI)	Gross profit before funding costs*	Selected as an indicator to measure the fundamental profitability of our group
	Ordinary income	Selected as an indicator to measure the profitability of our group, including equity method gains
	Net income attributable to owners of the parent	A key management objective serving as the primary source for dividends and returns to shareholders, selected as an indicator to measure its degree of achievement
Stock Compensation II (LTI)	Comprehensive Sustainability Assessment	A comprehensive evaluation of contributions to a decarbonized economy and circular economy, as well as initiatives in human capital management. Adopted as an indicator to enhance corporate value over the medium to long term. Examples: Renewable energy-related targets, circular economy-related targets, human capital investment-related targets, work-style reform, women's advancement-related targets
	Relative TSR (vs. TOPIX Growth Rate)	Adopted as an indicator to demonstrate awareness of shareholder interests through continuous enhancement of corporate value and dividend policy
	Linked ROE (current period profit)	Adopted as an indicator to steadily enhance earnings power relative to shareholders' equity, thereby driving increases in stock price and PBR.
	Consolidated ROA (ordinary profit)	Adopted as an indicator to measure improvements in asset efficiency and the transition to an asset-turnover-based business model

Fiscal 2024: Total compensation budget for directors and corporate auditors

Category	Total Remuneration (¥ million)	Total Amount by Compensation Type (¥ million)				Number of Directors Receiving Compensation (person)
		Base Compensation (Fixed)		Performance-based Compensation		
		Basic Salary	Stock Compensation I	Cash bonus	Stock Compensation II	
Directors (Outside Directors)	467 (77)	300 (70)	18 (7)	62 (—)	85 (—)	15 (7)
Auditors (Outside Auditors)	86 (61)	86 (61)	—	—	—	5 (4)
Total (of which are outside officers)	554 (138)	387 (131)	18 (7)	62 (—)	85 (—)	20 (11)