



To help Mizuho Leasing make further strides in its development, we intend to actively promote growth investment, strengthen organizational management to support growth, such as funding and risk management, and strive to realize the goals of the Medium-term Management Plan 2025.

Hiroshi Nagamine Deputy President

Fiscal 2022 Results and New Medium-Term Management Plan

In fiscal 2022, we improved underlying profitability and achieved a V-shaped recovery compared to the previous year. Furthermore, we attained a record high net income of ¥28.4 billion through various efforts, including ongoing profit-oriented initiatives primarily in focus areas and successful inorganic investments in equity affiliates.

As a result of these efforts, we have largely achieved the targets of the previous medium-term management plan, so we decided to start a new medium-term management plan from fiscal 2023. We have established a new strategy designed to

make even larger strides forward in the face of changing customer needs, sustainability initiatives, and other drastic changes in our business environment.

We are positioning this medium-term management plan as a period in which we manage business portfolios with different growth horizons and make the necessary investments to fuel the next round of growth. We expect to accumulate over ¥700.0 billion in operating assets by leveraging our various alliances with Mizuho and other partners. We will allocate approximately ¥150.0 billion

Fiscal 2022 Results (Billions of yen)

	FY2020	FY2021	FY2022
Revenues	497.9	554.8	529.7
Operating income	26.0	17.9	31.8
Ordinary income	27.5	20.1	40.1
Net income attributable to owners of the parent	21.8	14.9	28.4

for inorganic investments, both inside and outside Japan, while simultaneously actively investing in systems and human resources that strengthen our management in anticipation of future growth and expanding business domains.

For our business portfolios, we intend to accelerate growth by continuing to expand our “Core” areas, which generate stable earnings, and significantly extending our “Growth” areas, which are expected to exhibit greater growth potential. We will also pursue leading investments in the “Frontier” areas, which we expect will become one of our key future revenue pillars.

Our financial targets for the final year of the new medium-term management plan are achieving a net income of ¥42.0 billion, ROA of 1.6% or more, and ROE of 12% or more. We intend to achieve these targets by pursuing initiatives that emphasize profitability, while further expanding our assets.

Funding to Support Growth

Regarding our funding environment, since March 2022, interest rates have been raised multiple times

primarily in Europe and the United States. Foreign currency interest rates have also risen sharply, and yen interest rates are expected to rise due to policy changes at the Bank of Japan. In the long-term, we expect to be able to pass on these increases by raising lease payments, and yields on our operating assets are expected to improve. However, financing costs mainly in foreign currencies are increasing at this point in time.

Against that backdrop, the Mizuho Leasing Group has been procuring stable funding through a well-balanced combination of indirect funding from over 100 financial institutions, including Mizuho Bank, and direct funding through Commercial Paper (CP), corporate bonds, and securitization of lease receivables. We plan to aggressively expand our operating assets under the new medium-term management plan, but we believe that the good relationships we have built with financial institutions and investors and have secured a sufficient fundraising framework for supporting growth, both directly and indirectly.

Meanwhile, with interest in sustainability among financial institutions and investors increasing every

year, we recognize the vital need for sustainable finance when considering funding in the future.

The Group has also clarified its sustainability policy in the new medium-term management plan and its renewable energy initiatives are growing significantly. We intend to actively leverage these developments for funding.

Increasing Sophistication of Risk-return Management

We expect our business domains and risk profiles to expand and become more intricate as we promote the business strategies outlined in the medium-term management plan. For example, we are looking to secure a position in the high growth-potential market of India by acquiring a stake in Rent Alpha Pvt. Ltd.. However, I think that we need to continue to be very careful when assessing risks, including inorganic investments, as our business develops.

Specifically, we need to address the accumulation of operating assets that carry additional risks

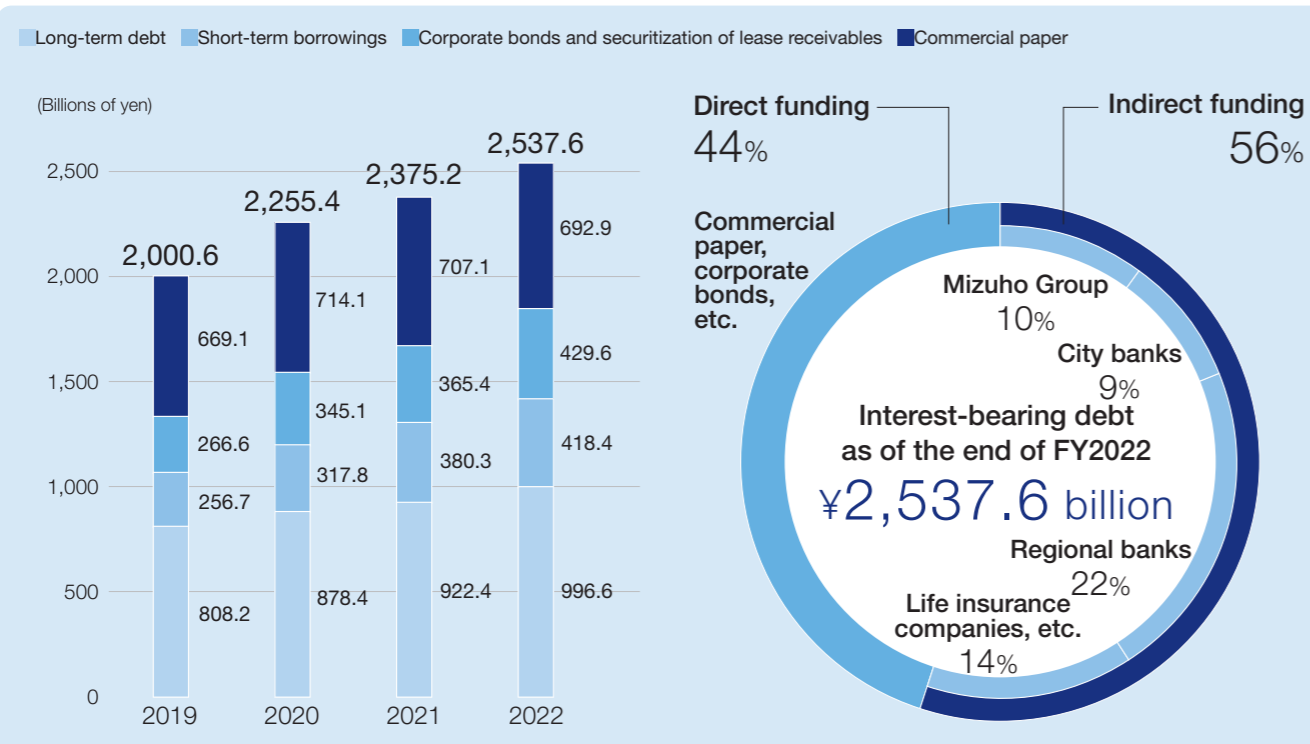
beyond traditional credit risk and interest rate risk, such as asset risk and business risk. We need to strengthen our decision-making process and monitoring frameworks and, controlling risks appropriately, we can enhance our risk-return management, while supporting revenue growth.

Shareholder Return Policy

Our basic policy for shareholder return is to pay dividends commensurate with performance while improving profitability. Based on that policy, we seek to achieve an optimal balance between enhancing the payout ratio and returning profits to customers through various methods. We will further improve profitability and corporate value by boosting growth investment and solidifying our client base.

The Mizuho Leasing Group has strong growth potential, and we will further enhance profitability by implementing the measures laid out in the new medium-term management plan.

Interest-bearing debt



Shareholder Return Policy

