Risk Management

Message from the Head of Risk Management Group

Under Medium-Term Management Plan 2028, the Mizuho Leasing Group is pursuing value chain and business domain expansion, the creation of new businesses and inorganic business investments, with a view to accelerating transformation of our business portfolio.
This has resulted in even greater diversification of the risks and issues that need to be assessed and addressed—not only credit-, market- and asset-related risks and issues, but also those pertaining to changes in the business climate, the feasibility of business plans, contract terms and conditions, governance, and so forth.
Against this backdrop, we are working to enhance our risk management in recognition of how important it is to accurately assess risks associated with various business strategies and the nature of individual projects, in order to achieve healthy growth while enhancing our corporate value.
As part of this endeavor, in April 2026 we established the Business Investment Review Division to address the growing number of business investment opportunities and enhance our investment decision-making process. With the cooperation of relevant departments, the Business Investment Review Division is spearheading efforts to strengthen evaluation of investment returns relative to the attendant risks, and to enhance the effectiveness of investment discipline while strengthening post-investment monitoring.
Going forward, we will continue working to support the group's evolution and growth by carefully assessing the nature and amount of risk the Group can appropriately assume, establishing clearer criteria for evaluating risk and return (including consideration of capital efficiency), and fostering a robust risk culture.



1 〉Risk Management Structure

To ensure that we accurately detect, analyze, and control risks related to our business activities and reduce their impact on the company's management, the head of the Risk Management Group oversees and promotes risk management from a companywide perspective. A system has been established to respond quickly and flexibly to risk events via organizations in charge of specific risks according to class and scope.
The group categorizes the risks that arise in the course of business into financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively. It has established a risk management system for each category. In addition, meetings of the PM/ALM Committee and Risk Management Committee are convened with the goal of enhancing risk-related communications and reporting the status of risk management to the Board of Directors.

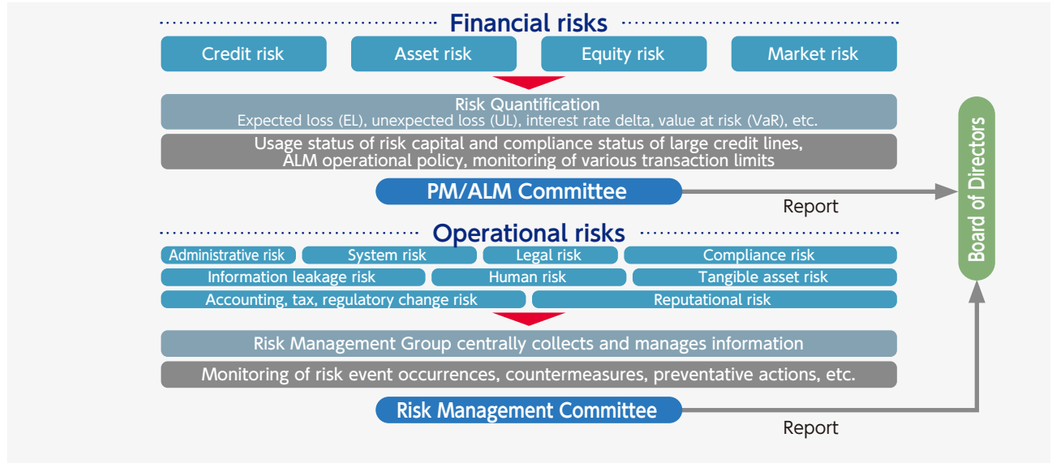
2 〉Financial Risk Management System and Risk Capital Allocation

In order to comprehensively understand and control financial risk, we operate under a "risk capital allocation" framework, and we are working to maintain business stability and improve profitability at the same time.
Specifically, we manage each quantified risk in an integrated and centralized manner, keeping the total amount of risk within a certain range of our capital, and we have a system in place that allows us to take risks in a rational and efficient manner within the allocated risk capital for each risk category.
During the annual business planning exercise, the Board of Directors sets the Risk Capital Allocation Plan, which governs how much risk capital is allocated to each risk category. Risk is measured and reported to the Board of Directors as part of the monthly update on the status of business operations.

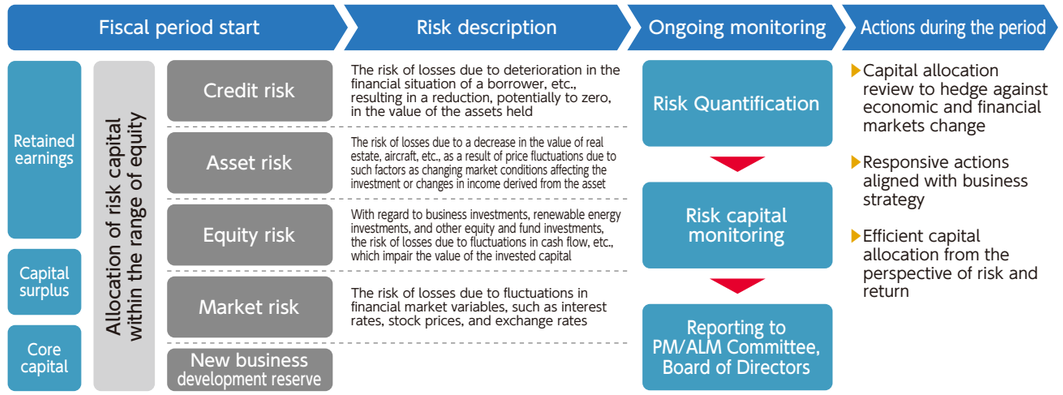
3 〉Operational Risk Management

The Risk Management Group centrally collects and manages adverse operational events caused by deficiencies and clerical errors, compliance issues, inappropriate business practices, system failures, and external factors, and monitors these events to facilitate appropriate responses for each risk category, including countermeasures and measures to prevent recurrence. The status of any such risks is reported to the Risk Management Committee and the Board of Directors.

Risk Management Structure



Risk Capital Allocation



*Please also refer to page 87, "Business Risks."

Company-wide Response to Cybersecurity Risks

Our group views the increase in cybersecurity risks as one of the important management issues and is strengthening its company-wide response. The risk management framework, including the group-wide response policy, responsible parties, management structure, and the duties and responsibilities of pertinent staff, has been clarified, and we have specifically designed a basic policy for cybersecurity risk management Additionally, we are strengthening measures to enhance early detection and defense capabilities against cyberattacks. These include implementation of monitoring systems by specialized teams such as the Computer Security Incident Response Team (CSIRT) and Security Operation Center (SOC), deployment of multi-layered defenses, and adoption of zero trust frameworks, all in collaboration with external experts.
In recent years, cyberattacks affecting our business partners have become more frequent, necessitating strengthened cybersecurity measures across the entire supply chain. We are taking appropriate countermeasures.
For both executives and employees, we are working to enhance their response capabilities through joint cybersecurity training (pictured) across the Mizuho Leasing Group and to raise security awareness through e-learning


Information Sharing and Action Plan Discussion at the Emergency Task Force Meeting (Exercise)