Environmental Initiatives

1 〉Response to climate change

The Mizuho Leasing Group is working earnestly to address the critical issues of global climate change—including growing greenhouse gas emissions and rising temperatures—and has codified “contributing to a decarbonized society” as one of its material issues in sustainability initiatives. It aims to contribute to society through its business activities.
We conduct analysis and information disclosure under the framework of the Task Force on Climate-Related Financial Disclosures (TCFD).

Governance

See “Sustainability promotion framework” on p. 51 for details.

Risk Management

The group categorizes risks that arise in the course of its business as financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively. It has established a risk management framework for each of these categories and has also put in place a comprehensive risk management system that centrally oversees both categories of risk. With regard to financial risks, we monitor the locus and scale of risks based on a framework that classifies financial risks into credit, market, asset, and equity baskets and allocates risk capital to each. We oversee the occurrence, response, and prevention of operational risk events classified as administrative, system, and legal.
The group classifies sustainability-related risks as operational risk and has begun to reflect them in the existing risk management framework under the auspices of the Risk Management Committee and within the comprehensive risk management system. We will continuously improve their handling based on the analysis practices and research of organizations dedicated to this discipline.

Strategy

Risks and opportunities related to climate change

The group views the various risks and opportunities associated with climate change as a key element of its corporate strategy and has identified decarbonization of society as a materially important matter. It is assessing and analyzing the impact of climate change over time frames of every duration. The time periods affected are assumed to be defined as short-term (approximately 1–5 years), medium-term (approximately 10 years) and long-term (approximately 30 years). The impact on the group of risks and opportunities attendant to economic transition and physical events associated with climate change is shown in the table below.

Classification		Main content	Term
Transition risk	Strategy	Increased credit costs for sectors with high greenhouse gas emissions due to the introduction of a carbon tax or carbon pricing	Medium, long
	Regulations	Increase in costs associated with regulatory changes, such as stricter emissions reporting requirements, in response to growing international demands	Short
Physical risk	Acute, chronic	Impaired asset value and increased restoration costs due to damage to existing assets from wind and water damage as a result of more severe extreme weather events, as well as resulting restrictions on business activities	Short, medium, long
Opportunity		Increased demand for financial and business opportunities associated with the shift to renewable energy and more energy-efficient modes of transport, and the spread of environmentally friendly products and services designed to ensure resilience	Short, medium, long

Scenario analysis

In relation to these risks and opportunities, our group is running a qualitative scenario analysis against the highly important power and real estate sectors and formulating more specific impact assessments and countermeasures.

High-priority sector selection methodology

1 **Sector selection**
We qualitatively assessed the impact of transitional and physical risks due to climate change for the sectors vulnerable to the effects of climate change as recommended for disclosure by the TCFD. We then ranked these risks by relevance based on the strategic importance of the group's exposure to each industry, leading us to identify the power and real estate sectors as subjects for our scenario analysis.

2 **Importance assessment**
We evaluated the importance of risks and opportunities for the power and real estate sectors based on the intensity of their business impact.

3 **Definition of scenario group and parameter setting**
We set our assumptions about the timing and magnitude of business impact based on highly objective scientific parameters. *Source

4 **Business impact evaluation**
We evaluated transition risks related to climate change for a period extending through 2050 via analyses based on two scenarios: 1.5 to 2°C temperature increase and 4°C, referencing the NZE scenario in the IEA WEO 2021 and the STEPS scenario in the IEA WEO 2021.

*Access source material here
https://www.mizuho-ls.co.jp/ja/sustainability/society_and_environment/action.html

	Electric power sector		Real estate sector	
	1.5 to 2℃ scenario	4℃ scenario	1.5 to 2℃ scenario	4℃ scenario
Risks	From 2030 onward, new carbon taxes, stricter carbon emissions regulations, and changes to the energy mix will precipitate a reduction in the use of fossil fuels, which should impact power companies' profitability. However, we forecast a limited impact on our credit cost. Furthermore, we do not operate any businesses related to thermal power generation using coal or other such fuel.	The increasing possibility of frequent flooding raises the likelihood of damage to power generation facilities. In addition, rising crude oil prices are expected to make power generation more costly and undermine power companies' profitability. An indirect impact on our credit costs is possible, but we see the direct impact on our business as limited.	Stricter energy conservation standards should trigger a wave of capital investment. Costs will likely rise due to the mandatory implementation of ZEB*1/ ZEH*2, and if this increase cannot be passed on to tenants and other users, our credit costs could be affected over the long term due to the impact on our customers' businesses. But, we expected any such effect to be limited.	Flooding is expected to occur with increasing frequency, and potential flood damage to our company's properties could impair the value of the real estate assets and impose expenses for repair and so on. Our credit costs could also rise in response to the impact on our customers' businesses.
Opportunities	Expectations of growth in the renewable energy business are raising hopes of expanded opportunities for new business entry and investment.	–	The competitiveness of certain properties is expected to increase. We can expect business to expand as rents increase due to the growing awareness of the need for properties with low carbon emissions and high environmental performance.	Valuations could increase for properties that are less susceptible to disasters due to safer location selection and enhanced disaster resistance. Resulting competitiveness gains should benefit our business.
Action	Measures to optimize opportunity •Taking on business risk to develop various modes of renewable energy, including solar power and others, such as biomass, hydropower, and wind power •Maximizing profitability in our existing businesses by amassing operational know-how and introducing new technologies •Capital investment taking advantage of subsidies and other benefits. •Monetizing stranded assets and the recycling of used solar panels and other items.	Risk Reduction Measures •Careful multivariate risk assessment of individual projects that accounts for sector policies adopted in response to changes in our operating environment	Measures to optimize opportunity •Strengthening investment in and financing of environmentally friendly real estate •Use alliances to expand our business domains to include the property development phase and seize opportunities arising from environmental initiatives	Risk Reduction Measures •Use of more detailed hazard maps and other tools to assess financial and investment risk •Increased care in creditworthiness assessments regarding long-term holdings

*1 ZEB : Net Zero Energy Building
*2 ZEH : Net Zero Energy House

Environmental Initiatives

Indicators and Targets

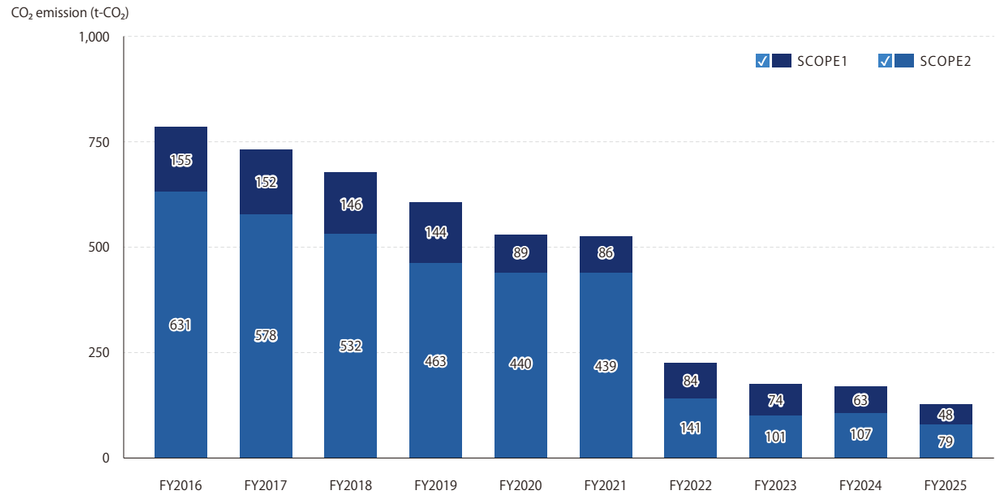
Decarbonization and related climate change and energy issues are among the most important global concerns. The Mizuho Leasing Group aims not only to meet our own targets for reducing CO_2 emissions, but also to contribute to reducing CO_2 emissions by society as a whole. To that end, we are promoting electricity generation from renewable resources and working to achieve a circular economy that makes effective use of resources and energy while reusing and recycling finished goods. We have set the following indicators and targets to aid in our pursuit of these goals.

Medium-Term Management Plan 2028

	Indicator	Target
Decarbonized society	Reduce CO_2 emissions from scope 1 & 2*	Carbon neutrality (FY2030)
Circular economy	Reuse and recycling rate	Maintain 98% or more (FY2026–28 average)

* Parent plus nine domestic consolidated subsidiaries.

CO_2 emissions (scopes 1 & 2)*1



CO_2 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).

t-CO_2

	Category	FY2023	FY2024	FY2025
1	Purchased products and services	72,105	106,044	106,877
2	Capital goods	2,310	5,892	7,115
3	Fuel- and energy-related activities not included in scope 1 or 2	72	71	69
5	Waste generated by operations	10	12	9
6	Business travel	167	169	174
7	Employee commuting	309	315	320
11	Use of sold products	65,908	92,396	76,584
12	Disposal of sold products	13	11	7
13	Leased assets (downstream)	770,237	765,430	694,945
15	Investment	20,270	24,348	— *2
	Total	931,401	994,688	— *2

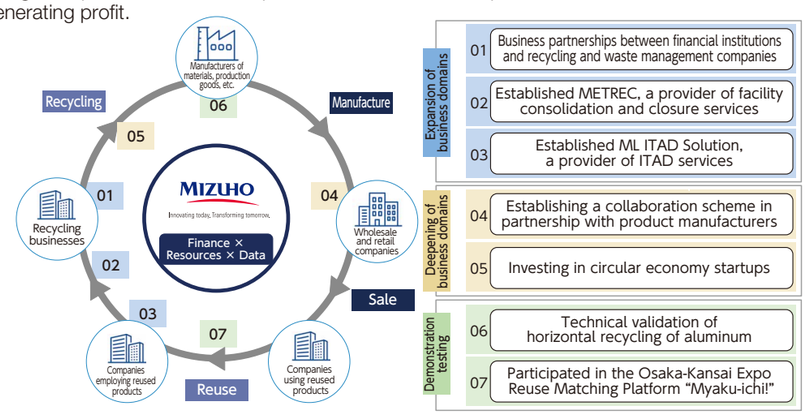
*1: Parent plus seven domestic consolidated subsidiaries. However, some scope 3 data includes overseas consolidated subsidiaries.
*2: This data is preliminary; official values will be disclosed on our website when finalized

2 〉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.

Circular economy platform

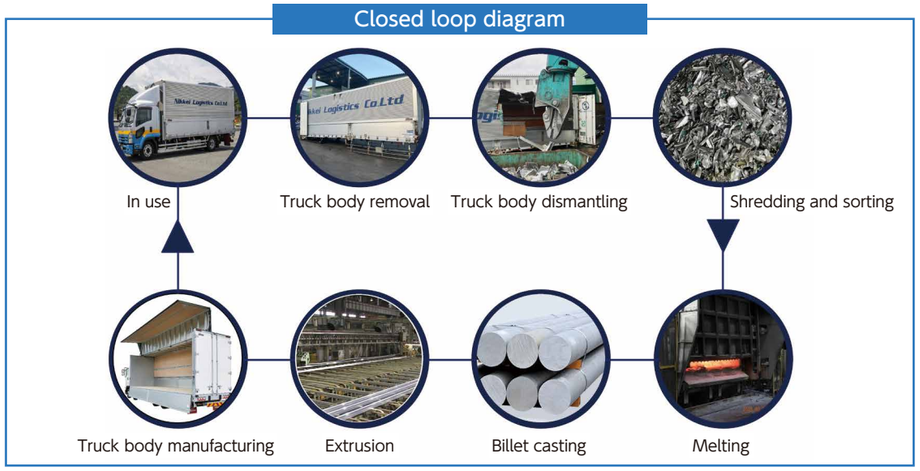
Mizuho Leasing will spearhead the development of a business that promotes resource circulation while creating social value and generating profit.



Technical validation of horizontal recycling of aluminum

In conjunction with Mizuho Bank, Mizuho Research & Technologies*1, Nippon Light Metal Holdings, and TRE Holdings, Mizuho Leasing conducted a demonstration project to build a closed-loop*2 system for aluminum recovered from end-of-life truck bodies, as a circular economy initiative.
This demonstration project—in which end-of-life truck bodies that had been used by Nippon Light Metal Group were sent to Rever Corporation (a TRE Holdings company) for dismantling and sorting, with the resulting recycled materials returned to Nippon Light Metal Group for melting, analysis, and use in the manufacture of extruded aluminum for new truck bodies—showed the potential for building a closed loop within the supply chain.
Based on these results, we will examine the feasibility of manufacturing truck bodies from recycled materials and using them in commercial operations. We will also pursue further improvement in sorting technology with a view to establishing closed-loop systems for various other applications.

*1: Now Mizuho Research Institute, an internal organization within Mizuho Bank
*2: A process in which used products are collected and recycled by the products' manufacturer into products for the same purpose.



Domestic recycling of approximately 40,000 used PCs from Mizuho Bank through ML ITAD Solutions

In April 2025, we established ML ITAD Solutions to run our IT asset disposition (ITAD) business. → p.26

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Target-setting for participation in Circular Partners (CPs)

In line with the Growth-Oriented Resource Autonomous Circular Economy Strategy formulated by METI in March 2023, the Circular Partners initiative was founded to promote collaboration among industry, government and academia in the pursuit of a circular economy.
Mizuho Leasing joined Circular Partners in September 2023. Participants must set quantitative targets for a circular economy and disclose specific initiatives for achieving those targets, and we have now done so.

No	Target	FY2027	FY2025	
		Target	Result	Initiatives
1	Initiatives contributing to the transition to a circular economy and market development	5 (total)	5 (total)	We established companies involved in the circular economy, forming strategic partnerships with prospective collaborators
2	Transaction value for circular economy-related businesses	¥10.0 billion	¥19.7 billion	We greatly increased transaction value, mainly at rental businesses, and advanced circular-economy initiatives from multiple angles
3	Chemical/material resource recycling rate	85% or more	85.5%	We continued collaborating with key partners
4	Percentage of employees involved in asset returns who have obtained ITAD handling certification	100%	100%	We encourage employees involved in asset returns to obtain qualifications and we are progressively promoting the acquisition of such certification

3 〉Other environmental initiatives

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 disposed of in FY2025.

Target	Results for FY2025
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: 184 tons · Recycling rate at end of lease (including thermal): 93.1%

Initiatives for conserving biodiversity

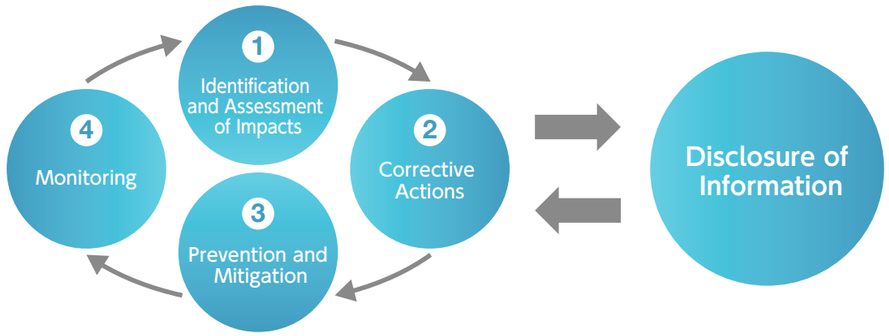
Development of a solution supporting the practice of nature-positive management in financial services
In collaboration with Green Elm Co., Ltd. and natural capital research companies, we are working to develop a solution that supports companies in practicing nature-positive management.
To that end, we have leased approximately 13,000 m² of forest land owned by Takeei Corporation in Ichihara City, Chiba Prefecture, to be used as a demonstration site for the creation of a naturally regenerative forest designed and overseen by Green Elm. This demonstration project is intended to verify the processes and time entailed in offering a solution supporting companies in practicing nature-positive management, while at the same time adding to our own know-how ahead of providing such services in the future.
Through this solution, we aim to help customers restore the natural capital and biodiversity used in corporate activities by having Green Elm draw on its academic knowledge and surveys of local vegetation and geographical characteristics to create forests suited to the local area. We hope that this solution will offer companies new options for integrating natural capital into their business strategies by allowing them to regularly visualize changes in natural capital and biodiversity across the service period.
Through the provision of this solution, we aim to support domestic client companies in practicing nature-positive management, thereby contributing to the realization of a sustainable society and economy.

Human Rights Initiatives

1 〉Approach to Human Rights

The Mizuho Leasing Group actively pursues solutions to social issues and contributes to a sustainable society. It recognizes respect for human rights as critical to realizing its own management philosophy.
Accordingly, the company has established the Mizuho Leasing Group Corporate Code of Conduct, which provides specific guidelines for the conduct of executives and employees, and has formulated a Human Rights Policy to externally demonstrate its responsibility and commitment to human rights
In addition, the group continues to carry out human rights due diligence on employees of the group and, as a means of assessing how well human rights education has penetrated the organization and verifying the effectiveness of its initiatives, the group conducted a survey in FY2025 as it had in the previous fiscal year.
Furthermore, based on our policy of respect for the personalities and characteristics of each and every employee and zero tolerance for any form of harassment, the group will continue to address problematic behavior through hotlines and consultation desks, while working to strengthen prevention, mitigation, and monitoring efforts.

2 〉Human Rights Due Diligence Process



3 〉Significant Human Rights Risks

Through an impact identification and assessment process, we first identified human rights risks that could affect our group's employees, then assessed their severity and likelihood of occurrence. We are considering expanding the scope of this assessment to include the group's suppliers and investees.
Key human rights risks that must be addressed preemptively include the following.

High-priority human rights risk areas

- Discrimination and harassment
- Labor relations
- Employee privacy
- Access to remedial resources

4 〉Initiatives

Human rights due diligence initiatives

Corrective Actions	• To ensure early detection of misconduct in the workplace, we have established an internal reporting system for employees.
Prevention and Mitigation	• We have for some time been conducting internal training programs to enhance awareness of human rights.
Monitoring	• First, as part of our efforts to strengthen internal monitoring, we are conducting a questionnaire survey to determine the level of penetration of human rights education and evaluate the progress of human rights due diligence, and to confirm that related measures are functioning appropriately.