CFO Message



1 Review of the Medium-Term Management Plan 2025

Under our Medium-Term Management Plan 2025, we categorized our business portfolio into three areas with different growth time frames (Core, Growth and Frontier). By appropriately managing short-term profitability focused areas and areas which require growth investments to increase profitability over the medium-to-long term, we have strengthened our business foundation.
Specifically, we continuously built up high-quality assets in domestic leasing and real estate, while actively committing management resources to growth areas such as global business and environment & energy, positioning them as revenue pillars second only to our core business.
Meanwhile, we are also actively committing upfront investment to Frontier areas, such as the circular economy and XaaS, that could become new revenue sources over the medium-to-long term.
In fiscal 2025, net income attributable to owners of the parent climbed to a record high of ¥47.6 billion, far exceeding the Medium-Term Management Plan 2025 target. This was due to the buildup of operating assets centered on real estate and initiatives within each business area, together with earnings contribution from our Indian subsidiary Mizuho RA Leasing and higher equity method earnings from Nippon Steel Kowa Real Estate, Aircastle Limited, and others.
At the same time, we also achieved the Medium-Term Management Plan target levels for financial targets of operating asset growth and ROA as measured by ordinary income.

Medium-Term Management Plan 2025 financial targets and results

	FY2025 target	FY2025 results
Net income attributable to owners of the parent	¥42.0 billion	**¥47.6 billion**
Operating assets*	+¥700.0 billion	**+¥819.8 billion**
ROA	1.6%	**1.6%**
ROE	12%	**11.7%**

*vs. end of March 2023

Financial strategy under the Medium-Term Management Plan 2028

2 Current external environment and anticipated changes in business conditions

Uncertainty persists concerning geopolitical risks including the prolonged war in Ukraine and the situation in the Middle East and Iran. Japan has returned to a world of positive interest rates, and the economy's exit from deflation is taking hold. Developments in AI and other technologies are also accelerating, and the current external environment is undergoing significant change. While we anticipate corresponding changes in the business environment, we regard these as emerging business opportunities and will enhance corporate value by firmly meeting customer needs.
Among the prevailing external factors, interest rate trends are particularly important to us. The Bank of Japan hiked its policy interest rate in December 2025 and again in June 2026. Further interest rate increases are also expected in response to the yen's continued weakness and the need to curb the resulting inflation. Rising interest rates are passed through to lease payments and, after a lag, raise yields on operating assets. Funding rates, however, rise first, making higher rates a cost-positive factor in the short term.
The growth in operating assets and in foreign currency-denominated assets in recent years has also made ALM operations increasingly important. We are curbing funding costs by optimizing our fundraising methods, controlling interest rate and foreign exchange risks, and building a stable funding structure through funding diversification.

3 Business portfolio transformation

Leveraging our reliable fundraising capacity and the capital reinforcement achieved through retained earnings, capital increases, and other channels, we have steadily grown our operating asset base and enhanced our earning power. Growth centered on domestic asset growth has its limits, however, and taking the next step up from our current position requires us to incorporate overseas businesses and new business areas in Japan.
To achieve stable, sustainable growth under the Medium-Term Management Plan 2028, we believe we must build a robust earnings structure that does not rely excessively on the balance sheet. By reorganizing portfolios into subunits with different growth horizons within each business headquarter and pursuing suitable initiatives, we are rebalancing toward high-ROA assets while strengthening our non-interest, fee-based businesses and asset recycling businesses.
Expanding our overseas asset base requires stronger fundraising capacity, and we are establishing a risk-tolerant financial structure with a view to obtaining a global credit rating in the future.

Earnings structure transformation	A risk-tolerant financial structure
Sub-portfolio management with different time horizons in each business headquarter	Raise return on assets (ROA) and maintain return on equity (ROE) while improving the equity ratio
Management enhancements on a business headquarter-scale and focus on cost-effectiveness (funding costs, SG&A)	Enhancement of ALM operations amid rising interest rates; diversification of non-yen funding

Improve **ROA**

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Medium-Term Management Plan 2028 Financial Targets (¥100 million)

	FY2022 results	FY2023 results	FY2024 results	FY2025 results	FY2026 forecast	FY2028 MTMP target
Ordinary income	401	509	662	650	670	–
Net income attributable to owners of the parent	284	352	420	476	520	600
ROA	1.4%	1.6%	1.8%	1.6%	–	1.7% or more
ROE	11.8%	12.3%	12.2%	11.7%	–	11% or more
Equity ratio	8.9%	9.2%	9.8%	10.3%	–	Around 12%
Equity	2,628	3,089	3.829	4,281	–	–
Total assets	29,546	33,633	38,981	41,753	–	–

The Plan's section "Earnings structure transformation," stipulates financial targets of the Medium-Term Management Plan 2028 that include net income of ¥60.0 billion, which is to be achieved by managing the business portfolio down to the sub-portfolio level and segmenting management of ordinary income at the business headquarter level in order to optimize resource allocation. Our approach to financial ratios is to maintain and improve ROE by raising ROA. As a buffer against highly volatile domains such as overseas and new business areas, we have adopted a risk-tolerant financial structure and added equity ratio to the Medium-Term Management Plan's financial targets.
Moreover, as we transform our business portfolio, the risks and issues that we need to identify and examine are becoming increasingly diverse. Recognizing the importance of appropriately assessing risks in line with various business strategies and project characteristics and of linking this to sound growth and higher corporate value, we are continuing to enhance our risk management effort.

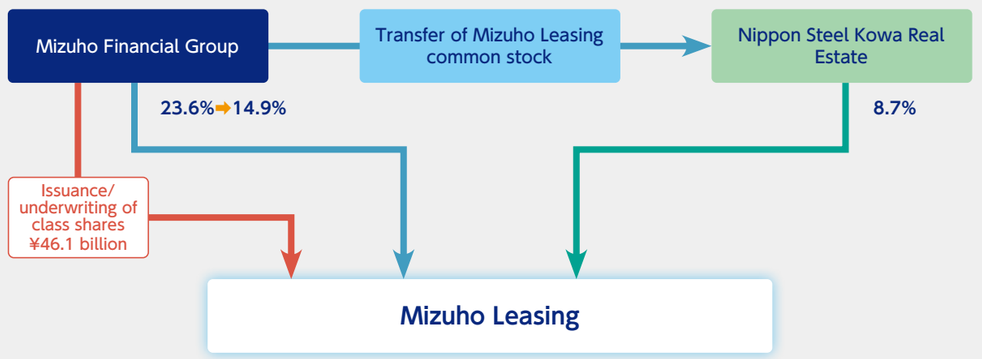
4 Inorganic strategy and collaboration with Marubeni

By drawing on the capital increase provided via our capital and business alliance with Marubeni that began in May 2024, we achieved all of the financial targets of the Medium-Term Management Plan 2025—including the target for growth in operating assets—one year ahead of schedule. The Marubeni alliance has also begun to deliver concrete business results, including joint investments in a renewable energy project in Portugal in June 2025 and a real estate project in Australia in October 2025.
Talent exchanges are also progressing: more than 20 people, including four members of management, have been seconded from Marubeni to work across a wide range of fields spanning not only commercial functions but also risk management and other areas. The benefits of the collaboration, such as shared business networks and knowledge, are steadily taking shape.
Medium-Term Management Plan 2028 has also designated the overseas infrastructure business within the Investment Headquarters as a growth area and positioned it as a major pillar of earnings growth through closer collaboration with Marubeni.
We undertook inorganic investments totaling ¥160.0 billion under the Medium-Term Management Plan 2025, including increased equity stakes in Mizuho RA Leasing in India and Nippon Steel Kowa Real Estate. Other initiatives included making GECOSS and its subsidiary RENTALSYSTEM affiliate companies, converting the forklift rental company PCS to a subsidiary, and establishing ML ITAD Solution.
Under the Medium-Term Management Plan 2028, we have set aside an inorganic investment budget of ¥150.0 billion (roughly the same scale) and will execute it as the right opportunities arise. Earnings from these investments are not factored into the Medium-Term Management Plan 2028 financial target of ¥60.0 billion in net income attributable to owners of the parent, however, we expect them to add to net income once a certain level of earnings is achieved.

5 Capital policy and capital increase by third-party allotment

In July 2026, we raised ¥46.1 billion of additional capital through the issuance of Class A shares allotted to Mizuho Financial Group. We see equity-building as significant, as it supports growth investment under the Medium-Term Management Plan 2028 and the building of an even more robust financial base.
At the same time, to respond appropriately to global financial regulations such as the US Bank Holding Company Act (BHC Act), Mizuho FG transferred Mizuho Leasing shares it held to Nippon Steel Kowa Real Estate, lowering its voting stake to 14.9%. However, through its subscription to the Class A shares described above, it maintains an economic interest of 23.6%.
Our position within Mizuho as a leasing and non-financial strategic company remains unchanged.

Overview of the capital increase by third-party allotment



*Figures in the chart are voting rights ratios.

Summary of new shares issuance

Execution date	July 1, 2026
Number of new shares to be issued	Non-voting class shares 32,000,000 shares
Issue price	Issue price per share: ¥1,440 Total issue price: ¥46.1 billion
Planned use of funds	To be allocated to executing the strategies of the Medium-Term Management Plan 2028 and building a financial base that enables sustainable and stable growth
Allottee	Mizuho Financial Group

Change in the shareholding structure due to capital increase by third-party allotment

Shareholder	Voting stake		Economic interest (after increase)
	Before increase	After increase	
Mizuho Financial Group*	23.6%	14.9%	23.6%
Marubeni Corporation	20.0%	20.0%	17.9%
Nippon Steel Kowa Real Estate Co., Ltd.	–	8.7%	7.8%
Other	56.4%	56.4%	51.7%

* Includes indirect interests held by Mizuho Securities Co., Ltd.

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6 Corporate value enhancement and shareholder return policy

In pursuing a management class that is conscious of cost of capital and stock price, initiatives designed to achieve a price-to-book ratio (PBR) of 1x are a key theme. In particular, during the term of this Mid-Term Management Plan 2028, we aim to simultaneously maintain a high ROE (return on equity) and improve our equity ratio. We will work to further improve our ROA (return on assets) while appropriately limiting leverage.

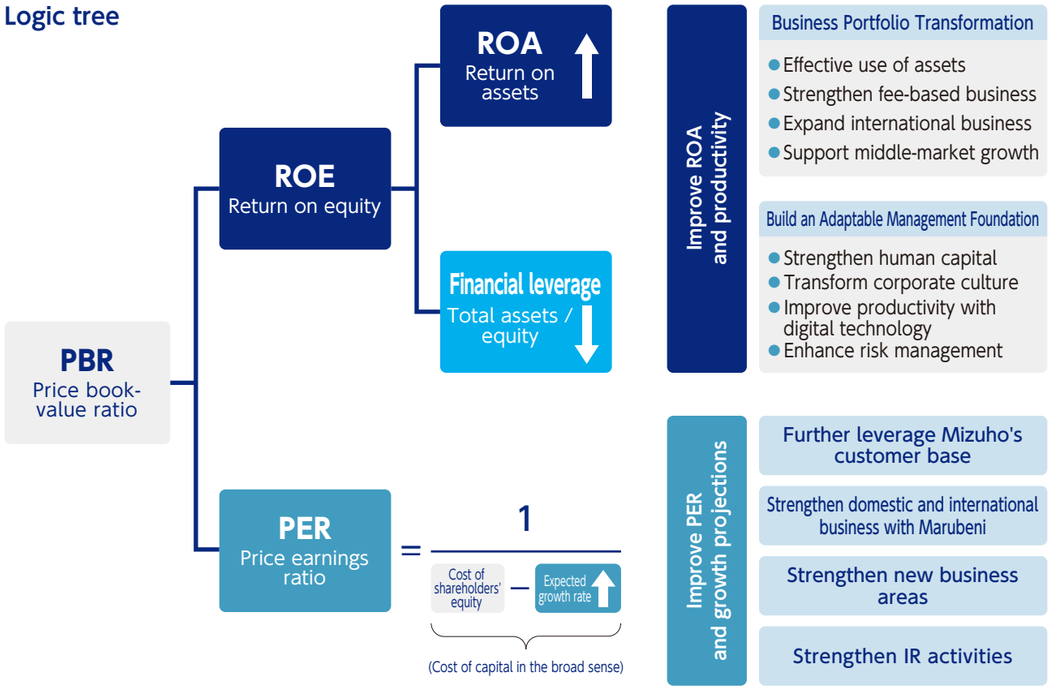
We will also seek to deepen shareholders' and investors' understanding of—and expectations for—our business strategy and sustainable growth potential. To this end, we are promoting fuller information disclosure and proactive dialogue through IR and other channels to ensure our market valuation continues to improve. Specifically, we held a company briefing for individual investors in December 2025 and are stepping up IR activity targeting overseas investors.

We reached the shareholder return target set in the Medium-Term Management Plan 2025 by raising the dividend payout ratio to the 30% range.

This achievement notwithstanding, we believe Mizuho Leasing is still in its growth stage and, under our basic policy of paying dividends commensurate with our business performance while enhancing profitability, we are continuing to deliver shareholder returns through profit growth.

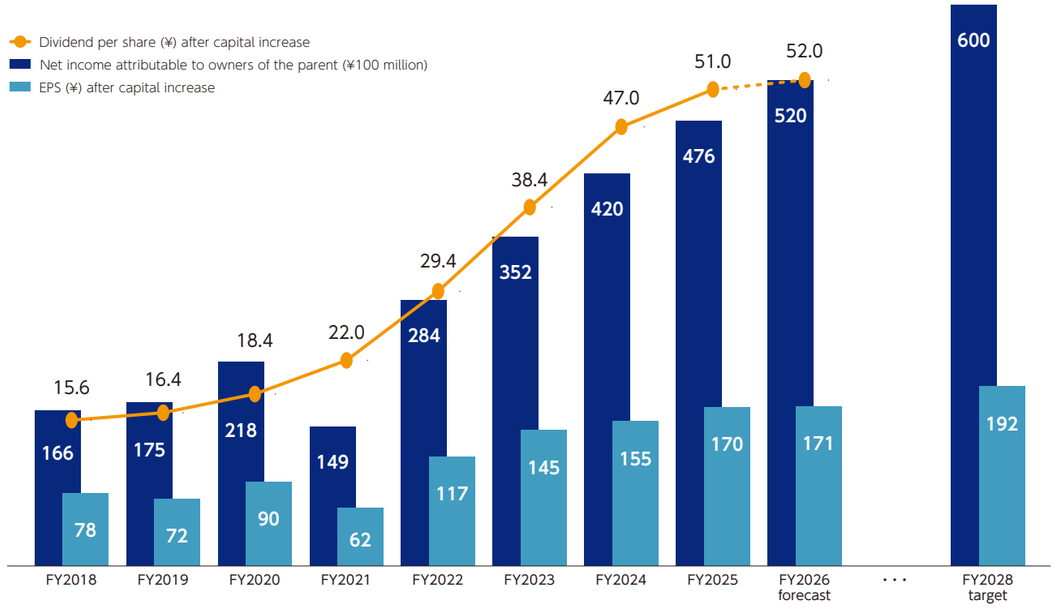
As a result of the recent capital increase through the issuance of class shares, earnings per share (EPS) will, in the short term, decline by approximately 10 percent; however, we intend to increase EPS by deploying the funds raised to implement our growth strategy.

Logic tree



Trends in net income attributable to owners of the parent and shareholder returns

(Figures for FY2023 and earlier are adjusted to reflect a stock split.)



Medium-Term Management Plan 2028

Return on equity (ROE)
11% or more
Maintain capital efficiency at a high level

ROA based on ordinary income (asset efficiency)
1.7% or more
Raise asset efficiency to previously unmatched levels

Equity ratio (financial soundness)
Around 12%
Increase growth investment capacity and risk tolerance

Net income attributable to owners of the parent (earning power)
¥60.0 billion
Enhance corporate value through sustained profit growth

Dividend payout ratio (returning profits to shareholders)
Low 30% range
Return profits to shareholders through growth