


Medium-term Management Plan 2025

Please refer here for details of Mid-term Management Plan 2025




In 2021, Mizuho Leasing dramatically expanded its business domains based on our new management philosophy: "Connect needs to create the future." Under the "Medium-term Management Plan 2025" that we formulated to promote further development, we will transform our former sales style, organizational management systems, and corporate culture to help us grow into a platform company that proactively co-creates the future with our clients.

Akira Nakamura President and CEO

Creating the Future with a Multi-layered Business Portfolio

On May 12, we announced the "Medium-term Management Plan 2025" along with our financial results for fiscal 2022.

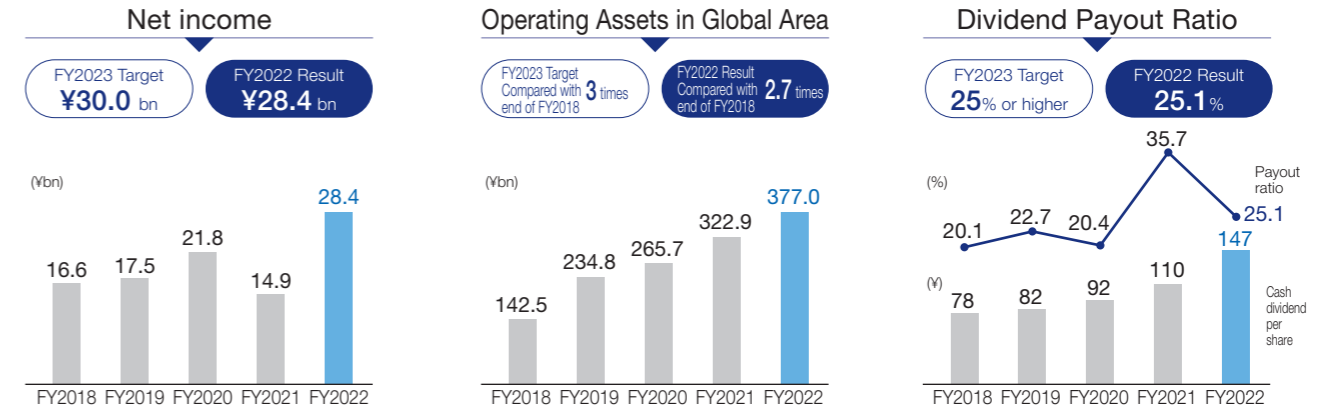
The previous medium-term management plan was formulated as a five-year plan from fiscal 2019 to fiscal 2023. However, we expected to achieve the Plan's consolidated numerical targets for fiscal 2023, one year ahead of schedule in fiscal 2022. On top of this, we had already made steady progress on strengthening our business model and organizational management systems,

amidst significant changes in our business environment. For these reasons, we decided it was time to formulate a new medium-term management plan.

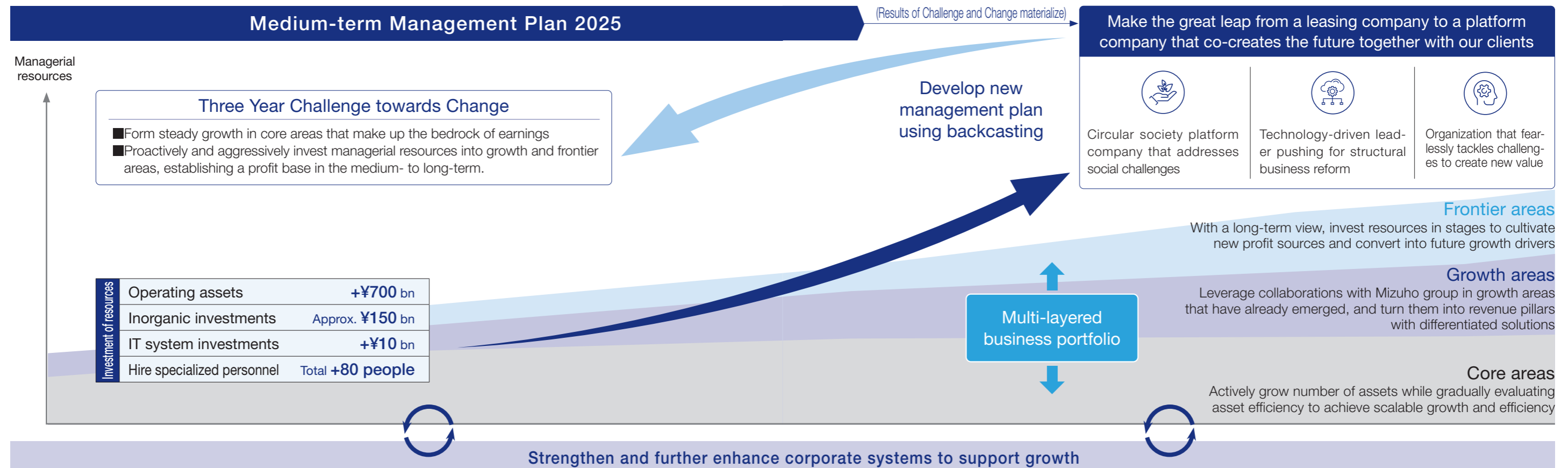
We will work to transform and enhance our business portfolio under the "Medium-term Management Plan 2025".

We will divide our entire business portfolio into the three areas of "Core," "Growth," and "Frontier," and manage business portfolios with different growth horizons.

Progression Towards Quantitative Targets



Positioning of Medium-term Management Plan 2025



For instance, in the global market, we aim to expand our customer base from mainly large Japanese companies to non-Japanese companies and retail firms. We also plan to enter new growth markets through joint investments with Marubeni and independently sourced M&A deals. For strategic investments, by using CVC to invest directly and through funds, we will strengthen partnerships with startup companies and grow investments that co-create value.

The "Frontier" areas involve circular economy and XaaS. These areas are expected to require long-term cultivation, but greatly flourish in the future.

We will seek to build a circular economy platform while leveraging collaboration with alliance partners, aiming to realize an advanced circular economy and decarbonized society. As an asset holder of robots, we are able to provide RaaS and other diverse XaaS solutions to support customers' structural reform.

These initiatives will help us steadily increase stable earnings, expand assets in growth areas, and manage business portfolios with different growth horizons.

Alliances are the Source of Accelerated Growth

Our alliance strategy, including our alliance with Mizuho, is the source of our ability to manage portfolios and accelerate growth. Our collaborative relationships with the Mizuho Group and Marubeni Group are one of our greatest strengths and we intend to steadily promote this collaboration to help differentiate ourselves from other companies in the industry, enhancing our competitiveness.

During the previous medium-term management plan, we used our greatest strength, namely our alliance with the Mizuho Group, to solidify our business foundations and that strategy steadily generated positive results. Going forward, we will further accelerate growth by (1)

striving for a qualitative shift in the alliance. Namely facing customer challenges head-on and changing to a proposal-based sales style that addresses those challenges, while co-creating value. (2) Providing Mizuho clients with unique solutions that would be difficult for a banking group to handle. (3) Developing new clients through our alliance with Mizuho Group companies, which boasts one of the largest client bases in Japan. With the Marubeni Group, we will promote joint ventures, especially in the overseas markets, while with RICOH/RICOH LEASING, we will promote venter finance and pursue collaborative themes in areas where both companies have strengths.

Building a Circular Economy Platform

We will co-create a circular society and help realize a sustainable society by promoting initiatives in relation to six chosen materiality topics. Specifically, we have set a target to "secure 1 GW of renewable energy power

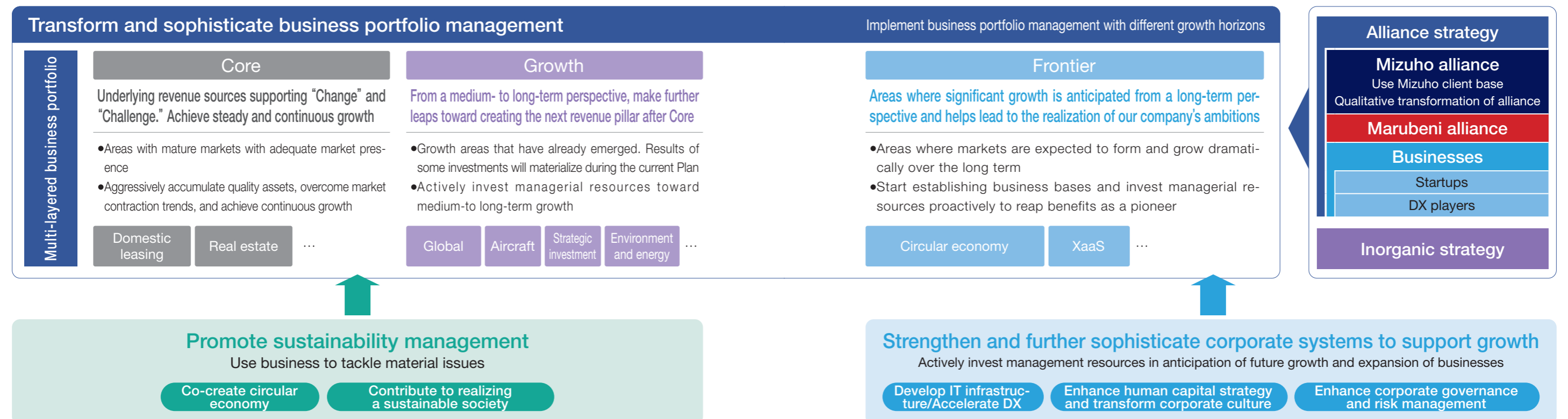
generation" during the current medium-term management plan. We aim to achieve that target by securing various power sources, including solar power, where we are already participating in projects, along with biomass and grid-scale batteries. We will also build infrastructure to supply renewable power sources to consumers and promote its use in our focused business areas such as circular economy and storage batteries. For circular economy, we are targeting a chemical/material resources recycling rate of 85% or more by fiscal 2027. We will also work with our alliance partners to ensure transparency across all processes in the product lifecycle and promote optimal resource use. The Group will play a central role in building a circular economy platform that connects arterial industries and venous industries, provides solutions to social issues, such as decarbonization and the creation of a recycling-oriented society, and co-creates value with clients.

Overview of "Medium-term Management Plan 2025"

Keywords

Challenge **Change** **Grow** The current plan will be a three-year challenge

of changing towards growth and leaping further into the future

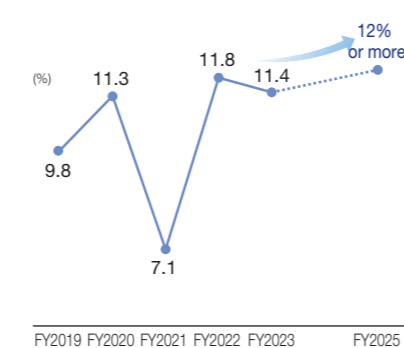
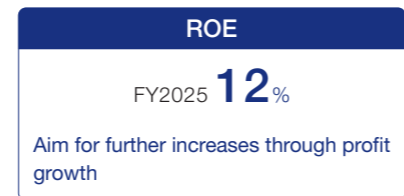
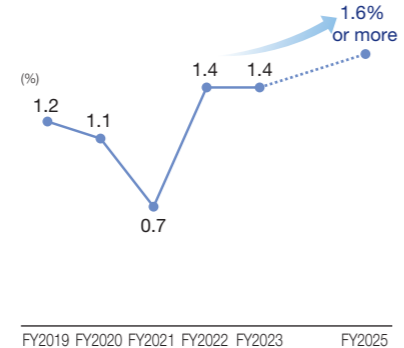
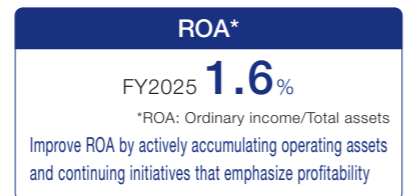
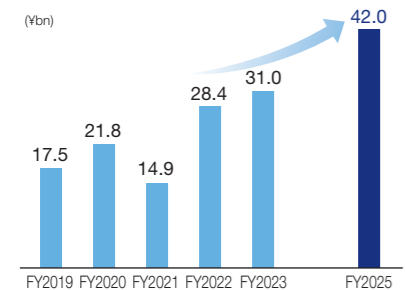


Strengthening and Sophistication of Organizational Systems

Proactively invest managerial resources to strengthen and enhance the organizational systems necessary to co-create value with our customers and make great strides toward realizing our ambitions



Financial/Non-financial Targets



Carbon Neutral Realizing a decarbonized society	Secure renewable power generation capacity	1GW (FY2025)
	Reduce CO ₂ emissions* in Scope 1 & 2*	Zero emissions (FY2030) <small>* Non-consolidated and 7 domestic consolidated subsidiaries</small>
Circular Economy Realizing the circular economy	Chemical/material resource recycling rate	85% or more (FY2027)
Human Capital Human capital management as a cornerstone	Hire more specialized business professionals	+80 people or more (FY2025)
	Investment amount for developing personnel	3x or more (FY2025; compared with FY2022)
	Develop digital IT personnel	200 people or more (FY2025)
	Ratio of paid annual leave taken	80% or more (FY2025)
	Management positions filled by women	15% (FY2025)
	Ratio of childcare leave taken by male employees	100% (Every year)



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

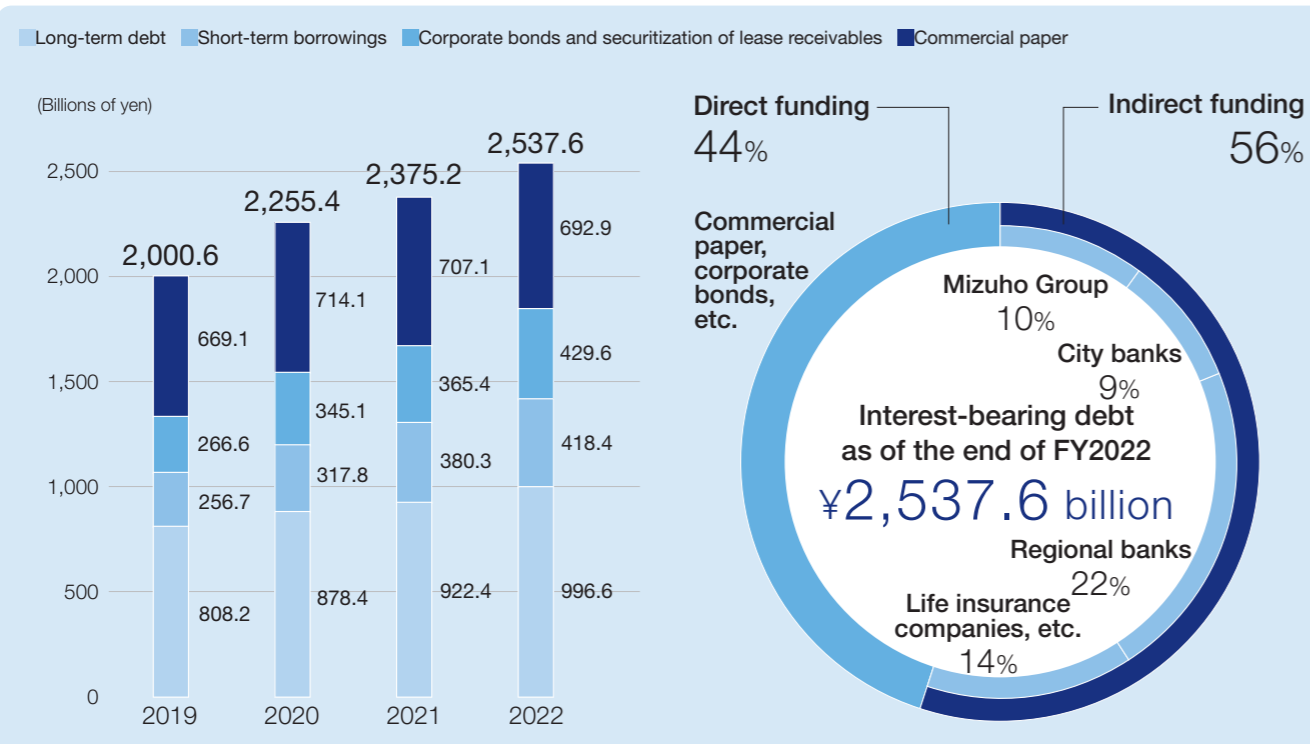
beyond traditional credit risk and interest rate risk, such as asset risk and business risk. We need to strengthen our decision-making process and monitoring frameworks and, controlling risks appropriately, we can enhance our risk-return management, while supporting revenue growth.

Shareholder Return Policy

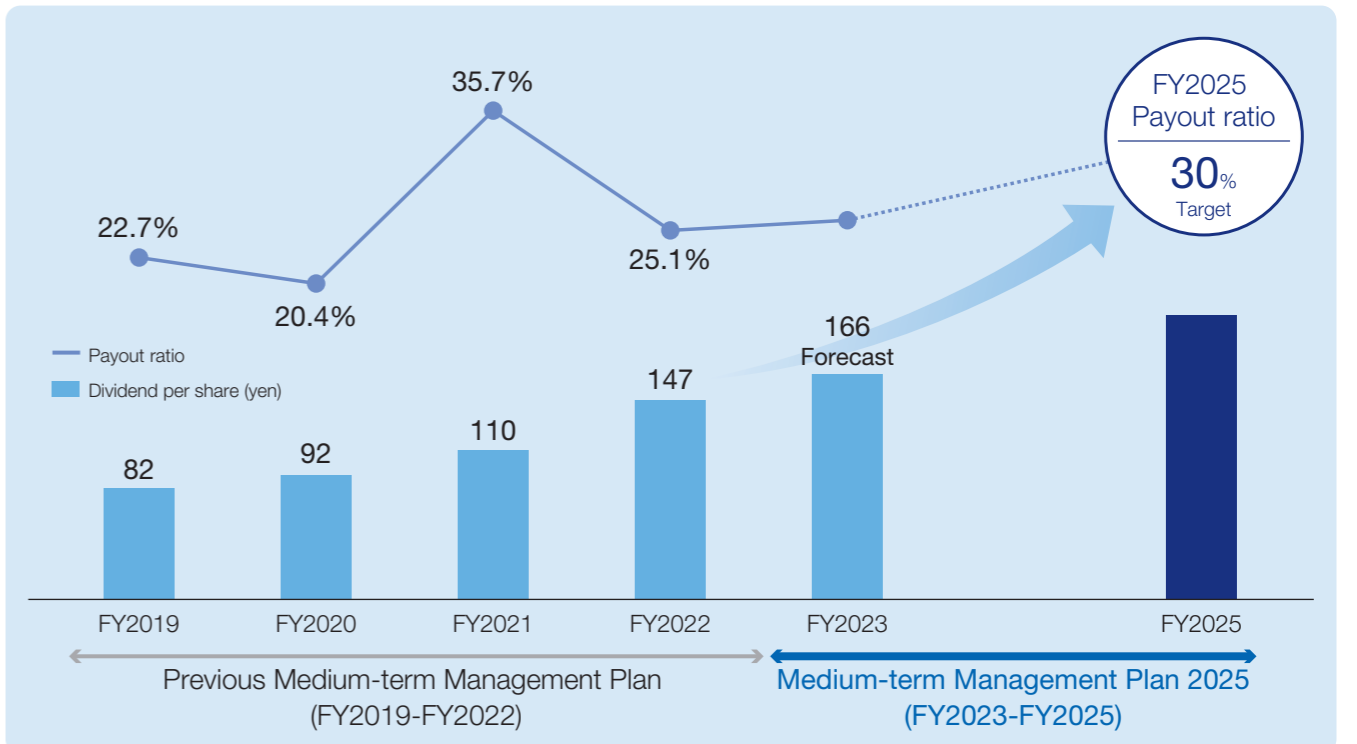
Our basic policy for shareholder return is to pay dividends commensurate with performance while improving profitability. Based on that policy, we seek to achieve an optimal balance between enhancing the payout ratio and returning profits to customers through various methods. We will further improve profitability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



Business Promotion Headquarters



Takanori Nishiyama
Senior Managing Director

Providing diverse solutions as a strategic business partner that co-creates value with our clients.

The Business Promotion Headquarters offers optimal solutions that extend beyond simple financing, meeting diverse client needs, such as devising financial or business strategies. The headquarters consists of the Corporate Business Department, which deals with large companies, the Area Sales Department, which engages small- and medium-sized companies, and the Equipment Sales Department, which deals with manufacturers and vendors. Under Medium-term Management Plan 2025, we will thoroughly implement a value co-creation and problem-solving sales style that helps our clients overcome their business obstacles. We also work with the Mizuho Group and other alliance partners to provide a wide range of solutions, such as joint investment and business succession. In addition, we will satisfy our customer's capital expenditure needs by applying our expertise in equipment and properties, and our deep understanding of commercial distribution. Furthermore, we also contribute to driving our customers' business strategies forward by offering services such as vendor finance and subscriptions to encourage more diverse sales models.

Circular Society Platform Headquarters



Hirohide Ishiyama
Managing Executive Officer

Constructing a platform that serving as a connection point between arterial and venous industries, providing integrated solutions that help solve social issues, such as transitioning to circular economy and decarbonization.

Having declared our vision to "Be a creator of a sustainable world," we identified "contributing to a decarbonized society" and "leading toward a circular economy" as key social issues (materiality topics). Our headquarters seeks to build a circular economy platform for realization of an advanced recycling-oriented economy. This platform will promote the creation of frameworks for resource recycling by getting companies in arterial and venous industries to work together. We also focus on initiatives designed to help achieve a decarbonized society by supplying renewable energy produced by our company to various stages of a product's life cycle. The Circular Society Platform Headquarters aims to extend beyond the traditional boundaries of a leasing company to transform into a platform that provides various solutions to solve customers' business and social issues.

Real Estate Headquarters



Hirohide Ishiyama
Managing Executive Officer

Providing financing for offices and logistics facilities, and real-estate leasing for commercial facilities.

The Real Estate Headquarters is central to our Medium-term Management Plan 2025 as a core business area. We accumulate excellent operating assets consisting primarily of loans and real estate leases to help secure stable profit bases. We contribute to society through various real estate business activities, such as the owning of environmentally friendly real estate and the providing assets to funds and REITs. In addition to our conventional real estate business, we strive to further improve profitability by collaborating with partners on new business areas such as focusing on acquisition of real estate for development and long-term ownership. In terms of our work environment, we encourage mutual cooperation and operational efficiency so that mid-career workers with specialized skills can play an active role and all employees can follow a work style that suits their lifestyle. We will continue "Change and Challenge" in order to develop into a strong organization that is needed by many Mizuho Financial Group customers and is able to meet their increasingly diverse expectations.

Transportation Headquarters



Yasuhiko Hashimoto
Managing Executive Officer

Actively respond to customers' financing and operational needs in the air and ocean transportation fields by collaborating with partners.

In the air transportation field, players are witnessing a sharp recovery in demand following the slump experienced during the COVID-19 pandemic. Airlines are dealing with the urgent need to expand and update fleets worldwide to address shifts towards decarbonization and the rapid rise in fuel costs. In order to meet those fleet expansion and renewal needs, together with our partner Marubeni, we are increasing our investment in Aircastle Limited, a major US company specializing in aircraft leasing. Meanwhile, operators in the maritime field are grappling with the accelerating trend towards decarbonization and soaring new shipbuilding prices, which add to our customers' investment burden. In fiscal 2022, we helped pave the way towards decarbonization in shipping and supported the recycling of capital by offering competitive financing methods (or investments for JOLCO investors) by bringing JOLCO (Japanese Operating Lease with Call Option) products for existing LNG tankers. Our headquarters will continue to actively address the financing and operating needs of air and maritime transportation customers.

Investment Headquarters



Toshiyuki Takahashi
Managing Executive Officer

Aiming to provide equity and financing functions to help create value together with our customers that both enhances their corporate value and solves social issues.

The Investment Headquarters consists of two departments: the Strategic Investment Department that handles equity investments in startups, operating companies, and funds, etc. and the Finance Business Department that handles investments in LBO loans, mezzanine finance, hybrid finance, and other medium-risk/medium-return investments. In the equity field, in addition to direct investment made by the Company, we are also actively investing through Corporate Venture Capital (CVC), which is managed with the support of Mizuho Capital Co., Ltd. Looking ahead, we intend to promote the co-creation of value and the creation of new business domains through joint investments with our partners. In the finance field, we will continue to support our existing businesses, while also seeking to expand our efforts into new fields by staying abreast of market trends and considering investment opportunities in overseas renewable energy, infrastructure, and securitized instruments.

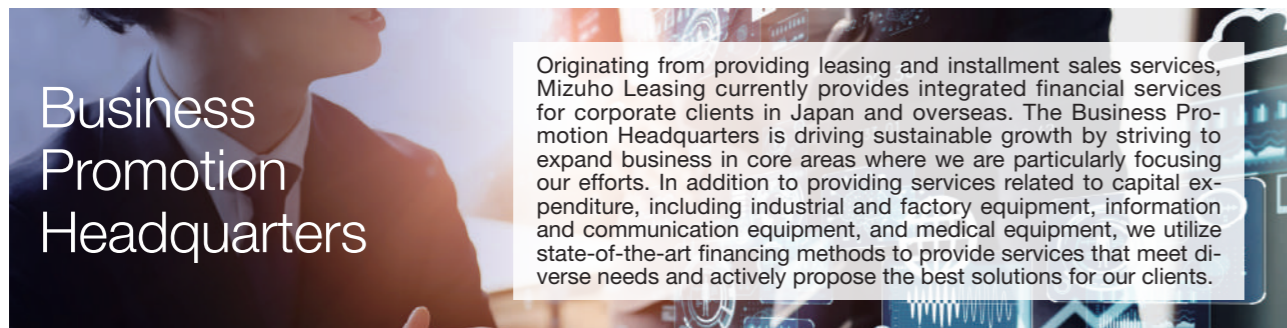
Global Business Headquarters



Hiroshi Nagamine
Deputy President

Seeking to expand our business domains and customer bases by utilizing inorganic strategies to enter new global growth markets and work together with the Mizuho Group.

During the previous medium-term management plan, the Global Business Headquarters successfully carved out new businesses in the United States, Vietnam, and Australia. Our decision to pursue M&A to enter the Indian market for the first time in June 2023 has also helped lay the foundation for further contributions to consolidated earnings during the Medium-term Management Plan 2025. During the Medium-term Management Plan 2025, we aim to further manifest the effects of our investments in growth areas by expanding our business domains through inorganic strategies such as investments and M&A. We are expanding business domains and building larger customer bases at our existing overseas subsidiaries with the help of the Mizuho Group's international locations. We also aim to co-create value with international customers, primarily Mizuho customers in countries where we operate, by providing vendor finance and other solutions that differ from those offered by banks.



Business Promotion Headquarters

Originating from providing leasing and installment sales services, Mizuho Leasing currently provides integrated financial services for corporate clients in Japan and overseas. The Business Promotion Headquarters is driving sustainable growth by striving to expand business in core areas where we are particularly focusing our efforts. In addition to providing services related to capital expenditure, including industrial and factory equipment, information and communication equipment, and medical equipment, we utilize state-of-the-art financing methods to provide services that meet diverse needs and actively propose the best solutions for our clients.

> Strengths

- Underlying and base revenue sources supporting “Challenge” and “Change,” and the top priority areas in the new Medium-term Management Plan
- Aggressive accumulation of quality assets to overcome market contraction trends
- Sales representatives’ capability to identify clients’ needs and cross-sale to areas of expertise
- Mizuho’s client base, the greatest strength of the Company

> Key Measures under Medium-term Management Plan 2025

- Transform into a value co-creation and problem-solving sales style
- Qualitatively shift to collaboration centered on value co-creation with clients
- Take on new, unquantifiable risk-taking challenges, such as residual value risk and midway cancellation risk

Achievements and results of the previous Medium-term Management Plan

- Started a medical device subscription service with Konica Minolta
- Started a subscription service for logistics robots with Rapyuta Robotics
- Started a subscription service for machining centers with ENSHU, a machine tool manufacturer
- Started a subscription service for used machine tools with Kobayashi Kikai

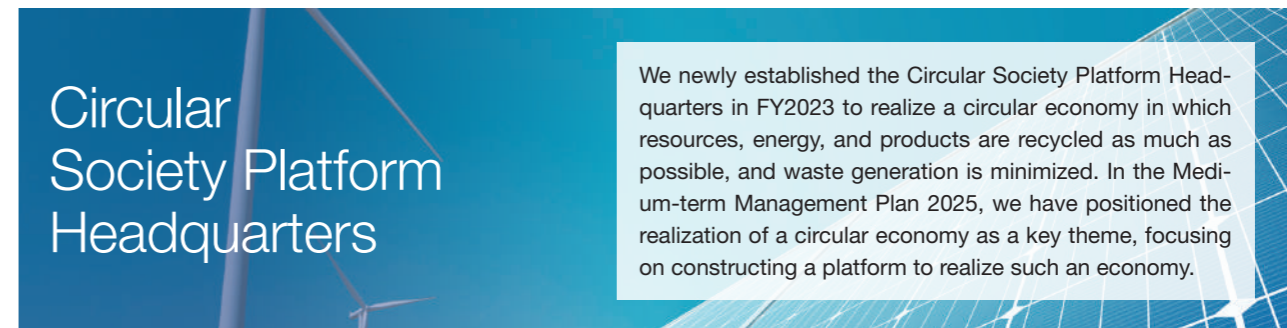
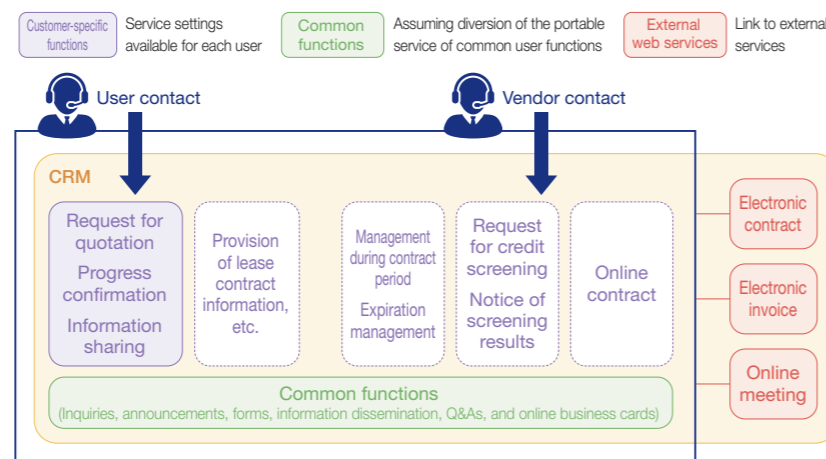
Growth Strategy

The Business Promotion Headquarters bears the heavy responsibility of fulfilling the role of the foundation that supports our “Challenge” and “Change” and is active in the top priority areas in the Medium-term Management Plan 2025. Our mission is to achieve sustainable growth by accumulating quality assets to overcome contraction trends in leasing markets. To this end, we will transform our sales style into a value co-creation and problem-solving sales style and improve the capability of sales representatives, who services as our gatekeeper, to identify the unrecognized needs of our clients. We will move away from product-oriented sales and propose cross-sale (combination sale) to clients, while identifying their unrecognized needs.

At the same time, we will make a qualitative shift in collaborations with Mizuho that we have been promoting to ones centered on value co-creation with our clients. While fully utilizing Mizuho’s client base, the greatest strength of the Company, and its functions, the Business Promotion Headquarters flexibly and proactively addresses needs that are difficult to respond to within the Bank Group. Furthermore, we will take on new risk-taking challenges in areas where quantitative analysis is difficult to employ, such as residual value risk and midway cancellation risk.

I Utilization of Customer Relationship Management (CRM)

We make extensive use of CRM tools to improve customer convenience and operational efficiency. A series of communications with clients and vendors, including requests for quotation and credit screening as well as contracting and invoicing procedures, can all be performed online.



Circular Society Platform Headquarters

We newly established the Circular Society Platform Headquarters in FY2023 to realize a circular economy in which resources, energy, and products are recycled as much as possible, and waste generation is minimized. In the Medium-term Management Plan 2025, we have positioned the realization of a circular economy as a key theme, focusing on constructing a platform to realize such an economy.

> Strengths

- Collaborations with alliance partners such as TRE HOLDINGS
- Cooperation with manufacturers and startups with cutting-edge technology
- Power supply from 740 solar power plants around the country to 30 AEON Mall facilities in collaboration with Eco Style
- Financing transactions focusing on equity investments in solar, wind, hydro, and biomass power plants

> Key Measures under Medium-term Management Plan 2025

- Shift from the real economy to the circular economy
- Construct a platform in collaboration with various alliance partners by serving as a node of the arterial industry and the venous industry
- Secure 1 GW of renewable energy power source
- Secure transparency in each stage of product life cycle and promote optimized resource use in cooperation with alliance partners

Achievements and results of the previous Medium-term Management Plan

- Acquired solar power plants and entered the renewable energy business in full scale
- Entered the domestic hydro power generation business
- Reached a basic agreement with TRE HOLDINGS for building a circular economy
- Established a renewable energy scheme and concluded a capital and business alliance with Eco Style

Growth Strategy

Mizuho Leasing aims to become a circular society platform company. The Circular Society Platform Headquarters is responsible for promoting this goal. In August 2023, we took a stake in TRE HOLDINGS CORPORATION, one of the largest recycling service providers in Japan, in order to strengthen collaboration as a cooperative partner. We intend to build a system for resource recycling through collaboration between the Company, which promotes XaaS (transformation of products into services), and TRE, which collects and recycles used products, beyond the boundaries of industries. We will ensure transparency in each stage

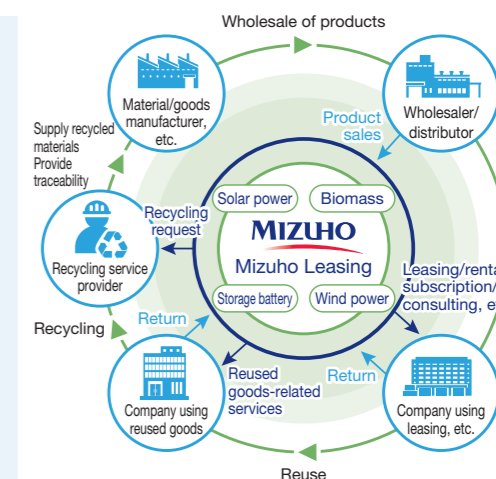
of product life cycle processes and promote optimized resource use in cooperation with TRE and other alliance partners.

We also aim to realize a decarbonized, circular society by supplying renewable energy generated by the Company in all product lifecycle processes. At the same time, we will cooperate with multiple manufacturers and startups with cutting-edge technologies in EVs and storage batteries to start business development from the perspective of value co-creation.

I Circular Economy Platform Our Company Aims for

The depletion of resources caused by global population growth and global warming and other environmental issues have led to strong demand for a shift from a linear economy to a circular economy. In this environment, the Company, which provides solutions such as leasing, rental, and subscription services, and TRE HOLDINGS, which engages in the resource recycling business, reached a basic agreement and concluded an agreement as business partners based on a common understanding that the goals of both companies coincide. The two companies work together with material and product manufacturers to promote discussions on the construction of a circular economy platform, resource recycling, and the visualization and reduction of greenhouse gas emissions.

A linear economy is a social system based on a mass production, mass consumption and mass disposal pattern (i.e., a one-way relationship where the venous industry turns the industrial waste generated from the activities of the arterial industry into reusable resources) (Source: METI official website)





Real Estate Headquarters

With the vision of “contributing to society through our real estate services,” the Real Estate Headquarters provides financing (mezzanine loans and investments) for various types of real estate properties, including offices and logistics facilities. We will grow the real estate business with a strong challenging spirit through the two pillars of traditional and new businesses.

> Strengths

- Flexibility and high degree of adaptability to meet clients' needs
- Trust built up through long-term partnership with clients
- Precise response to CRE and capital needs of many of Mizuho Financial Group clients
- Expansion of business domains through collaborations with alliance partners and further enhancement of client proposal capabilities

> Key Measures under Medium-term Management Plan 2025

- Simultaneously expand existing businesses and create new ones
- Expand stable revenue bases, such as mezzanine loans and real estate leasing
- Acquire and jointly develop real estate with a medium- to long-term management perspective in mind
- Create new businesses through collaborations with alliance partners
- Further promote the mid-career hiring of specialized personnel
- Create a comfortable working environment and realize a virtuous cycle through health promotion

Achievements and results of the previous Medium-term Management Plan

- Acquired shares of Nippon Steel Kowa Real Estate CO., LTD. and entered into a business agreement in order to expand business domains
- Invested in CCReB Advisors Inc., a real estate tech company, with a view to creating new businesses and strengthening proposal capabilities
- Invested in a fund that will acquire Shiodome A-block real estate, including the DENTSU head office building and Otemachi PLACE, which are expected to provide stable long-term revenue
- Real estate-related operating assets increased 31% year on year on growth in real estate financing for prime assets

Growth Strategy

In the real estate business, we have built long-term and stable revenue bases by engaging in large-scale projects such as offices and logistics facilities. During the period covered by the previous Medium-term Management Plan, we deepened relationships with alliance by concluding a business agreement with Nippon Steel Kowa Real Estate and investing in CCReB Advisors Inc., a real estate tech startup. This has contributed to improving client proposal capabilities, resulting in an increase in the number of projects we are working on. Our current mission is to build a strategic business portfolio by appropriately assessing the current recovery from the COVID-19 situation and the significantly

changing business environment. For further growth strategies, we will also focus on development projects and real estate acquisition with the assumption of long-term ownership, which are highly profitable new domains, in order to raise the overall ROA. In addition, efforts toward a decarbonized society are expanding in the entire industry. As such, we will contribute to building social infrastructure by working on projects such as those for environmentally certified real estate properties.

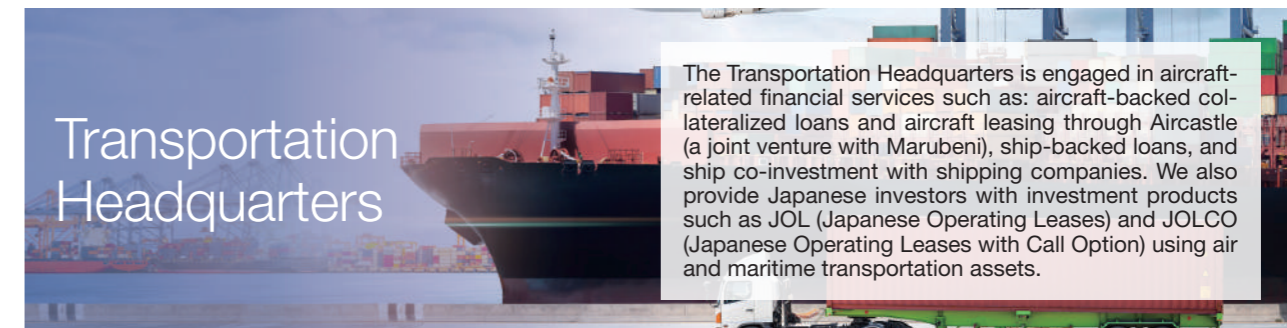
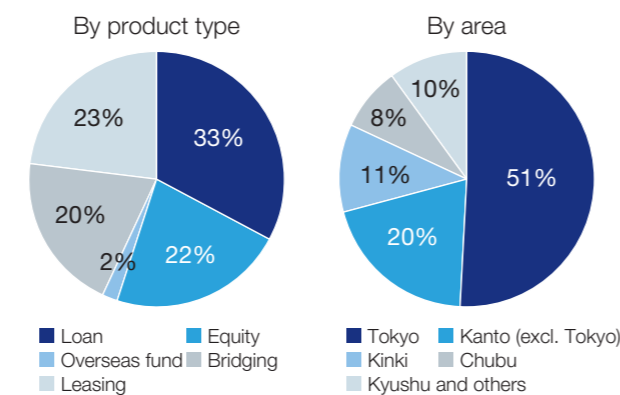
We will create new value and resolve social issues by balancing efforts to expand existing core domains and take on challenges to create new businesses.

DX Promotion by the Real Estate Headquarters

The Real Estate Headquarters collaborates with real estate tech companies to obtain daily changing real estate market information in a timely and efficient manner and uses it to enhance the variety of proposals to clients. We will also work to improve the way executives and employees work by introducing a new contracted property management system that collects data for the entire Real Estate Headquarters, helps optimize business portfolio management, and improves productivity.



Business portfolio of the Real Estate Headquarters



Transportation Headquarters

The Transportation Headquarters is engaged in aircraft-related financial services such as: aircraft-backed collateralized loans and aircraft leasing through Aircastle (a joint venture with Marubeni), ship-backed loans, and ship co-investment with shipping companies. We also provide Japanese investors with investment products such as JOL (Japanese Operating Leases) and JOLCO (Japanese Operating Leases with Call Option) using air and maritime transportation assets.

> Strengths

- Strong partnership with Mizuho Financial Group, Marubeni, and other partners and expertise cultivated through these partnerships
- Utilization of Aircastle, a major aircraft leasing specialist, in which the Company and Marubeni own equity stakes
- Capabilities to structure and distribute deals that contribute to the fundraising and management of our clients by leveraging our knowledge and experience in the air and marine transportation sector

> Key Measures under Medium-term Management Plan 2025

- Strengthen aircraft-related financial services (operating leases, JOL/JOLCO, etc.) through collaborations with Marubeni and other partners
- Strengthen capabilities to develop and provide investment products in areas that we have not frequently handled before, such as LNG tankers
- Strengthen asset risk-taking capabilities in the marine transportation area

Achievements and results of the previous Medium-term Management Plan

- Expanded aircraft-related businesses through collaboration with Marubeni (financing from Mizuho Marubeni Leasing to Aircastle)
- Provided PDP financing for a Mexican LCC
- Developed and strengthened the sales system for JOLCO and other investment products

Growth Strategy

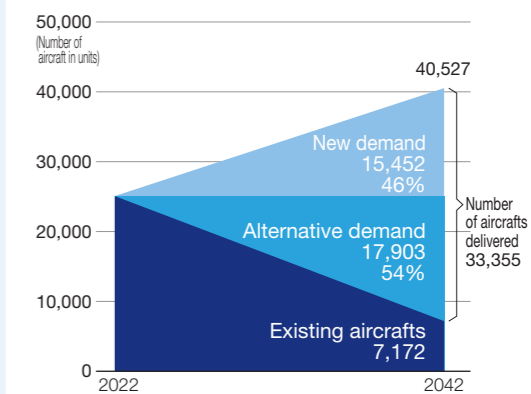
In the aviation sector, we will focus on (1) strengthening aircraft operating lease business through Aircastle, (2) expanding aircraft-backed loans and (3) strengthening investment products for Japanese investors through the structuring and distribution of JOL and JOLCO. Up to this point we have mainly provided financing to companies in need of aircraft. Going forward, we will achieve growth by capturing a recovery in aviation demand that declined due to the COVID-19 pandemic and an accompanying increase in demand for leasing services, through Aircastle, in which we have recently increased our capital. As for JOLCO, we will

develop products that contribute to easing a capital investment burden associated with rising new building prices of aircraft and ships as well as to capital recycling. At the same time, we will deliver these products to the Japanese investors to proactively respond to their investment needs as well as to responding to the financing needs of the operators. In the maritime transportation area, we will draw on our long experience and knowledge to appropriately share asset risks with our clients and help them expand their businesses.

Case Study in the Transportation Headquarters

In FY2022, the Transportation Headquarters worked on the world's first JOLCO for existing LNG tankers. Liquefied natural gas (LNG) is expected to play a significant role in stable energy supply as a bridge to decarbonization, and demand for dedicated vessels is expected to increase in the future. On the other hand, the capital investment burden is increasing as new building prices are rising due to increased demand and higher material prices. By using JOLCO for existing vessels, we have enabled the maritime transportation industry to recycle existing investments to make new investments, while providing Japanese investors with opportunities to invest in high quality projects with stable cashflow, satisfying both of the fundraising and needs.

Passenger jet demand forecast results



Source: Japan Aircraft Development Corporation



Investment Headquarters

The Investment Headquarters aims to co-create value to enhance our clients' corporate value and solve social issues by supplying risk money through our equity and other financing functions.

> Strengths

- Capability to access our clients' needs in cooperation with Mizuho Financial Group
- Investment opportunities and project sourcing capabilities from networks with Marubeni and investment funds
- Flexible investment and financing methods suited to market conditions

> Key Measures under Medium-term Management Plan 2025

- Strengthen direct investment in operating companies
- Promote value co-creation through joint investments with clients
- Expand into new financing areas, such as overseas renewable energy and infrastructure projects, and securitized products

Achievements and results of the previous Medium-term Management Plan

- In the equity area, accumulated LP investments in investment funds and built broad and deep networks in Japan and overseas
- For investments in startups, set up corporate venture capital (CVC) fund in collaboration with Mizuho Capital
- In cases where business synergies are expected, made several direct investments from Mizuho Leasing itself
- In the financing area, established a stable revenue base by investing in middle-risk/middle-return projects in Japan and overseas and building a certain investment portfolio

Growth Strategy

The growth strategy of the Investment Headquarters is to respond to risk money needs that are emerging both in Japan and overseas in connection with issues faced by clients and society, and to provide financing solutions through the appropriate construction and management of asset portfolios, making it one of the new pillars of our businesses.

For example, in the equity area, while securing a certain level of financial returns through indirect investment via funds, we will also strengthen direct investment in startups

and operating companies to benefit from their growth potential. We will also promote value co-creation through joint investments with our clients.

In the financing area, while keeping an eye on market trends and increasing our involvement in domestic and overseas acquisition financing, we will also expand our business scope to new areas, such as overseas renewable energy and infrastructure projects and securitized products.

Exploring Innovations and Pursuing Co-creation

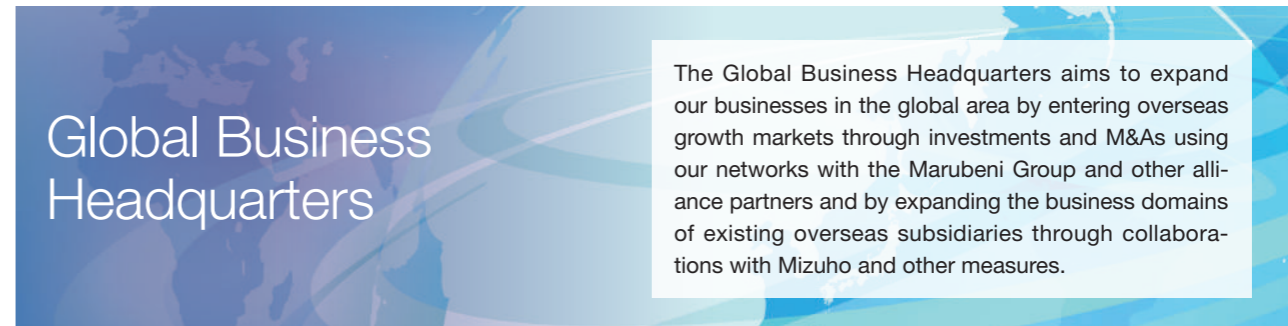
The Investment Headquarters keep close watch on technological evolution and business model innovations through access to startups. We are working not only to provide support for startups that handle solutions contributing to our clients' DX strategies in terms of financing, primarily through equity investment, but also to co-create value with our clients and startups through efforts such as building cutting-edge and highly sustainable business models using DX.



Rapyuta PA-AMR*, a human-collaborative logistics warehouse robot developed by the Company's investee, Rapyuta Robotics Co., Ltd.



* Rapyuta PA-AMR is a state-of-the-art robotic solution that improves productivity in picking work, reduces workers' workload, and helps solve labor shortage.



Global Business Headquarters

The Global Business Headquarters aims to expand our businesses in the global area by entering overseas growth markets through investments and M&As using our networks with the Marubeni Group and other alliance partners and by expanding the business domains of existing overseas subsidiaries through collaborations with Mizuho and other measures.

> Strengths

- Cooperative framework with alliance partners, including cooperation with the Mizuho Group
- Networks in the Asia-Oceania region, such as our local subsidiary in Singapore
- Ability to propose solutions that capitalize on our client base and diverse experience over many years in Japan and overseas

> Key Measures under Medium-term Management Plan 2025

- Enter new growth markets through joint investments with Marubeni and independently-sourced M&A deals
- Expand client base to non-Japanese corporate clients and overseas local retail clients
- Create revenue opportunities by providing solutions that rely on the value of goods

Achievements and results of the previous Medium-term Management Plan

- Acquired a stake in PLM Fleet, LLC, a frozen/refrigerated trailer leasing and rental company in the U.S. (equity stake of 50%; joint business operation with Marubeni)
- Invested in a leasing company in Vietnam (Vietnam International Leasing Company Limited) (equity stake of 18.3%)
- Commenced operations at our subsidiary in Singapore (Mizuho Leasing (Singapore) Pte. Ltd.) (equity stake of 100%)
- Acquired a stake in an automobile sales and financing company in Australia (Affordable Car Leasing Pty Ltd) (equity stake of 50%; joint business operation with Marubeni)
- Made Rent Alpha Pvt. Ltd. a consolidated subsidiary (equity stake of 51%)

Growth Strategy

In the global area, we aim to expand our business through (1) expansion of business areas (such as target markets, value of goods, and small-amount diversified investments in SMEs and individuals) based on our inorganic strategy through investments and M&A deals and (2) stable growth of existing local subsidiaries centered on collaborations with Mizuho and other measures.

In our inorganic strategy, in addition to developing joint business with Marubeni, we made our first entry into India in June 2023 through an independently-sourced acquisition.

We will continue to advance into markets and business fields with high growth potential, thereby capturing revenues from such growth. At existing local subsidiaries, in addition to expanding our client base in cooperation with the Mizuho Group, we aim to expand our business domains by capturing market growth. For example, we are seeking to promote, and expand the range of, differentiated products from banks, such as providing vendor financing in countries where we operate. We also aim to finance the EV industry and renewable energy-related businesses.

Making Rent Alpha Pvt. Ltd. a Consolidated Subsidiary

The Rent Alpha Group provides financial solutions across India with a focus on corporate leasing and has a leading share in the equipment leasing market in India. The Indian leasing market is expected to grow over the long term boosted by the economic growth and the spread of leasing. Rent Alpha, now a consolidated subsidiary of Mizuho Leasing, will leverage its global insights, business size, and brand power to further grow in the Indian market, which is in the early days of leasing.



Toshiaki Ito, Chairman, Rent Alpha Pvt. Ltd.



Jinesh Jain, CEO, Rent Alpha Pvt. Ltd.



Mizuho Leasing's Sustainability Promotion

Japanese companies are faced with a mountain of social, economic, and business challenges. These challenges include a plateaued domestic market due to the declining population, an increasingly competitive global business environment, a concern that the fiscal policy problem could surface, unforeseeable political and economic trends, climate change, and a pressing need for responding to technological advancement. The Mizuho Leasing Group aims to evolve into a multi-solution platformer that enables clients to tackle their business challenges by providing solutions beyond traditional financing to co-create value as a partner. In the Medium-term Management Plan 2025, we have positioned the next three years as a period for aggressive investment of our managerial resources in both business and management infrastructure, in order to make great strides towards the realization of our ambitions, which is in line with our ultimate goal of contributing to the realization of a sustainable society.

On the governance front, we newly established the Sustainability Committee in the previous fiscal year. The Committee met four times during the fiscal year to discuss cross-sectional issues, such as the progress management of our business projects that contribute to addressing materiality topics and how to address human rights related issues. In addition, we have incorporated the evaluation of the directors' performance related to

sustainability into their performance-linked compensation. In the years ahead, we will work to sophisticate the method of our risk management and further strengthen our governance, both constituting part of our management infrastructure, in a bid to support the growth of our existing businesses and the creation of new businesses.

We will continue to work on initiatives to address the materiality topics through business activities. Among those initiatives, we have set non-financial indicators for the following priority areas: realization of a decarbonized society, co-creation of circular economy and society, and enhancement of human capital. To realize a decarbonized society, we aim to first secure a renewable power generation capacity of 1GW. Then, we will build infrastructure to supply power/energy derived from renewable sources, use renewable power sources in focus/new areas, and provide platforms for solutions to pressing environmental issues such as realizing a circular and low-carbon society. In addition, we are making efforts to co-create circular economy and society by leveraging the experiences and networks we have built up as a provider of financing for equipment and other assets. Specifically, we will improve transparency in each stage of a product life cycle and serve as a node in resource cycle, from procurement of recycled materials, production of products, appropriate use (long-term/

reuse) to product recycling. We aim to build a platform that supplies the renewable energy we have secured to all stages of a product lifecycle.

To address climate change, we have accelerated our plan to realize carbon neutrality from the initial target of 2050 to 2030.

As the Mizuho Leasing Group regards each and every employee as an important asset (human capital), we have established the personnel development policy, which is centered around the belief that developing employees willingness to play active roles at the Group for years and creating a workplace where employees can work with energy and enthusiasm is an important aspect of our management strategy. Faced with drastic changes in business environment, we have proactively sought to expand our business domains with a pivotal focus on ties within the Group. In line with this business strategy, we have aimed to build a human capital portfolio that underpins our business in the future by transforming our corporate culture into the one that encourages our employees to take on challenges in a voluntary and proactive manner. One of the materiality topics we have identified is "Creating a society and workplace where everyone can thrive." As a company based in Japan, to proactively draw on diverse human capital and values irrespective of nationality, gender, age and other diversity

factors, we have focused on business management with the highest priority placed on people. Aiming for an organization where each and every employee feels rewarded, satisfied, and fulfilled at work, we have been making efforts in various perspectives, including recruitment, personnel development, succession plans, diversity, health management, engagement, when and where to work, and human rights.

We aim to contribute to realizing a sustainable society by taking a lead in solving social issues. We are aware that respect for human rights is the first prerequisite for achieving our own mission, vision, and values. To demonstrate our responsibility and commitment for human rights, we have established and disseminated our human rights policy. In addition to strengthening our initiatives in-house, we have been making preparations for human rights due diligence for the future.

With a vision to "Be a creator of a sustainable world", we are committed to co-creating a circular society, with the materiality topics we have identified as a starting point, through continued dialogues with our stakeholders and tireless challenges and new ideas that go beyond finance, to ultimately contribute to realizing a sustainable society.

Mizuho Leasing's Materiality

Step 1 | Extracting issues

Made a list of approximately 300 issues extracted from SDGs, SASB Materiality Map by industry sector, and so on, to be addressed in Japan and abroad in a long span in terms of environment, society, economy, and other perspectives.

Step 2 | Analyzing issues

Scored each issue by drawing on the insights of external experts concerning the degree of importance of each issue for society and for the Group. Selected issues that the Group can contribute to solving through its business, or issues that the Group is aiming to contribute to solving.

Step 3 | Assessing issues

Conducted interviews with the management and a questionnaire survey for employees to assess the importance of each issue from the standpoint of opportunities and risks for society and the Group, respectively. Organized and selected issues that we place priority on addressing, and narrowed them down to a list of six themes.

Step 4 | Identifying materiality topics

Deeply discussed where we should place our priority with regard to six themes, consulted and deliberated on the validity of the materiality topics in the Executive Management Committee, and decided in a Board of Directors' meeting.



Materiality	Social issues	Indicators
Contributing to a decarbonized society	<ul style="list-style-type: none"> Worsening environmental issues (global warming, etc.) Increased demand for energy/food/water and resource depletion Expanded demand for and use of renewable energy 	<ul style="list-style-type: none"> Secure a renewable power generation capacity of 1 GW (FY2025) Reduce CO₂ emissions to zero in Scopes 1 & 2 (FY2030)
Contributing to a healthy and prosperous lifestyle	<ul style="list-style-type: none"> Aging society and labor shortage in the medical and nursing care field Regional disparities between urban and rural areas in the medical and nursing care field 	
Contributing to the creation of social infrastructure that supports our lifestyle	<ul style="list-style-type: none"> Construction of social infrastructure in response to changing lifestyles Widening regional disparities in terms of urbanization and depopulation Aging and obsolescence of infrastructure 	
Leading toward a circular economy	<ul style="list-style-type: none"> Environmental conservation by moving away from a mass-production and mass-consumption society Responding to changes in social trends from ownership to use Shorter product cycles due to technological innovation 	<ul style="list-style-type: none"> Chemical/material resource recycling rate: 85% or more (FY2027)
Creating new value through technology	<ul style="list-style-type: none"> Expectations for solving problems with new technologies (robots, AI, etc.) Increasing demand for data utilization Expectations for improved access to information through advances in information technology 	<ul style="list-style-type: none"> Digital IT personnel: 200 people or more (FY2025)
Creating a society and workplace where everyone can thrive	<ul style="list-style-type: none"> Expectations for work style reform Growing importance of respect for diversity and human rights Necessity of appropriate governance structure and internal control 	<ul style="list-style-type: none"> Hire more specialized business personnel: +80 people or more (FY2025) Investment amount for developing personnel: 3x or more (FY2025; compared to FY2022) Rate of paid annual leave taken: 80% or more (FY2025) Rate of female employees in managerial posts: 15% (FY2025) Ratio of childcare leave taken by male employees: 100% (every year)

Our Vision

We make the great leap from a leasing company to a platform company that co-creates the future together with our clients

Circular society platform company that addresses social challenges

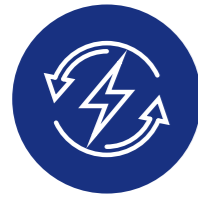
Provide integrated solutions, such as circular economy and decarbonization, for social issues that corporations need to solve

Technology-driven leader pushing for structural business reform

Anticipate shifting social structures and spread of new technologies, and provide a comprehensive range of solutions designed to meet those business challenges in response
Become a powerful XaaS (Anything as a Service) player

Organization that fearlessly tackle challenges to create new value

Each employee, and the company as a whole, will create new value beyond the traditional finance framework by being agile, focusing on speed, and taking on new challenges



Contributing to a decarbonized society



Social issues

- Worsening environmental issues (global warming, etc.)
- Increased demand for energy/food/water and resource depletion
- Expanded demand for and use of renewable energy

Opportunities for Mizuho Leasing

- Increased business opportunities associated with changes in social and industrial structures with renewable energy as the starting point
- Expected role as equity holder and fund provider for projects related to renewable energy
- Strengthening of alliances with clients and suppliers with the common goal of expanding clean energy

Risks for Mizuho Leasing

- Rising costs of responding to climate change risks
- Shrinking market for products whose environmental impact is difficult to measure and continuously reduce
- Introduction of laws and regulations related to energy efficiency and its impact on corporate activities

Major initiatives for materiality

Participate in renewable energy projects, and create management systems for generating, transmitting, storing, and using electric power

Enhance solutions for saving energy and improving energy efficiency

Examples

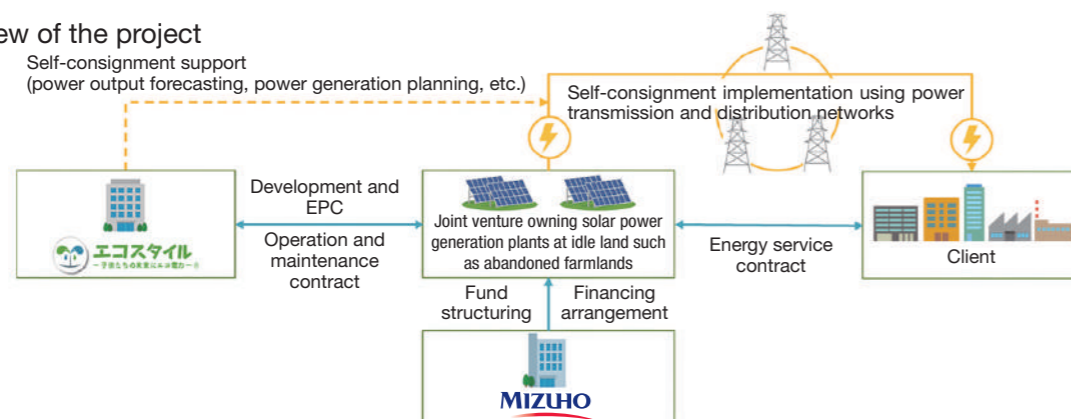
Achieved a framework to meet clients' needs for procuring electricity derived from renewable sources through capital and business alliance with a developer

In September 2022, the first project of a scheme in which we participated started operations to supply electricity derived from renewable sources. Under this scheme with the self-consignment method, electricity is supplied from solar power generation plants built in multiple idle lands such as abandoned farmlands to electricity consuming areas through the power transmission and distribution networks operated and managed by general power transmission and distribution business operators. The scheme allows for the procurement of large-capacity renewal energy.

In March 2023, Mizuho Leasing concluded a capital and business alliance agreement with Eco Style Co., Ltd., a developer of solar power generation plants and a partner in the project. Mizuho Leasing will collaborate with Eco Style to meet the needs of electricity consumers (clients) hoping to procure electricity derived from renewal sources. Specifically, we provide these clients with schemes such those using the self-consignment method and Corporate PPA.

Mizuho Leasing will accelerate its initiatives to secure a renewable power generation capacity of 1 GW (FY2025), which was announced in the Medium-term Management Plan 2025 in May 2023. In addition, we will provide a scheme to meet the needs of electricity consumers (clients) for procuring electricity derived from renewable sources and thereby contribute to realizing a carbon neutral society.

Overview of the project



Contributing to a healthy and prosperous lifestyle



Social issues

- Aging society and labor shortage in the medical and nursing care field
- Regional disparities between urban and rural areas in the medical and nursing care field

Opportunities for Mizuho Leasing

- Growing demand for investment in medical and nursing care services using IoT
- Entry into real estate leasing schemes, such as elderly housing with medical and nursing care services
- Expansion of health information services and health-related markets (from treatment to prevention)

Risks for Mizuho Leasing

- Loss of opportunities for market expansion mainly due to delays in upgrading to advanced medical equipment or forming alliances to that end
- Loss of growth opportunities due to the inability to meet the growing demand for medical services

Major initiatives for materiality topics

Offer integrated services that combine maintenance with data analysis and other tasks through alliances with medical manufacturers

Provide comprehensive solutions that encompass facilities, equipment, and devices

Examples

Leasing of emergency medical helicopters, which contributes to improving lifestyle and healthcare in regional communities

Mizuho Leasing has been driving its contribution to a healthy and prosperous lifestyle by providing services in the medical and healthcare area, such as financing to medical and nursing care equipment and leasing of real estate such as nursing care facilities. Especially in the area of emergency medical care, we have focused on leasing emergency medical helicopters which are used to transport medical doctors and nurses to the sick and injured.

Emergency medical helicopters are capable of easily reaching the places difficult to access for ambulances, such as mountainous regions and distant locations, and thus, can quickly promptly come to disaster sites and emergencies. With medical professionals on board and sophisticated medical equipment equipped, the helicopters can allow for early treatment by providing appropriate emergency care to patients and quickly transporting them to medical institutions.

Tohoku Air Service, Inc., one of the Tohoku Electric Power group companies, has contributed to regional communities by leveraging its experience and know-how on the operation of helicopters through its business activities. Such activities include patrolling power transmission lines, and operation of firefighting and disaster-protection helicopters. We have supported the safe and secure living of all residents in regional communities by leasing Kawasaki BK117 C-2, which Tohoku Air Service, Inc. has introduced as emergency medical helicopters.





Contributing to the creation of social infrastructure that supports our lifestyle



Social issues

- Construction of social infrastructure in response to changing lifestyles
- Widening regional disparities in terms of urbanization and depopulation
- Aging and obsolescence of infrastructure

Opportunities for Mizuho Leasing

- Increased demand for equipment and facilities in line with growing logistics demand and social changes such as digitalization and smartification, as well as creation of new opportunities for business advancement
- Expansion of business opportunities in rural areas due to the advancement of de-urbanization and a decentralized society
- Demand for infrastructure upgrades and demand for infrastructure using new technologies

Risks for Mizuho Leasing

- Obsolescence of existing equipment and businesses due to changes in working styles and living environment
- Loss of business opportunities due to intensifying competition in urban areas and declining population and companies in rural areas
- Stagnation of socioeconomic activities due to accidents and breakdowns caused by aging infrastructure and increased damage in the event of disasters

Major initiatives for materiality topics

Focus on real estate that addresses strong social needs and properties with environmental certification

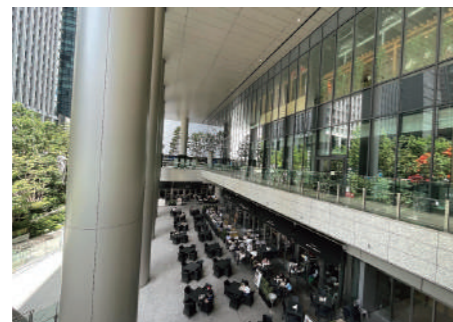
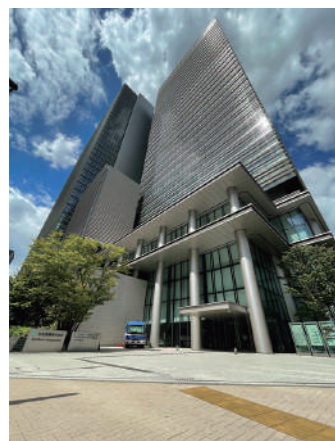
Provide solutions for infrastructure development and promoting mobility

Examples Initiatives related to real estate with environmental certification or high social needs

Market environments surrounding each industry have changed dramatically and the pace of such changes has accelerated more than ever. We believe the Mizuho Leasing Group's mission is to construct a diverse range of era-defining infrastructure and to create social infrastructure that supports prosperous lifestyle, in response to recovery from the COVID-19 pandemic and changing lifestyles.

In November 2022, the Mizuho Leasing Group made an investment in the fund owning Otemachi PLACE, which is located in Otemachi, one of Japan's major business districts, and is directly connected to Otemachi Station, which is served by five metro lines. This relatively new property completed in 2018 is earthquake-resistant and prepared for an emergency. All the commercial power used in the common and tenant areas is derived from renewable sources and carbon offset. The level of CO₂ reduction with the building alone is top ranked in Japan.

The Company has been involved in an increasing number of projects for properties with high social needs (such as logistics facilities and nursing care facilities) as well as those with environmental certification, thereby also contributing to creating the social infrastructure that supports people's living. The Company is committed to realizing a sustainable society by operating businesses that solve social issues through real estate finance function and collaboration with alliances, and thus, by going ahead of the times.



Leading toward a circular economy



Social issues

- Environmental conservation by moving away from a mass-production and mass-consumption society
- Responding to changes in social trends from ownership to use
- Shorter product cycles due to technological innovation

Opportunities for Mizuho Leasing

- Expansion of new businesses and technological development in response to changes in the way goods are used
- Widespread use of sharing and subscription services that are highly compatible with leasing
- Increased business opportunities for the Company due to a shorter capital investment cycle
- Environmental improvement through conservation of the natural environment and reduction of waste and pollutants

Risks for Mizuho Leasing

- Adverse effects on the natural environment due to resource depletion and increased waste, and increased burden on companies due to soaring resource prices and environmental regulations resulting from environmental degradation
- Loss of opportunities for growth and innovation due to the inability to capture demand associated with the shift from ownership to use
- Deterioration of corporate performance due to increased capital investment costs to respond to rapid technological innovation and social change

Major initiatives for materiality topics

Build a circular economy platform through collaboration with partners

Provide solutions that maximize the use value of goods, such as subscription and sharing

Examples Diversifying the sales methods for new products in line with changes of consumers' lifestyles and contributing to a circular economy Building a vendor financing scheme for frozen food vending machines

At the request of FUJI ELECTRIC CO., LTD., a major electrical manufacturer, for developing a new sales method for frozen food vending machines, Mizuho Leasing proposed a vendor financing scheme that helps improve the efficiency of sales activities; the collaborative sales scheme has come into operation since FY2023.

As needs for using frozen food vending machines are on the rise in line with changes in consumers' lifestyles, mainly food and beverage businesses are considering introducing, or have introduced, them. In frozen food vending machines, products for sale are frozen and thus can be stored for a long period of time. In fact, they help reduce product expiration risk as well as food waste.

Through collaboration with Mizuho Leasing, FUJI ELECTRIC is expected to improve the efficiency of its sales activities and speed up the conclusion of contracts with its customers, as well as increase sales volume by making use of the Mizuho Group's client network. Continued collaboration with Mizuho Leasing in the vendor financing scheme will enable FUJI ELECTRIC to contribute to reducing food waste, reuse returned products for other customers. As such, the scheme helps build a resource recycling system throughout the product life cycle by appropriately using products (for longer time) and recycling them. Mizuho Leasing will continue to focus on leading toward a circular economy by working jointly with recycling business partners to enhance traceability, and further drive the initiatives above.



"Frozen Station II" frozen food vending machine



"Multi-kun" compact multi-purpose vending machine



Multi-purpose food vending machine (indoor installation only)



Creating new value through technology

- Social issues**
- Expectations for solving problems with new technologies (robots, AI, etc.)
 - Increasing demand for data utilization
 - Expectations for improved access to information through advances in information technology



Opportunities for Mizuho Leasing

- Creation of new markets, provision of innovative services, and transformation to a business model that considers sustainability
- Establishment of a solid information infrastructure and improvement in information literacy
- Capturing corporate investment demand and expanding business to promote the use of IoT and robotics

Risks for Mizuho Leasing

- Obsolescence of existing business models due to the rise of new technologies such as IoT and AI
- Obsolescence of existing assets held and a decline in residual value
- Leakage of core information and suspension of business operations

Major initiatives for materiality topics

Provide a platform that uses big data and AI

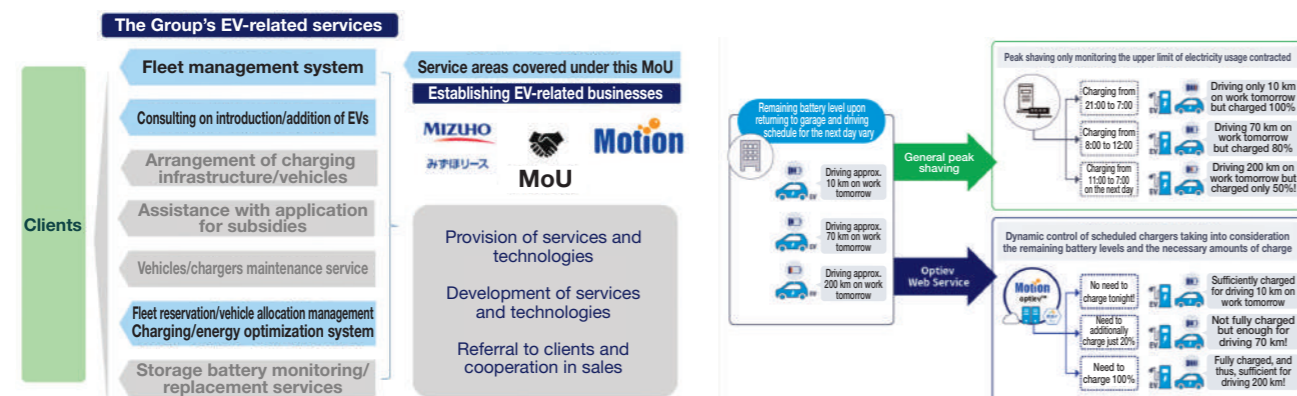
Create new businesses by investing in startups

Examples Problem-solving EV-related services utilizing combinatorial optimization technologies

In June 2023, Mizuho Leasing signed a MoU on the establishment of EV-related services with Motion Inc., a company developing services centered on combinatorial optimization technologies with its superior data analytics (statistical analysis).

Toward the goal of achieving carbon neutrality by 2050, the need for electrifying various types of vehicles, including automobiles, forklifts, construction equipment, and ships, is on the rise. In the process of discussing electrification and introducing electrified vehicles, the EV charging management, which helps reduce the burden of unexperienced operations and minimize power consumption and the load on electrical systems, has surfaced as a challenge. Since its foundation, Motor Inc. has solved issues of many corporate and other clients by analyzing big data across a variety of business settings and optimizing combination of people or things driven by data. The collaboration with Motor Inc. is part of our efforts to provide consulting service for introducing electrified vehicles and implement optimal EV charging management services in line with the concerns of companies considering and introducing electrified vehicles. The consulting service for introducing electrified vehicles has already come into pilot operation. As one of the EV charging management services, we are offering a scheme that optimizes and automatically controls battery chargers and schedules charging while acquiring the operation status of vehicles in real time. We plan to deliver the service via SaaS or API.

Going forward, we will continue to work on the electrification of vehicles toward realizing a decarbonized society by collaborating with alliances, thereby realizing a sustainable society.



Creating a society and workplace where everyone can thrive

- Social issues**
- Expectations for work style reform
 - Growing importance of respect for diversity and human rights
 - Necessity of appropriate governance structure and internal control



Opportunities for Mizuho Leasing

- Expansion of opportunities to secure excellent human capital by promoting diverse work styles with a high degree of flexibility
- Strengthening of organizational capabilities by making the most of employees' abilities
- Establishing a foundation for stable growth by establishing a solid governance structure

Risks for Mizuho Leasing

- Outflow of human capital due to inadequate labor and employment management, and training of employees
- Reputation risk due to inadequate harassment response
- Business continuity risks associated with governance failures and dysfunction of internal control

Major initiatives for materiality topics

Secure and retain diverse human capital through mid-career hiring and support careers of women

Respect human and individual rights, accommodate diverse work styles

Examples Expansion of the initiatives to increase flexibility in choosing when and where to work to all sites

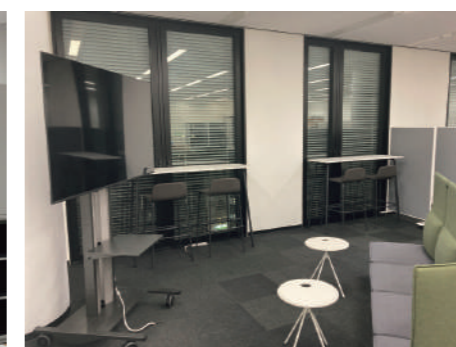
For Mizuho Leasing, which aims to transform its corporate culture, one of its important elements is to create a working environment in which employees can work with energy and enthusiasm and feel rewarding.

We offer workplaces that accommodate diverse workstyles, including teleworking and coworking, based on the Activity Based Working (ABW) concept, allowing employees to freely choose when and where to work. Since we implemented the initiative in the area where our head office is located, we have continued to expand the initiative to the Makuhari office, where information systems departments reside, and local sites. Specifically, we have made a range of efforts to create a work environment where employees can thrive. Such efforts include the introduction of restaurant booths, partitioned video conference spaces, and communication spaces, which are designed to fit the characteristics of each workplace, as well as the introduction of free-addressing.

In addition, the new Sendai Branch office, which was relocated recently, has moved forward with efforts to harmoniously coexist with society and protect the global environment by using chairs made of marine plastic waste and wooden furniture made of trees farmed and distributed with due consideration to the environment.



Partitioned conference space, Sapporo Branch



Communication space, Nagoya Branch



Restaurant booth and chairs made of marine plastic waste, Sendai Branch

The Company aims to solve clients' problems and realize a sustainable society, such as the creation of new businesses and advancement into new business domains, through alliance/cooperation with its alliance partners, including Mizuho Financial Group companies, Marubeni Corporation, and RICOH LEASING COMPANY, LTD.

Alliance with the Mizuho Group

Mizuho Leasing will significantly develop its business by providing unique solutions to the Mizuho client base that differ from the Mizuho Bank Group

Qualitative shift in alliance

■ Deepen alliance with the Mizuho Group for further advancement

Provision of solutions unique to Mizuho Leasing

■ Provide the Mizuho clients with unique solutions, differing from the Mizuho Bank Group

Expand client base

■ Capitalize on one of Japan's largest client bases to further expand our own

March 2019

Launched partnership with Mizuho Group with Mizuho Group

- Becomes an equity-method affiliate of Mizuho Group
- Expands business by leveraging one of the largest client bases in Japan and overseas (changed the company name to Mizuho Leasing Company, Limited in October 2019)

March 2019

Launched partnership with Marubeni Group

- Drove performance in the global area by turning overseas businesses into joint ventures since FY2020

Alliance with the Marubeni Group

We will accelerate global business growth through investments via Mizuho Marubeni Leasing (our joint venture with Marubeni Corporation) and through joint investments in businesses overseas.

■ Promote joint business, especially in overseas markets

-Increase synergetic revenue through business expansion of and alliance with existing JVs

-Expand alliances and search for joint investment targets in new business domains

■ Delve into Marubeni's captive business through Mizuho Marubeni Leasing

Alliance with RICOH/RICOH LEASING

■ Drive business by leveraging RICOH LEASING's vendor finance expertise and credit decision criteria

■ Promote product offerings from both companies to each other's clients based on their respective strengths. Consider new areas of collaboration

March 2020

Acquired equity interest in RICOH LEASING COMPANY, LTD.

- Strengthened existing businesses, such as vendor finance
- Created new business opportunities through collaboration

Acquired equity interest in Aircastle Limited

- Enhanced our presence in the global aircraft leasing market

Acquired equity interest in PLM Fleet, LLC

- Developed frozen and refrigerated transport market in the United States

May 2021

Acquired equity interest in Mizuho Capital Co., Ltd.

- Strengthened access to startups
- Leveraged investee companies' solutions to expand to new sectors

August 2021

Acquired equity interest in Nippon Steel Kowa Real Estate Co., Ltd.

- Leveraged general developer's insights in real estate development, property management, and asset management to expand presence in the real estate

Medium-term Management Plan 2025

2023

January 2023

Agreement to make Rent Alpha Pvt. Ltd. a subsidiary

- Acquired an Indian company with high growth potential and will work to expand into new markets

March 2023

Invested in Eco Style Co., Ltd.

- Provides solar power energy schemes using the self-consignment method and Corporate PPA

January 2022

Acquired equity interest in Affordable Car Leasing Pty Ltd

- Auto finance business in Australia

April 2022

Invested in Rapyuta Robotics Co., Ltd.

- Built a subscription scheme for logistics robots

November 2022

Agreement with TRE HOLDINGS CORPORATION

- Promoted construction of a circular economy platform, aimed at realization of an "advanced circular economy" and a "decarbonized society"


2019

2020

2021

2022

Outside directors play an important role in energizing the Board of Directors by providing advice based on their own knowledge and candidly communicating the opinions of stakeholders from an independent standpoint. The six members, each with different backgrounds and individual attributes, got together to discuss how the new “Medium-term Management Plan 2025” was formulated under the new president, as well as the challenges and expectations for the Company as it strives to “Be a creator of a sustainable world”.

Please refer here for Outside Directors' career background and skills matrix  pp.69-70



Naofumi Negishi
Outside Director



Hirofumi Hagihira
Outside Director



Mari Sagiya
Outside Director



Hajime Kawamura
Outside Director



Takayuki Aonuma
Outside Director



Hirozumi Sone
Outside Director

I Want to Encourage and Support Powerful Efforts to Promote Change from an Objective Perspective

—We are pleased to announce the appointment of the new president. Looking back on the process from selection to appointment, what were your thoughts and expectations in your supervisory capacity?

Hagihira When I first heard about the change of president, I was a little surprised, as I had assumed that Chairman Tsuhara would continue to be responsible for launching the new medium-term management plan.

However, Chairman Tsuhara explained the situation thoroughly and was confident in his recommendation of President Nakamura as his successor. There were several processes to go through, but I agreed because I was confident that the transition to the new structure was going smoothly. I believe other members of the Nomination and Compensation Committee were of the same view.

Sone As I am a newly appointed outside director, I am not aware of the process for appointing a new president. However, at my first Board of Directors meeting, I felt Chairman Tsuhara and President Nakamura had a very good relationship, their individual roles were clear, and there was a deep bond of trust between them. After hearing the details of the “Medium-term Management Plan 2025”, I felt it was an important juncture for President Nakamura to further accelerate the reforms promoted by the previous president, and to greatly extend the company’s focus and reach.

Sagiya President Nakamura was appointed to deputy president in 2020. After assuming the CFO role, he has overseen the entire sales operation, so you can say that he has held key executive positions that provide him with a broad view of the company overall. While driving growth through major alliances with Mizuho and Marubeni Group, he also cultivated new business opportunities establishing the Innovation Co-Creation Department.

Having witnessed these developments in the past years, I view his appointment to president as a natural choice. Going into the future, I am confident that he will continue to promote a management style that heeds the opinions of employees and clients, valuing dialogue with various stakeholders.

Aonuma As Ms. Sagiya said, President Nakamura was in charge of frontier areas and offered explanations at Board of Directors meetings. He is deeply committed to creating the new medium-term management plan, so I think he is the right person for the job. At the same time, I think the new president bears a heavy responsibility as the company embarks on this three-year period of challenges. Ensuring good communication with employees will be important, and developing human resources capable of propelling new business will be a core theme.

Negishi The Company is currently undergoing a period of major change and the new medium-term management plan is extremely challenging. The Company’s business

itself is moving away from a conventional lease financing. Against that background, I would like to see President Nakamura take the initiative in deciding how the company should change and nurture its human capital, including re-skilling, to enable employees to work in new areas, and how the entire company should be reorganized.

Kawamura President Nakamura was not only involved in sales, but also in frontier areas in which the Company should advance in the future, as well as finance, and I think he has gained experience in viewing the entire company from a birds-eye perspective. For that reason, I think he is the right person for president. I was also impressed by his comment at the first Board of Directors meeting following his appointment when he said he would like to get a little closer to his employees in the future. If the president can clearly express his thoughts and ideas, develop closer links with younger employees in particular, and build opportunities for them to test their full abilities, I expect that he will be able to firmly implement

the three-year period of challenging change with a view to the new Plan and the future beyond the current Plan as well.

—In formulating the “Medium-term Management Plan 2025”, please tell us behind the scenes about how it started, what issues were discussed and what decisions were made.

Negishi Generally speaking, when formulating a medium-term management plan, internal directors and other company members spend about six months to a year refining the contents of the plan before finally submitting it to the Board of Directors. However, the Company held an off-site meeting during the medium-term management plan formulation stage, creating an opportunity to enable outside directors to gather for a full day of discussion. While this surprised me, it proved really interesting. I learned a great deal about the Company’s initiatives through this meeting. I also sensed the enthusiasm to create something new and tackle change at this stage, by completing the previous medium-term management plan one year ahead of schedule.



Hagihira Younger employees also participated in the meetings, and the medium-term management plan was created with great care following multiple discussions and multiple revisions, checking even the problems the company had and its corporate culture. You could see that the company was devising ways of encouraging a sense of ownership among employees even at this stage. In addition, the new Plan has a figure of ¥42 billion for net income in fiscal 2025. It is not unachievable since the figure for fiscal 2022 was ¥28.4 billion. I think a very ambitious plan has been developed and it also has attentive contents.

Sagiya One of the duties of outside directors is to provide supervision and advice from a corporate government perspective, in order to support the company’s sustainable growth and enhancement of medium to long-term corporate value. For the development of the new medium term management plan, all outside directors were invited to participate in strategic discussions from the very early stages, and we were able to serve as a kind of a sounding board for the management team. We were exposed to the initial rough sketches of the plan and continued to review it to its completion. By looking into potential opportunities which may emerge due to changes in market needs and technology, we discussed the “Core”, “Growth”, and “Frontier” phases and each of their specific focus areas. Through this process, all board members have obtained a common understanding of the plan and a determination to support it going forward.

Aonuma I certainly have a strong impression that we created the plan together. After all, we will venture into new fields under the new Plan, so risk-taking is also necessary. I expressed my opinion regarding the need for balance when seeking to attract human resources who were well versed in risk management or considering how to acquire those skills. While the Plan is ambitious, it is also practical and clear. It is definitely not a pie in the sky. The Board of Directors even discussed how to ensure employees fully understand and embrace the new Plan, and I think President Nakamura was most attentive on this point. It was President Nakamura who pioneered the frontier areas, and he talked about his intentions to go out into the fields and talk about his ideas by himself. I think the methodology for implementing the Plan deepened considerably on a practical level.

Sone After being appointed outside director, I was given a detailed explanation of the new Plan, which I carefully studied its contents based on my experience as a corporate manager. The three-year period of the medium-term management plan might seem like a long time, but it is quite short, so we have to think about how to create the plan. When dividing into “Core”, “Growth”, and “Frontier” areas, many companies often think that the “core is the place to make money” and the “frontier is the place to focus efforts”. However, in the new Plan, all three areas will be progressed in a well-balanced manner. I think that is the most fundamental point. The other point is to get solid feedback from employees working on the actual fields

so that all employees can press ahead with their work. This is also being done in a well-balanced way.

Kawamura There was some discussion that three years is a short period, and we did consider incorporating reference values for 2027 and 2030. Although the final year of the new Plan is 2025, it has a medium- to long-term goals for 203x and it was developed using backcasting. The discussions that led up to this point were thoroughly explored by the Executive Management Committee and the Board of Directors, and I believe they were consolidated into the “Medium-term Management Plan 2025”. Therefore, I am aware that a medium- to long-term plan has been created with an eye on 2030 and beyond, and that the Plan is probably realistically and aggressively positioned. Overall, I think this is a very good medium-term management plan.

Human Capital Development is a Key Future Issue. I Want Them to Become a Creator of a New Society

—What challenges do you perceive from an external perspective regarding the Company’s vision to “Be a creator of a sustainable world”?

Aonuma When I read the new Plan, I was struck by the presence of three words namely “solutions”, “alliances”, and “platforms”. These words appeared repeatedly and were deeply linked to the Company’s vision to “Be a creator of a sustainable world”.

“Solutions” are all about proposing ways to resolve issues clients are facing. The Company’s access to the power of “Mizuho” is a major strength because it can leverage Mizuho’s human resources and experience. On the other hand, we have the advantage of being able to offer solutions that banks do not have. The Mizuho Group and the Marubeni Group feature strongly in terms of “alliances”. Among these, the Mizuho Group’s customer base, information, funds, and reputation of trust offer the ultimate power. Of the three, the word “platform” suggests a slightly different direction, which I think illustrates the future the Company is aiming to achieve. I think the desired path towards to “Be a creator of a sustainable world” involves building a venue like a station platform, where anyone from mature companies to startups with financial issues can readily drop by and freely use the facilities. In the future, I hope the Company will increasingly leverage its strengths in “solutions” and “alliances”.

Kawamura I think the meaning of the word creator changes with every case. Rather than being a creator who suddenly create something new, we can lead to solutions to events that change gradually depending on customer needs or have significant social impact by drawing upon our alliance with Mizuho or using new technologies from startups, or we can provide solutions through our partnerships with trading companies. I think becoming a creator that can respond to these kinds of needs would suit Mizuho Leasing well. It might be a market-in approach, but it takes considerable competence to accurately implement. It requires human resources with imagination, not with simulation skills. It is becoming more and more important to have human resources who can imagine the future, come up with “what they want to do”, and put them into practice.

Negishi Talking of “imagination”, I think “Building a circular economy platform” launched by President Nakamura this time is a very unique and imaginative business. The Company, which provides leasing, rental, and subscription services, collaborates with companies with advanced recycling technologies to reuse and recycle products, and even recycle resources. It is really about providing a recycling-oriented system to society so, if we can get that up and running, it will greatly increase the Company’s presence and value, and I expect that we will literally become a creator of society.

Hagihira Indeed, simply considering how to contribute to a circular economy is a very unique idea in itself. On the other hand, this business truly belongs to frontier areas, and, in reality, it could be quite difficult to achieve with Mizuho Leasing’s resources and human capital alone. I think inorganic initiatives have an important role to play here in incorporating external prowess by investing in or acquiring companies that are already active in the field.



Negishi When taking on a new challenge, you need human resources who can jump right in and you have to team up with business partners that have the right expertise. You would face difficulties, especially in the circular economy field, if you were not able to link up with and manage a group of different companies. I think the Company has the ability to do that, so I would like to see it become a central management company.

Sagiya As Mr. Hagihira mentioned, we assume that “Building a circular economy platform” is to come to fruition at the ‘Frontier’ phase which is after 2025. In the meantime, the company is to identify and develop opportunities to make it happen. In this endeavor, the employees will be required to play an active role to “Be a creator of a sustainable world”, and their imagination and coordination skills to shape new value-added solutions on top of their current leasing skills will be increasingly key. The company is providing learning opportunities to further develop the employees’ capabilities, and is also investing on human capital development overall. Providing employees with work opportunities to gain new business experience in specific growth fields will also be effective.



Sone I think “ownership” is a keyword when considering human resources. It means to grow to “Be a creator of a sustainable world” and to have a sense of proactive involvement in the business. From my outside perspective, the Company has a very strong financial base, and it often backs up its arguments with figures and they are very persuasive. However, I think the Company should also be more aware of its own ownership and consider how it can increase its value when collaborating with other companies in areas such as new technology and the environment. I believe that it is time for us to move away from the realm where we tend to rely primarily on finance and enter a new world.

Negishi Does “ownership” mean possessing an awareness of being directly involved?

Sone Yes. Even in the company’s traditionally strong core business, if we viewed things from the perspective of “Be a creator of a sustainable world”, a different picture would likely emerge. I think the meaningful point here is to ensure that not only the management but also all employees take action based on those ideas. The most important thing of all is that the company itself will change as it promotes the idea of ownership. I believe it will be able to make accurate judgements about the values it wants to pursue and the action it wants to take, and to swiftly change direction if required.



—In view of the issues identified so far, what role is required as an outside director and what are your future aspirations?

Negishi I myself have a long experience in corporate management in the manufacturing industry, and the six outside directors assembled here come from different industries with different corporate cultures. Everyone is completely different, but I think one of the roles of an outside director is to bring that different sensibility to our Company. We also supervise corporate governance, which is an important part of our job, but on the other hand, if we are fully convinced, we sometimes lend a helping hand to management. Being an outside director is more than simply supervising management and providing constructive criticism.

Hagihira Since I came from a ministry background, I feel very comfortable with Mizuho Leasing’s well-prepared and well laid-out materials and the way in which the company works. However, it is also important to always double check things from a different perspective. It is necessary for diverse opinions to be expressed and for discussions to be deepened. I believe that outside directors have a role to play in further refining good proposals when they emerge.

Sagiya Since I had spent most of my career in the IT industry, I hope I can be particularly instrumental in management discussions related to business opportunities triggered by technology and Digital Transformation to realize the medium-term management plan. Also, from my past experiences in management and as an employee, I have gone through various situations where rapid skill set enhancement was required to meet market requirements, and so employee development is another strong area of interest. Furthermore, in terms of advancement of women in management, I had the privilege of mentoring a few female general managers some years ago and am happy to see them advancing into more senior positions. There is still a considerable way to go, but the management team is keen to promote diversity and I wish to continue supporting them in any way I can.

Sone I have experience in corporate management in the global manufacturing industry and in reforming services and solutions. I would like to confirm and comment on strategies and technologies as the Company implements various sweeping changes, and to discuss the issues at hand from a new perspective. In addition, being encouraged by outside directors can be a great help to executive officers. I would also like to ensure I firmly support the things I think are beneficial.

Aonuma From my background as a legal practitioner, I believe I can provide advise in the areas of compliance and risk management. This time around, the Company will also focus on frontier areas. We are taking on a challenge, so there will be failures. I believe determining a specific level of risk tolerance is very important for companies. I think I have a role to play there as well.



Kawamura Given my background in a general trading company and corporate management, I believe I am well positioned to offer advice on company management and business execution. As an outside director, I would like to ensure moves are not based on outdated financial culture, and when the company ventures beyond the leasing realm, it should naturally expand into the global area. I believe that our degree of risk tolerance and portfolios will change in the future. I would like to comment on those developments to the best of my ability.

