

As a leasing company with long-accumulated experience, the Group is closely connected with the economy, society, the environment, and other aspects of people's lives through its diverse businesses, including financing, the management of equipment & properties, real estate, environment and energy. Our stakeholders are wide in variety, from clients, shareholders and investors, and employees to regional communities. It is not too much to say that we are well connected with every corner of society. Diverse needs and challenges remain to be addressed between the Company and its stakeholders. The Company newly formulated the Medium-term Management Plan 2025 in a bid to achieve sustainable growth and make great strides toward realizing its vision.

We are able to create new value by providing solutions that accurately capture increasingly diverse and complex needs. Our role is to contribute to creating a sustainable and prosperous society. By doing so, we believe we can live up to the expectations of our stakeholders.

We have identified six materiality topics we should focus on. Promoting sustainability management and solving social issues are the basis of how we can serve the society. To "Be a creator of a sustainable world," we will contribute to realizing a sustainable society through our business activities. To this end, we will proactively communicate with our stakeholders and foster a virtuous cycle.

Mizuho Leasing Group	Stance	Communication methods
 Clients	We will lead our clients to tackle their social and business challenges by providing solutions beyond traditional financing to enhance the satisfaction of and earn trust from clients.	Provision of SDGs-related leasing, support for realizing a circular economy, and business strategy solutions  pp.21–25
 Shareholders and investors	We will adapt to changes in the business environment and seek to maintain stable earnings. In addition, we will live up to the expectations of shareholders through efforts to improve corporate value also in environmental and social contexts, a fair disclosure of corporate information, and the development of transparent and healthy relationships with them.	Integrated Report, reports for shareholders, Corporate Governance Report, corporate website, IR site, general meetings of shareholders, financial results briefing, one-on-one meeting with investors, fair and timely disclosure  pp.26–28
 Business partners	We will contribute to mutual growth by engaging in fair and free competition, and faithfully serving them to forge a sound relationship. We seek to expand business domains by creating new value through cooperation with alliance partners.	Integrated report, corporate website, alliance with the Mizuho Group, collaboration with alliance partners, and construction of circular economy platform  pp.45–46
 Employees	We respect the personality and individuality of each and every employee. We will also eliminate all forms of harassment, maintain a rewarding work environment, and accommodate diverse human resources and values.	Communication meetings between President and/or officers and employees, introduction of the Activity Based Working (ABW) approach, promotion of teleworking, health management, training sessions on the corporate intranet, opening of an in-house bar, set-up of hotlines, and implementation of engagement surveys  pp.60–66
 Administrative bodies	In doing business, we comply with a range of related laws and regulations of Japanese, global and regional government agencies, local municipalities, and other administrative bodies. We also cooperate with administrative bodies to provide solutions in line with various policies.	Appropriate response to regulatory authorities, administrative support through business, and endorsement of government-focused measures through subsidy programs 
 Regional communities	We will actively engage in social contribution activities to achieve a more harmonious coexistence with society and communities. Further, we will contribute to creating prosperous regional communities that give consideration to improvement in the standard of people's living, development of regional industries, job creation, and diversity and inclusion initiatives such as gender equality and employment of people with disabilities in the communities where we operate.	Social contribution activities through business, donations to and volunteer activities in disaster-stricken areas 
 Non-profit organizations (NPO)	We will endeavor to build networks with NPOs and NGOs, and cooperate with them to resolve environmental and social issues.	Activities to support persons with disabilities, adoption of works from Paralympic Art as the design of our promotional items, and participation in and support for activities of NPOs/NGOs 

Realization of a sustainable society

Details of the initiatives can be viewed on our website from the above QR code.

● Action for Climate Change

Climate change, in the form of increasing levels of greenhouse gases and rising temperatures, is one of the major challenges facing the world today. The Group takes the issue of climate change seriously and has set “contribution to a decarbonized society” as one of the materiality issues in its Sustainability Initiatives, which it will work to solve through its business activities.

At the same time, by conducting analysis and disclosure in line with the Task Force on Climate-Related Financial Disclosures (TCFD) under an appropriate governance and risk management framework, we will develop a deeper awareness of the risks and opportunities posed to the Group by climate change issues and take action to achieve a sustainable society.

■ Governance

We have established a Sustainability Committee to conduct cross-sectional company-wide discussions on climate change. The committee is chaired by the Chief Sustainability Officer and consists of the CFO, CSO, CRO, CIO, CCO, and executives in charge of ESG-related divisions. In principle, wide-ranging discussions are held on a quarterly basis, and depending on the topic of discussion, other related parties are also invited to attend.

Specifically, the committee shares information relating to sustainability, including ESG, develops basic policies and targets for sustainability management, monitors the implementation status of plans, and discusses countermeasures. The committee discusses issues such as addressing climate change, sustainability initiatives, and management in response to environmental changes.

Topics are deliberated on, reported to the Executive Management Committee for discussion, and then reported in turn to the Board of Directors, where they are discussed and reflected in business strategy. In addition, a system is in place to ensure appropriate oversight by the Board of Directors, reports are made quarterly in principle to the board on the status of climate change measures and performance evaluations with respect to targets and indicators.

Sustainability Promotion Structure



■ Strategy

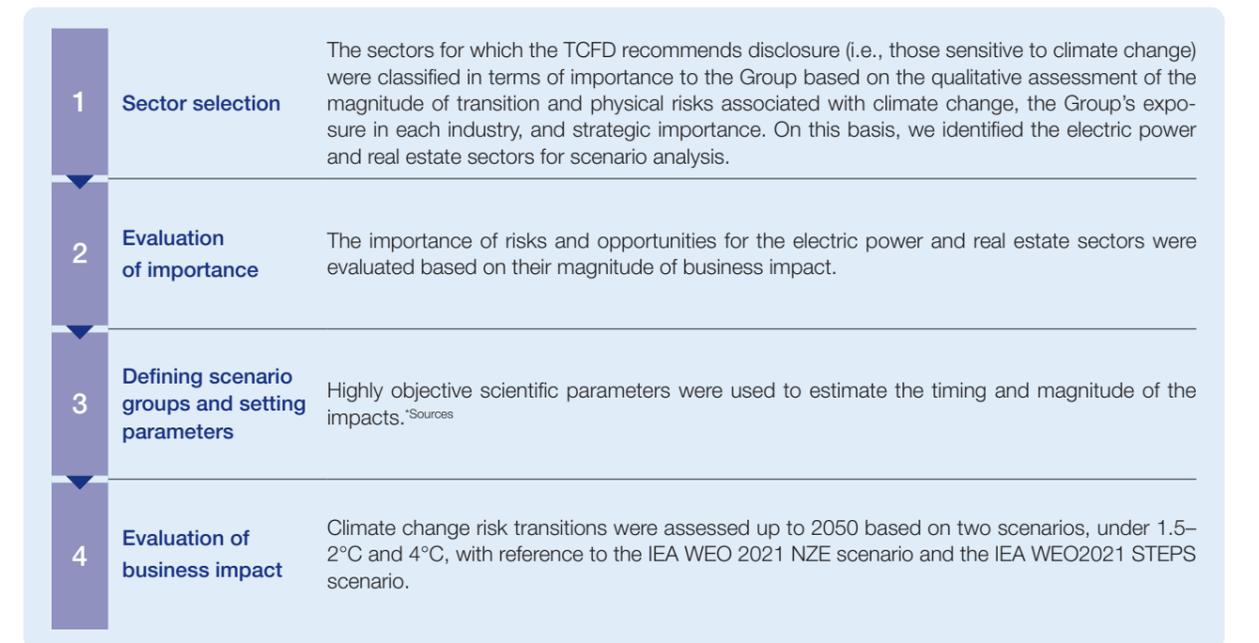
Short-, Medium-, and Long-term Risks and Opportunities

The Group takes the various risks and opportunities associated with climate change as one of its key strategic perspectives. Identifying “contribution to a decarbonized society” as a materiality topic, it is promoting initiatives to address the issue through assessment and analysis of the impacts of climate change over not only short term but also medium to long term. The impact periods are defined as short term (1–5 years), medium term (about 10 years up to 2030, the year by which the Japanese government aims at 46% reduction of carbon dioxide emissions), and long term (about 30 years up to 2050, the year by which the world aims to achieve carbon neutrality).

Impacts of Transition Risks/Opportunities and Physical Risks/Opportunities Associated with Climate Change

Type	Main points	Timeframe	
Transition risk	Policy	Increased cost of credit to sectors with high greenhouse gas emissions due to the introduction of carbon taxes and carbon pricing	Medium to long term
	Regulation	Increased costs for responding to regulatory changes based on increased international compliance requirements, such as stricter emissions reporting obligations	Short term
Physical risk	Acute/chronic	Decrease in asset values, limitation of business activities, and increased restoration costs due to damage to existing company assets caused by wind and flood damage as a result of severe extreme weather events	Short, medium, and long term
Opportunities		Increased demand for financing and business opportunities associated with the shift to renewable energy and more energy-efficient transportation methods, as well as the dissemination of environmentally friendly or resilience-focused products and services	Short, medium, and long term

Methods for Selecting Sectors of High Importance



*The sources are listed on the following website:
https://www.mizuho-ls.co.jp/en/sustainability/society_and_environment/action.html

Scenario Analysis for Electric Power Sector

	2°C/1.5°C scenario	4°C scenario
Risks	<ul style="list-style-type: none"> Although the introduction of a carbon tax, stricter carbon emission regulations, and changes in the energy mix are expected to reduce fossil fuel use after 2030, which will have an impact on the profitability of electric power companies; in our case, the impact on credit costs will be limited. We are not engaged in business management involving coal-fired power generation, etc. 	<ul style="list-style-type: none"> In the future, frequent flooding is expected to cause damage to power generation facilities and other equipment. Higher oil prices are expected to increase the cost of power generation, affecting the profitability of electric power companies. This is expected to have an indirect impact on our credit costs. The direct impact on our business will be limited.
Opportunities	Considering expected growth in the renewable energy business, opportunities for market entry and investment are expected to expand.	
Measures	<p>[Measures to take advantage of opportunities]</p> <ul style="list-style-type: none"> Take business risks and develop various renewable energy businesses such as biomass, hydropower, wind power as well as solar power Expand reach to new power sources such as storage batteries and hydrogen Maximize earnings from owned businesses by building up business management expertise and introducing new technologies Make capital investment using subsidies, etc. Monetize recycling businesses for stranded capacity, used solar panels, etc. 	<p>[Risk mitigation measures]</p> <ul style="list-style-type: none"> Conduct multifaceted and cautious risk assessment of individual projects, taking into account sector policies that reflect changes in the business environment surrounding us

An impact on the profitability of electric power companies is anticipated, but the risks affecting us are limited. In terms of opportunities, the renewable energy business is expected to grow. We have established a sector policy that we will not provide investment or other financing for the construction of new coal-fired power plants, thereby making decisions on deals in consideration of climate change risk.



Scenario Analysis for Real Estate Sector

	2°C/1.5°C scenario	4°C scenario
Risks	Increased capital investment due to stricter energy conservation regulations and cost increases due to ZEB ^{*1} /ZEH ^{*2} mandates are expected, and if these costs cannot be passed on to tenants, credit costs may be affected in the long term due to the impact on our clients' businesses, but the risk is limited.	In the future, frequent flooding is expected to cause damage to properties we are involved in, negatively affecting real estate asset values and incurring repair costs. The resulting impact on our clients' businesses may affect our credit costs.
Opportunities	Business is expected to expand as a result of improved competitiveness for some properties and rent increase for properties with high environmental-performance due to a growing low-carbon mindset.	Properties that are more resistant to disasters due to factors such as location and superior disaster-prevention attributes are expected to become more competitive, which will have an impact on our business.
Measures	<p>[Measures to take advantage of opportunities]</p> <ul style="list-style-type: none"> Bolster investment and financing for environmentally friendly real estate Seize opportunities through environmental initiatives by drawing on alliances and expanding the scope of our business to the property development phase 	<p>[Risk mitigation measures]</p> <ul style="list-style-type: none"> Use more detailed hazard maps and other information to determine financing and investment risks Conduct more careful credit evaluation for long-term holdings

We expect some properties to improve competitiveness, and it is anticipated that the Group's business will expand as it supports clients' transition to a carbon-free society by securing a competitive edge in their environmental performance.



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

In View of Climate Change Risks and Opportunities

The Group is working to expand its business to promote renewable energy and reduce environmental burden by rebuilding new social infrastructure. In light of the risks and opportunities in the electric power and real estate sectors identified by the scenario analyses, the Group has considered the effects of climate change in greater detail and has reflected them in its new Medium-term Management Plan, etc. In the electric power sector, we will establish a system to deliver renewable energy power generated from owned power sources to users. We will also tackle new areas, such as grid-scale batteries. In the real estate sector, we will acquire and jointly develop real estate with a medium-to-long-term management perspective in mind, and create new businesses through collaboration with alliance partners.

Risk Management

The Group categorizes the risks that arise in the course of its business operations into financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively, and establishes a risk management system for each type of risk. Furthermore, by setting up the Risk Management Committee, we have put in place a comprehensive risk management system to centrally manage these financial and operational risks. Financial risk can be further broken down into credit risk, market risk, and price fluctuation risk, with the location and magnitude of risk monitored based on a management framework that allocates risk capital to each category. In terms of operational risk, we monitor the incidence of, response to, and prevention of risk events such as administrative risk, system risk, and legal risk. The Group considers climate risk as an operational risk, and has begun to reflect this risk in its existing risk management processes under the Risk Management Committee and its comprehensive risk management system.

Among the main sectors that the Group invests in, the electric power and real estate sectors, which are considered to be particularly sensitive to climate change, are expected to face risks from the establishment of new regulations such as carbon taxes and GHG emission regulations, as well as risks of impact on business due to changes in the energy mix, more extreme weather events, and changes in clients' behaviors.

We view the risks posed to the Group by climate change as resulting from regulatory changes, changes in the business structure of the businesses we invest in, and shifts of clients' behaviors. We will analyze these factors that may have a compounding effect on our business and develop more sophisticated responses to the risks.

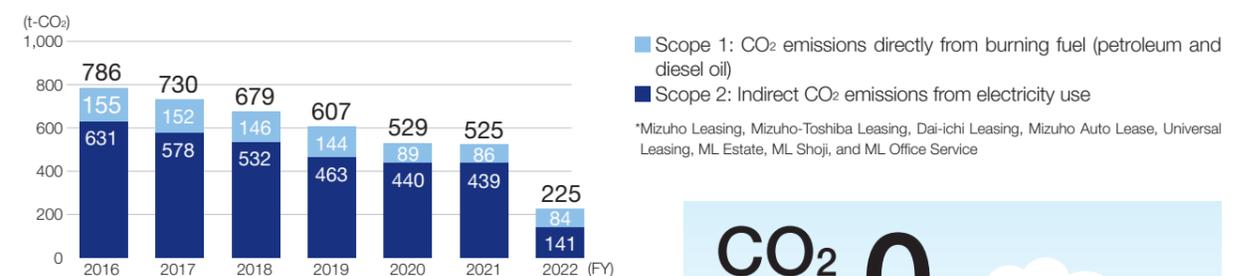
Going forward, we will consider further enhancing our management of climate change risk under our comprehensive risk management system, taking the analytical methods and research results of relevant organizations into account.

Indicators and Targets

Energy consumption at the head office and other buildings have achieved significant Scopes 1 and 2 CO₂ emissions reduction in FY2022 by switching the source of electricity used at these buildings to renewable energy.

Given this trend, we have decided to bring our plan forward to achieve CO₂ zero emissions from the original target of FY2050 to FY2030. To this end, we will work on various initiatives.

Actual CO₂ emissions (Scopes 1 and 2)



- Initiatives to achieve target ahead of original plan**
- Shift to renewable energy sources at business locations
 - Conserve energy through digitalization and streamlined operations
 - Adopt EVs for the Company's fleet
 - Emissions trading designed to reduce emissions across society



Actual CO₂ emissions (Scope 3)*¹

Category	Activity volume information	Emission intensity	FY2022	
1	Purchased goods and services	· Value of indirectly purchased goods and services	· Embodied global energy and emission intensity on the consumer's price basis (issued by the National Institute for Environmental Studies)	2,360
2	Capital goods	· Value of own-used assets acquired	· Emission intensity database* ² Emission intensity per unit price of capital goods	1,645
3	Fuel- and energy-related activities not included in Scope 1 or 2	· Amount of fuel and electricity consumption (activity volume of Scopes 1 and 2)	· Fuel: IDEAv2 (for calculation of supply chain greenhouse gas emissions) (Sustainable Management Promotion Organization) · Electricity: Emission intensity database* ² Emission intensity for fuel procurement	78
5	Waste generated in operations	· Weight of waste from Mizuho Lease Building	· Emission intensity database* ² Emission intensity by waste type	596* ³
6	Business travel	· Number of employees	· Emission intensity database* ² Emission intensity per employee	165
7	Employee commuting	· Number of employees	· Emission intensity database* ² Emissions intensity per number of employees by city classification by type of work and number of working days	309
15	Investments	· Calculated by multiplying Scopes 1 and 2 emissions from companies involved in cross-shareholdings and domestic equity-method affiliates (that disclose emissions information) by our shareholding ratios		—* ⁴
Total (t-CO ₂)				—* ⁴

*1 Calculated based on "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.4)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. These companies include Mizuho Leasing, Mizuho-Toshiba Leasing, Dai-ichi Leasing, Mizuho Auto Lease, Universal Leasing, ML Estate, ML Shoji, and ML Office Service
 *2 "Emission Intensity Database for Calculating Greenhouse Gas Emissions and Other Emissions of Organizations Through the Supply Chain (Ver. 3.2)"
 *3 Changed from the conventional number after the due diligence of our recycling status
 *4 Planned to be officially disclosed on our corporate website after being determined as the number is not yet determined

Other Environmental Initiatives

Results for other environment targets (FY2022)

FY2022 targets	Results	Achievement rates
Reduce the amount of paper used by 5% from the average monthly level of FY2021	23% reduction from FY2021	123%
Shift to electricity derived from renewable sources	Switching of the source of electricity used at the head office building to renewable energy	100%
Achieve reuse rate* of 60% or more	68%	113%
Achieve secondhand asset purchases of ¥580 million	¥710 million	122%
Ensure disposal in compliance with laws and regulations with use of the execution rate of periodical investigation by industrial waste disposal contractors	All companies	100%

*Reuse rate means the rate calculated by: Number of equipment sold/number of equipment for which the lease term or release term has expired

Basic Environmental Policy and Environmental Management System

Basic Environmental Policy

- 1 We strictly comply with environmental laws and regulations and continuously improve our environmental conservation activities with our corporate social responsibility in mind at all times.
- 2 We strive to balance environmental conservation and economic development by developing and providing goods and services that contribute to environmental conservation.
- 3 We properly manage equipment for which lease terms have expired, promote recycle and reuse, and thereby contribute to building a recycling-oriented society.
- 4 We make every effort to understand environmental impact each business activity will make, and to reduce environmental load and prevent pollution.

Organizational Structure of Environmental Management System

The Company and seven Group companies have been awarded a certification for the international standard for environment, ISO 14001 Certification. At the Mizuho Leasing Group, the Environmental Management Officer controls overall environmental activities under the supervision of the Chief Sustainability Officer.

Circular Economy Initiatives

While serving as a node of the "arterial industry" and the "venous industry," we aim to realize a circular and decarbonized society by building a circular economy platform in cooperation with alliance partners.

Talks about Human Resources Strategy between President and Chief of Human Resources and General Affairs Group

Creating a Corporate Culture that Encourages to Repeat Spontaneous Trial and Error Efforts with a Sense of Speed



Akira Nakamura
President and CEO

Toshiyuki Takezawa
Managing Director
Chief of Human Resources & General Affairs Group

Takezawa: In the inaugural address after being appointed president, you have advocated the "san movement", in which everyone is to be addressed by 'san', adding 'san' to the end of their names, rather than addressing them as department manager or branch manager, using their job titles. I think the purpose of this movement is to encourage a frank exchange of views and direct communication. I usually call the company president Nakamura san (Mr. Nakamura) rather than President Nakamura. I would like to start by talking about our corporate culture and employee temperament. Nakamura-san, what is your impression here?

Nakamura: I think the "san movement" is the first step towards facilitating the free expression of opinions, irrespective of your position or age. It softens the atmosphere in the workplace and makes it easier for people to feel comfortable expressing fresh opinions. My aim is to create an even more open corporate culture in which people in the field can talk directly to senior management. Our current deep-rooted corporate culture exhibits feature that Japanese people are good at, such as "adapting to others" or "being obedient and attentive to superiors". There may be less surface tension in the organization as a result and everyone is able to steadily get their work done in peace. However, it can take time to change things in such an environment. Sometimes, it is important

to take an aggressive, even rough, view and swift action. I strongly believe that we need to place "culture" at the heart of our corporate management and strive to create a "healthy, quality corporate culture". How do you feel about our corporate culture, Takezawa san?

Takezawa: As a member of a major banking group, Mizuho Leasing is extremely good at the leasing, installation, and structured finance of factory equipment, information and communication equipment, construction machinery, ships, aircraft, and the like. Basically, we have been able to steadily develop a stable business as a bank-affiliated leasing company. At the same time, however, I feel that we don't have as strong an attitude as other more independent leasing companies when it comes to tackling new challenges without fear of failure.

Nakamura: Our current business environment is changing extremely rapidly, creating greater uncertainty. We need to develop into an organization that can adapt to changing circumstances and encourage new ways of working. I think we will see a widening gap in human resources growth between companies that encourage that stance and those that don't. You have worked at other companies. How does their corporate culture differ from ours?

Takezawa: I was once seconded as a corporate officer to Mizuho Marubeni Leasing Corporation, which is equally

owned by Mizuho Leasing and Marubeni. That company had inherited the culture of a major general trading company, so they adopted an aggressive approach to business. They would just give something a try if they felt it could be profitable. Naturally, they didn't always get it right and sometimes they would have to gracefully withdraw. I think we need to adopt a similar attitude at our company as well as we enter an era of rapid change.

Nakamura: Some failures are inevitable when you aggressively try out new methods. However, some of them are "failures that lead to the next ideas", which can lead to the discovery of new aspect of things and the creation of fresh innovation. I believe we need to strategically build, nurture, and transform our underlying corporate culture in order to encourage people to face challenges and take bold action without fearing possible failure.



We need to strategically transform our corporate culture to encourage bold challenges.

Takezawa: The leasing industry is actually at a major crossroads. The value of lease contracts in Japan had been capped for a long time and we have only seen a slight recovery in demand from the dip caused by COVID-19. Accounting rules have caused headwinds for leasing, with IFRS (International Financial Reporting Standards) requiring on-balance sheet treatment (the recording of leases as expenses on the balance sheet) in principle. Mizuho Leasing has always excelled in the Japanese leasing and installment business and it is important to continue to generate steady profits in those areas. However, I believe challenging and actively cultivating new fields is the key to future growth.

Nakamura: The macroeconomic environment is undergoing major change and customer needs are changing in the face of growing uncertainty. To secure growth for our company in such circumstances, we need to provide solutions that accurately capture increasingly diverse and complex customer needs. It will also become increasingly important to secure human resources that can imagine the future and boldly come up with "I want to do something like this!" and swiftly put those ideas into practice when actively cultivating new business fields.

Takezawa: The new medium-term management plan seeks to expand business domains in the growth areas, while steadily

growing our core areas. It also commits to investing managerial resources in frontier areas to develop new profit sources from a long-term perspective. In other words, our aim is to solidify our future foundations of growth over the next three years based on the three keywords of "Challenge", "Change", and "Grow". How do you view these three keywords?

Nakamura: It is important to challenge change and promote growth if we are going to make great strides in the future. That means we have to embrace the "Challenge" of creating future growth areas and driving that growth. With that aim in mind, we must "Change" the way we manage our business portfolios and our management base to facilitate a challenging spirit. I really want to "Grow" with unprecedented speed and on an unprecedented scale.

Takezawa: To further expand our business domains, I feel we need to further strengthen mid-career recruitment in order to secure specialized personnel, while also expanding our alliances and utilizing external resources. We need to adopt different approaches and methods for hiring young employees. I also believe that diversity is truly important. We need to be ready to accept these resources when we hire them, and that means cultivating a corporate culture that encourages each and every employee to embrace the "new winds". I believe that diversity and inclusion is essential for innovation and business growth.

Nakamura: Not only do we need to accelerate digital formation, review our governance systems, and enhance our risk management, but we also need to constantly work on reforming our human resources strategy as an important management base for supporting future growth, so I want to actively invest in human resources going forward.

Takezawa: I think recruitment, training, allocation, and evaluation will be the four important elements of our human resources strategy. Recruitment is as described above, but we should also promote items such as supporting the acquisition of skills, training managers, allocating human resources based on the strategy of each department, reviewing evaluation and compensation systems and operations, and actively promoting the recruitment of mid-career and young employees. What are your thoughts regarding specific measures here?

Nakamura: From recruitment, which is the gateway to the company, and through training and realization of right person in the right job, I want to see every single employee demonstrate their full potential. If people are satisfied with their achievements and evaluations, they will be more inclined to stick at it and play an active role over a long period. To achieve this, it is essential to have a human resources strategy that stems from a vision of "what kind of company you want to become". We can only really decide the human resources strategy of "what kind of human resources we want to hire, how we train them, and where we want to place them" after

having decided which business areas we want to challenge and what the core competencies of the company are going to be. In that sense, human resources and management strategies are inextricably linked.

Takezawa: I would now like to talk about corporate culture. Most leasing companies are consolidated subsidiaries of banks and so are bound by various regulations and business restrictions. By contrast, we are an equity method affiliate of the Mizuho Financial Group, so we have a comparatively high degree of freedom. Since it is possible to develop business that can satisfy diverse global needs with wisdom and ingenuity, it is therefore necessary to foster a corporate culture that spontaneously inspires swift and repeated trial and error. What are your thoughts on this point?

Nakamura: Repeated trial and error enables people to gradually sound out the right direction, clues, and locations, and fuel innovation. We are taking on a challenge, so there will be errors (failures). I believe determining a specific level of risk tolerance is very important for companies. Ultimately, management makes the decisions on risk-taking, but I would like to strike a good balance between considering risks and encouraging employees to autonomously tackle challenges with a sense of speed and freedom to pursue their ideas.

Takezawa: I understand that changing corporate culture means changing the behavior of each and every executive and employee. I think the major challenge in terms of human resources strategy is to shift from a top-down passive approach (where people wait for instructions) to encouraging people to think spontaneously and act in an autonomous, self-directed, and proactive manner. Our engagement survey showed that creating a challenging corporate culture, providing career-building opportunities, and ensuring people feel satisfied with and proud of their work are issues that need addressing in terms of organizational management. In other words, doing rewarding work creates a feeling of excitement. If you are doing work that lifts your spirit, you will naturally feel proud of that job.

Nakamura: Before we can increase engagement, management needs to "picture what kind of company we want to create". We have determined our management philosophy and mission, so we now have to communicate the kind of workplace we want to create and the type of behavior we expect from our employees. It is important to encourage the exchange of opinions and experiment with other forms of interactive communication, increase actual points of contact with employees, and "heed unvoiced opinion". It is also important to build an environment that inspires a deep understanding of autonomous human resource development across the company.

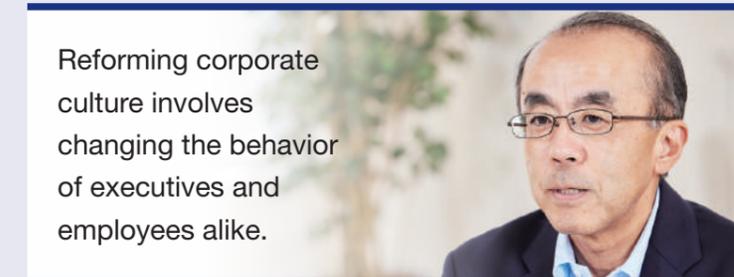
Takezawa: From a corporate governance perspective, it is a natural understanding that a company belongs to its

shareholders. However, if you look at it from a different angle, I think a company belongs to the employees who work within the organization. If you feel strongly that your company is partly yours, you will really want to promote corporate growth and feel you must take on new challenges.

Nakamura: Tackling challenges is important, but it is also important to tackle them with speed. While you cannot ignore the need to prepare materials and conduct risk analysis, you can fall behind if you spend too much time on that. Employees need to be more agile, and management must learn to tolerate this kind of behavior. If we experience any failures, we should identify the cause to prevent a recurrence. However, it is important to develop a degree of tolerance that avoids preemptively condemning autonomous action and increases expectations for success the next time around.

Takezawa: In short, we must create a company where everyone feels rewarded if we want people to approach their work with enthusiasm. Engagement will increase as a matter of course if many employees feel satisfied in their job and take pride in their company's business and services. Is fulfillment a keyword then in terms of engagement impact?

Reforming corporate culture involves changing the behavior of executives and employees alike.



Nakamura: To create a sense of "fulfillment", it is vital to align the values of the company and all its employees and ensure everyone is aiming in the same direction. It is the job of management to present a consistent vision of what lies beyond its realization. Maintaining good internal communication is important here. I want to listen to the opinions of employees and strive to create an environment where they feel comfortable and secure in their workplace. It is also important to create an environment that supports employees' desire of "I want to do it!". That helps create a virtuous cycle that inspires greater trust in the workplace, encourages people to feel pride in their work, fuels a sense of unity among colleagues, and recognizes the importance of each person's contribution. I think that is what "fulfillment" is all about. I am also confident that the employees' sense of "fulfillment" will also ultimately generate benefits for all our stakeholders.

Takezawa: I want to work on these challenges, fueled by the recognition that "our employees are our most important asset". Thank you very much for this discussion.

Recruitment and Development

Basic Approach to Human Capital

The Mizuho Leasing Group regards each and every employee as an important asset (human capital). To realize our Mission, Vision, and Value, we believe that enhancing their psychological safety and developing employees willing to play active roles at the Group for many years and creating a workplace where they can work with energy and enthusiasm are important aspects of our management strategy.

Personnel Development Policy

To achieve further transformation, we have aimed to further expand business domains, provide solutions accurately tailored to the potential and diversifying needs of our client companies, and promote business strategies designed to address social challenges facing our clients.

We aim to build a human capital portfolio that underpins our businesses in the future by transforming our corporate culture into one that encourages our employees to take on challenges in a spontaneous and proactive manner, and organically combining the following human capital strategies.

- Strengthen efforts to hire and retain personnel with diverse values and skills in Japan and abroad
- Foster human capital with professional expertise who aspire to solve social challenges and next-generation executive candidates
- Promote personnel under appropriate evaluation and compensation systems
- Strategically place the right people in the right positions

In implementing our strategies, we believe ideal employees should have the following qualifications and competencies:

- <Ideal image of employees>**
- Those who are willing to jointly take on challenges, transform, and grow
- <Required qualifications and competencies>**
- Those who are willing to take on new challenges and take initiatives at work
 - Those who come face-to-face with various needs and challenges, provide adequate solutions backed by their professional expertise, and are capable of actually addressing such needs and challenges
 - Those who respect diversity and have qualifications and competencies to treat others in a cooperative and flexible manner

Policy for Improvement of Internal Environment

We aim for an organization in which each and every employee feels rewarded, satisfied, and fulfilled by making continued efforts to create a work environment that provides employees with career-building opportunities, makes them take pride in their work, and encourages them to take active roles.

- <Objectives>**
- Secure a comfortable and safe work environment in which employees feel at ease and prosperous.
 - Create a workplace, free from discrimination and harassment, in which employees respect each other

With regard to its approach to and initiatives for sustainability, the Company has identified “Creating a society and workplace where everyone can thrive” as one of its materiality topics. In pursuit of this initiative, it has focused on business management with the highest priority placed on people.

Specifically, to achieve these objectives, we have worked to develop employees and their skills, promote their respect for diversity, and implement other measures as follows:

Hiring New Graduates

Based on the policy to screen graduates with a focus on their individuality, the Company hires new graduates who spark intellectual curiosity and are willing to take initiative and act. We place emphasis on systems and environments that help employees continue working actively over the long term. In fact, we have endeavored to build such systems and environments. Going forward, we will take over the organizational culture in which employees can express their various opinions regardless of tenure and skills, and recruit personnel who seek for the further growth of themselves as individuals and the Company as a whole.



Hiring Mid-career Workers

In recent years, the environment surrounding the Group has been changing constantly. For instance, our business fields have expanded as a result of collaboration with alliance partners including Mizuho Bank and the competition with other companies has further intensified. In response to these changes, the Group is increasingly recruiting mid-career workers with high professional expertise.

The employed mid-career workers' experience and knowledge have positively influenced the employees around them, greatly contributing to the further advancement of the Group as a whole.

Career Plans and Education & Training Systems

Education & training systems

The Company has defined the knowledge and skills necessary for each tier of our employees, from new hires to those in managerial posts, in their career plan, and has supported them so that each and every employee is able to grow step by step.

① Training programs for mid-career hires to improve their operational knowledge

Since the latter half of FY2021, in addition to existing basic onboarding programs, we have periodically held optional internal training programs for diversifying mid-career hires, in which they can master operational knowledge.

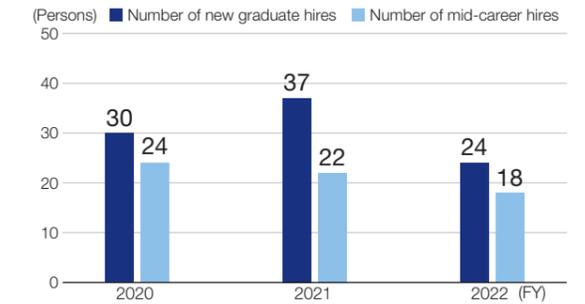
② RM training programs

Since FY2022, we have offered more practical training programs in collaboration with the Business Promotion Department in order to enhance corporate sales skills companywide in conjunction with recent business expansion and the increasing sophistication of operations.

③ Developing digital IT personnel

As one of non-financial targets in the new Medium-term Management Plan, we have aimed to develop digital IT personnel. Starting in FY2023, we will improve the digital literacy of our employees by implementing a system for developing digital IT personnel in co-operation with systems departments.

Changes in the number of new graduate and mid-career workers employed



Structure of human resource development

Job level	Job level-specific	Career design/life planning	Promotion/screening	Support for self-improvement such as qualifications	Objective/function-specific
Managerial posts	<ul style="list-style-type: none"> Training programs for team management Training programs for employees in managerial posts Training programs for evaluators 	<ul style="list-style-type: none"> Training programs on career design (employees in their 40s) Training programs on life planning (employees in their 50s) 	<ul style="list-style-type: none"> Mizuho Leasing College Mizuho Leasing University 	<ul style="list-style-type: none"> Concordance courses e-learning (internal & external programs) System to support employees with their acquisition of qualifications External courses 	<ul style="list-style-type: none"> Training programs for employees in charge of guidance Language training programs RM training programs Training programs for mid-career hires, etc.
Middle-level to leader posts	<ul style="list-style-type: none"> Training programs for mid-level employees on their roles Training programs for improving creative power & creativity Training programs relating to improvement of business operations Training programs on presentation 	<ul style="list-style-type: none"> Tea parties to discuss career path Round-table talks with role models Work engagement Round-table talks on nursing care 	<ul style="list-style-type: none"> Training programs on personnel assessment 	<ul style="list-style-type: none"> Concordance courses e-learning (internal & external programs) System to support employees with their acquisition of qualifications External courses 	<ul style="list-style-type: none"> Training programs for employees in charge of guidance Language training programs RM training programs Training programs for mid-career hires, etc.
New joiners and younger employees	<ul style="list-style-type: none"> Training programs on financial analysis Follow-up training programs Training programs for new hires (saved times after job assignment), including training on PC operation and logical thinking Onboarding programs 	<ul style="list-style-type: none"> Tea parties to discuss career path Round-table talks with role models Work engagement Round-table talks on nursing care 	<ul style="list-style-type: none"> Training programs on personnel assessment 	<ul style="list-style-type: none"> Concordance courses e-learning (internal & external programs) System to support employees with their acquisition of qualifications External courses 	<ul style="list-style-type: none"> Training programs for employees in charge of guidance Language training programs RM training programs Training programs for mid-career hires, etc.

Job Posting System

To encourage motivated employees to take on challenges and provide them with a workplace where they can thrive, we have put in place a job posting system and a job classification change system. The job posting system is an internal staff recruitment system that offers employees the opportunities to apply for specific positions in other departments or engage in specific projects. The job classification change system allows employees to choose from more flexible and diverse work styles.

Succession Plans

The Company has moved forward with succession plans from the perspective of “emphasizing the Corporate Governance Code,” “fostering the management tier in a planned manner,” and “enabling transparent process for appointing directors.” By making the successor candidates more “visible” and preparing programs to meticulously foster the candidates, including those in the management posts, in a planned manner over time, we are fostering them from a medium- to long-term perspective.

Diversity & Inclusion and Work Style Reform

The Group aims to create a workplace where its diverse talents with different values can unlock their skills and utilize their characteristics and demonstrate their abilities, regardless of whether they joined as new graduates or mid-career workers; their gender or nationality; or whether they have disabilities.

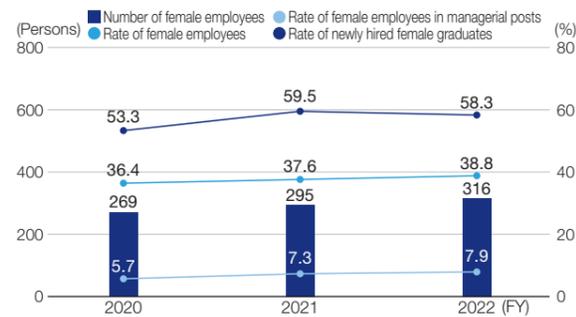
Promoting Advancement of Women

Since we set a goal to increase the rate of female employees to 40% or more of all hires in FY2016, female employees have continued to account for more than 40% of new graduates hired each year. We have also set a goal to increase the rate of female employees in managerial posts to 15% in FY2025, and the rate has reached 10.0% as of the end of June 2023. To push forward with our efforts to encourage women to take active roles and increase the number of women in managerial posts, we have continued to work on initiatives themed on topics set out each fiscal year. For instance, we have held workshops and round-table talks with female employees in managerial posts, and have launched a career web portal which is intended to help female employees envision and build career paths on their own.

D&I at Mizuho Leasing



Number of female employees/rates of female employees
Rate of newly hired female graduates/rate of female employees in managerial posts



Employee Feedback

After joining Dai-ichi Leasing, I was engaged in the disposal or re-leasing of properties whose leasing terms had expired, and the service for Dai-ichi Life Insurance. Then, I was transferred to the Financial Service & Aircraft Finance Department through the Company's job rotation system in 2012. Because I hoped to build my career overseas in the future by taking advantage of the language skills that I had acquired through studying abroad, I changed my job classification from administrative position to area-limited career-track position using the Administrative Unit Trial System in 2018. After changing the job classification, I managed overseas subsidiaries and engaged in overseas M&A projects for about five years at the International Administration Department. In February 2023, I was given an opportunity to work at US-based PLM Fleet, LLC., in which I had been involved through the M&A project. Since then, I have deepened my understanding of PLM's business from a perspective different from the past. Currently, I am working jointly with local members and partner companies to push forward with the business. I would like to continue contributing to the development of the Company's international business by leveraging my knowledge and experience.



Yuki Hayakawa
PLM Fleet, LLC

Promoting Active Roles of Elderly Employees

Since FY2019, we have set the retirement age at 65 so that experienced employees are able to demonstrate a wealth of knowledge and expertise to the fullest extent at workplace. In addition, we have held life design seminars for elderly employees to support them with designing comprehensive and far-sighted life plans, as well as help them review their careers and thus encourage their self-improvement.

Employee Feedback

I am currently responsible for training programs both inside and outside of the Company, as well as planning, operating, and administering businesses for financial service companies and their group leasing companies. For training inside the Company, I am in charge of training programs including basic training for mid-career hires and onboarding training for new graduate hires. As there is an age gap of nearly 40 years between me of pre-bubble generation and new graduate hires of Generation Zers. In fact, this is something more than a generation gap. Filling such a gap is not easy, but I am trying to think things from the perspective of new graduate hires, prepare materials that are easy to understand for them, and give an explanation in plain words. I have also made efforts to draw their interest by telling them stories of both success and failure I have experienced. When I see the feedback to surveys from the participants in training programs, such as "Quite understandable" and "Very helpful," I feel very motivated and rewarded, although I'm a senior employee.



Hitoshi Kagino
Business Promotion Department

Supporting para sports

We have signed an official partnership agreement with Japan Para Athletics (JPA) as of October 1, 2019. JPA supervises athletic events participated by domestic athletes with disabilities, and supports their sound physical and mental development and their social participation through the dissemination and promotion of athletic sports. By sending employees to cheer athletic events, and holding in-house lectures by para-athletes, we have endeavored to raise the awareness of diversity in society.



Initiatives to Support Balancing Work and Childcare/Nursing Care

<Balancing work and childcare>

To help our employees balance work and major life events such as the birth and care of a child, we have provided both female and male employees with a range of supports, including consultation desk relating to childcare leave and documents on systems for the birth or care of a child.

	FY2020	FY2021	FY2022
Rate of male employees who took childcare leave*	42.9%	100.0%	50.0%
Rate of female employees who took childcare leave	100.0%	100.0%	100.0%

*The Company's definition: Percentage of male employees whose child reach his/her first birthday in a given year and who started childcare leave in the previous year or a period to the day before the child's first birthday

<Balancing work and nursing care>

We video stream Basic Knowledge on Balancing Work and Nursing Care seminars, including information on nursing care insurance system, as well as on how to prepare themselves for nursing care, by an external lecturer who is an experienced care manager. We have also set up a free consultation desk by the lecturer. In addition, since FY2021, we have held Seminar on Dementia, and round-table talks on nursing care, facilitating the exchange of opinions among those who are concerned about nursing care.



Mizuho Leasing received the Platinum Kurumin certification in December 2020, as a company working actively to support the development of children who will bear the next generation.

Health Management Initiatives

The Company was certified as one of the 2023 Health & Productivity Management Outstanding Organizations under the large enterprise category.

We established the health management declaration, and hold seminars themed on health management, lifestyle habits, and other health-related topics. We encourage our employees to use health management apps so they can manage their own health in an effective and sustainable manner. We also hold events to measure body systems as a chance to know their own bodies and start exercising.

We conduct a stress check once a year, based on the awareness that mental health is important in securing a pleasant and safe working environment.



Enhancing engagement

In order to gain insight into the awareness and psychological state of employees in a timely manner and create a better working environment, we conduct an engagement survey every three months. We will use the results of the survey for implementing measures to urge our employees to commit to engagement as an issue of their own and enhance such commitment.

Increase flexibility to choose when and where to work

We allow our employees more flexibility in their work style so they can better balance life and work by promoting teleworking and enhancing paid annual leave and other systems. In addition, we have been working on ABW in the office environment to establish a work style structure that enables our employees to choose the place where they can work most efficiently based on the type of work they are doing.

	FY2020	FY2021	FY2022
Overtime and holiday work hours* (monthly average)	30 hours and 13 minutes	30 hours and 43 minutes	31 hours and 14 minutes
Ratio of paid annual leave taken	60.7%	68.2%	65.0%

*Including legal overtime hours

Introduction of external part-time work and concurrent assignment system

With the aim of promoting diverse work styles, driving innovation and broadening perspectives through the acquisition of knowledge from outside, we have put in place an external part-time work and concurrent assignment system since December 2022. To this aim, we have defined an external part-time work and a concurrent assignment, and set out rules on matters such as working arrangements and hours, in a manner not to affect the main business to the extent possible.

Human rights

The Mizuho Leasing Group is aware that respect for human rights is essential to achieving its own management philosophy. The Corporate Code of Conduct of the Mizuho Leasing Group sets out concrete action guidelines for officers and employees, while the Human Rights Policy announces the Group's responsibility for and commitment to human rights.

We have been striving to maintain a work environment that respects the personalities and characteristics of each and every employee, and will never tolerate any form of harassment, where our employees can feel rewarded at work. We have set up hotlines and consultation desks to promptly address problematic behaviors.

Further, we will carry out human rights due diligence in the fields related to our business in an effort to continuing to promote activities related to human rights.

●: Number of the Company's shares owned (as of March 31, 2023) ○: Tenure as Director ◎: Attendance at Board of Directors meetings (FY2022)

Inside Directors



Shusaku Tsuhara

Director and Chairman

● 2,900 ○ 4 years
◎ 16/16 (100%)

April 2010 Executive Officer, General Manager of Executive Secretariat of Mizuho Financial Group, Inc.
April 2012 Managing Executive Officer of Mizuho Bank, Ltd.
June 2015 Member of the Board of Directors, Senior Managing Executive Officer of Mizuho Financial Group, Inc.
April 2017 Deputy President of Mizuho Bank, Ltd.
April 2019 Deputy President Executive Officer of the Company
June 2020 President and CEO of the Company
April 2023 Director and Chairman, Chairman of the Board of the Company (present position)



Akira Nakamura

President and CEO

● 1,000 ○ 2 years
◎ 16/16 (100%)

April 2013 Executive Officer, General Manager of Corporate Banking Coordination Division (Large Corporations) of Mizuho Financial Group, Inc.
April 2016 Managing Executive Officer of Mizuho Financial Group, Inc.
April 2018 Senior Managing Executive Officer, Head of Corporate & Institutional Company of Mizuho Financial Group, Inc.
April 2019 Deputy President & Executive Officer
April 2020 Deputy President Executive Officer, CRO of the Company
June 2021 Deputy President, Deputy President Executive Officer, CFO of the Company
April 2023 President and CEO of the Company (present position)



Hiroshi Nagamine

Deputy President

● 300 ○ 1 year
◎ 13/13 (100%)

July 2011 General Manager of Aoyama Branch Division II of Mizuho Bank, Ltd.
April 2014 General Manager of Corporate Banking Division No. 13 of Mizuho Bank, Ltd.
April 2017 Managing Executive Officer, Head of Europe, Middle East and Africa of Mizuho Financial Group, Inc.
May 2020 Senior Managing Executive Officer, Deputy Head of Global Corporate Company, Deputy Head of Global Products Unit of Mizuho Financial Group, Inc.
April 2021 Senior Managing Executive Officer, CRO of the Company
April 2023 Deputy President, Deputy President Executive Officer, CFO, CSO, Chief Sustainability Officer of the Company (present position)



Takanori Nishiyama

Senior Managing Director

● 1,500 ○ 2 years
◎ 16/16 (100%)

April 2012 General Manager of Branch Banking Division V of Mizuho Bank, Ltd.
April 2014 Executive Officer, General Manager of Omiya Branch of Mizuho Bank, Ltd.
April 2015 Managing Executive Officer of Mizuho Bank, Ltd.
June 2017 Member of the Board of Directors, Managing Executive Officer of Mizuho Financial Group, Inc.
April 2019 Managing Executive Officer of the Company
June 2021 Managing Director, Managing Executive Officer of the Company
April 2023 Senior Managing Director, Senior Managing Executive Officer of the Company (present position)



Noboru Otaka

Managing Director

● 3,300 ○ — (New election)
◎ —

April 1987 Joined the Company
June 2014 Joint General Manager of Planning Department of the Company
April 2015 Joint General Manager of Corporate Planning Department of the Company
April 2017 Executive Officer, General Manager of Information System Planning Division of the Company
April 2018 Executive Officer, General Manager of Information System Planning Department of the Company
April 2020 Managing Executive Officer, CIO of the Company
June 2023 Managing Director, Managing Executive Officer, CIO of the Company (present position)



Toshiyuki Takezawa

Managing Director

● 500 ○ — (New election)
◎ —

April 2010 Deputy General Manager of Corporate Banking Division No. 6 of Mizuho Corporate Bank, Ltd.
April 2014 General Manager of Executive Secretariat, General Manager of Corporate Secretariat of Mizuho Financial Group, Inc.
April 2016 Head of Human Resources Department of Mizuho Securities Co., Ltd.
April 2019 Joined the Company (seconded to MG Leasing Corporation [now Mizuho Marubeni Leasing Corporation])
April 2023 Managing Executive Officer of the Company
June 2023 Managing Director, Managing Executive Officer of the Company (present position)

Skills Possessed by the Company's Directors (Skill Matrix) (as of June 27, 2023)

Name		Directors					Audit & Supervisory Board Members			
		Shusaku Tsuhara	Akira Nakamura	Hiroshi Nagamine	Takanori Nishiyama	Noboru Otaka	Toshiyuki Takezawa	Tatsuya Yamada	Hidehiko Kamata	Koji Arita
Areas of expertise, knowledge, and experience	Corporate Management	●	●	●	●	●	●		●	
	Legal/Compliance/Risk Management	●	●	●	●	●		●		●
	Finance/Accounting/Financial Economy	●	●	●	●	●	●		●	●
	Global			●	●					●
	Sustainability	●	●			●	●		●	

The above list does not represent all knowledge and experience possessed by each director and Audit & Supervisory Board Member.

Corporate Auditors

Tatsuya Yamada

Outside Audit & Supervisory Board Member

● 100 ◎ 16/16

April 2010 Executive Officer, General Manager of Accounting Department of Mizuho Financial Group, Inc.
April 2012 Managing Executive Officer, Head of Financial Control & Accounting Group of Mizuho Securities Co., Ltd.
June 2014 Managing Executive Officer, Head of IT & Systems Group of Mizuho Securities Co., Ltd.
April 2019 President of Japan Investor Relations and Investor Support, Inc.
June 2020 Audit & Supervisory Board Member of the Company (present position)

Hidehiko Kamata

Audit & Supervisory Board Member

● 7,500 ◎ 16/16

April 1984 Joined the Company
March 2008 Manager of Corporate Business Department (Tokyo Regional No. 4) of the Company
April 2009 Manager of Corporate Business Department (Tokyo Regional No. 1) of the Company
April 2014 Executive Officer, Manager of Corporate Business Department (Tokyo Regional No. 1) of the Company
April 2016 Managing Executive Officer of the Company
June 2019 Managing Director, Managing Executive Officer of the Company
June 2021 Audit & Supervisory Board Member of the Company (present position)

Koji Arita

Outside Audit & Supervisory Board Member

● 0 ◎ — (New election)

April 2010 General Manager of Operations Services & Support Division of Mizuho Bank, Ltd.
April 2012 General Manager of Operations Planning Division of Mizuho Financial Group, Inc.
April 2019 Managing Executive Officer, Joint Head of Group Chief Operations Officer of Mizuho Financial Group, Inc.
January 2021 Deputy President & Representative Director of Custody Bank of Japan, Ltd.
June 2023 Audit & Supervisory Board Member of the Company (present position)

Hideki Amano

Outside Audit & Supervisory Board Member

● 0 ◎ 12/13

September 1980 Registered as a certified public accountant of Japan
September 2011 Vice President (Head of Audit) of KPMG AZSA LLC
Member of KPMG Global Audit Steering Group
July 2015 Executive Senior Partner of KPMG AZSA LLC
March 2017 Outside Audit & Supervisory Board Member of Kao Corporation (present position)
April 2017 Outside Director of the Board of ORIX Bank Corporation (present position)
June 2019 Outside Corporate Auditor of Seiko Holdings Corporation (now Seiko Group Corporation) (present position)
June 2022 Audit & Supervisory Board Member of the Company (present position)

Executive Officers

Managing Executive Officers

Toshiyuki Takahashi Kensuke Sato
Masanobu Kobayashi Hirohide Ishiyama
Katsuzumi Orihashi Norio Sumi
Nobuhisa Zama
Masahiko Abe
Takashi Yamada
Yasuhiko Hashimoto
Kazuomi Funakawa

Executive Officers

Hiromichi Koyata Naoto Moriya
Kunihiro Mio Naoyuki Machinaga
Mitsuyuki Kimura Ryuji Fujiwara
Toru Mukojima Yukiko Komatsu
Koki Minami Taketo Imai
Yutaka Sato Hiroyuki Kudo
Nobufusa Takeuchi Masato Matsui
Masashi Takahata

●: Number of the Company's shares owned (as of March 31, 2023) ○: Tenure as Director ◎: Attendance at Board of Directors meetings (FY2022)

Outside Directors



Naofumi Negishi

Outside Director

● 0 ○ 4 years
◎ 16/16 (100%)

April 1971 Joined Sekisui Chemical Co., Ltd.
June 2003 Director (Commissioned General Manager of Corporate Finance & Accounting Department) of Sekisui Chemical Co., Ltd.
March 2009 President and Representative Director of Sekisui Chemical Co., Ltd.
March 2015 Chairman & Representative Director of Sekisui Chemical Co., Ltd.
June 2017 Chairman and Director of Sekisui Chemical Co., Ltd.
June 2018 Executive Advisor of Sekisui Chemical Co., Ltd.
June 2019 Director of the Company (present position)
June 2022 Chairman, Metropolitan Expressway Co., Ltd. (present position)
June 2023 Special Adviser of Sekisui Chemical Co., Ltd. (present position)



Hirofumi Hagihira

Outside Director

● 0 ○ 4 years
◎ 16/16 (100%)

April 1977 Joined the Ministry of International Trade and Industry (MITI) (now: Ministry of Economy, Trade and Industry "METI")
June 1989 Director of Industrial Policy Planning Industrial Policy Bureau, MITI
April 1994 Director of Cooperative Division, Small and Medium Enterprise Agency
June 1999 Director of Consumer Goods Division, Consumer Goods Industry Bureau, MITI
December 2000 General Manager of Paris Center Office, Japan External Trade Organization (JETRO)
October 2003 Associate Vice President of Japan Nuclear Energy Safety Organization
April 2009 Executive Director of Japan Petroleum Development Association
June 2019 Director of the Company (present position)



Mari Sagiya

Outside Director

● 0 ○ 4 years
◎ 15/16 (94%)

April 1985 Joined IBM Japan, Ltd.
July 2005 Vice President, General Business of IBM Japan, Ltd.
July 2014 Vice President, Head of Strategy, Marketing & Communications of SAP Japan Co., Ltd.
January 2016 Vice President, Marketing of salesforce.com Co., Ltd.
June 2019 Director of the Company (present position)
March 2020 Outside Director of MonotaRO Co., Ltd. (present position)
June 2021 Outside Director of JBCC Holdings Inc. (present position)
June 2022 Outside Director of Mitsubishi Corporation (present position)



Hajime Kawamura

Outside Director

● 0 ○ 3 years
◎ 14/16 (88%)

April 1981 Joined Marubeni Corporation
April 2013 Executive Officer, Chief Operating Officer, Plant & Industrial Machinery Division of Marubeni Corporation
April 2016 Managing Executive Officer, Chief Operating Officer, Plant Division of Marubeni Corporation
April 2018 Managing Executive Officer, Regional CEO for the Americas, Regional COO for North & Central America of Marubeni Corporation, President and CEO of Marubeni America Corporation
April 2019 Senior Managing Executive Officer, Chief Executive Officer of Transportation & Industrial Machinery, Financial Business Group of Marubeni Corporation
June 2020 Director of the Company (present position)
April 2023 Senior Consultant of Marubeni Corporation (present position)



Takayuki Aonuma

Outside Director

● 0 ○ 2 years
◎ 15/16 (94%)

April 1982 Prosecutor of Tokyo District Public Prosecutors Office
January 2010 Prosecutor of Supreme Public Prosecutors Office
December 2010 Director-General of the Rehabilitation Bureau, Ministry of Justice
July 2014 Chief Prosecutor of Tokyo District Public Prosecutors Office
September 2016 Superintending Prosecutor of Nagoya High Public Prosecutors Office
February 2018 Registered as an attorney-at-law
Of-Counsel of City-Yuwa Partners (present position)
May 2021 Outside Director of SENIOR LIFE CREATE Co., Ltd. (present position)
June 2021 Director of the Company (present position)
May 2023 Outside Director of FamilyMart Co., Ltd. (present position)



Hirozumi Sone

Outside Director

● 0 ○ (New election)
◎ —

April 1979 Joined Yamatake-Honeywell Co., Ltd. (now Azbil Corporation)
April 2003 Vice Executive Officer, General Manager of Engineering Department, Advanced Automation Company of Yamatake Corporation (now Azbil Corporation)
April 2012 Representative Director, President and Chief Executive Officer of Azbil Corporation
June 2020 Representative Director Chairperson, Executive Chairperson of Azbil Corporation
June 2021 Outside Director of Yasuda Logistics Corporation (present position)
June 2022 Director and Chairperson of the Board of Azbil Corporation (present position)
June 2023 Director of the Company (present position)

Skills Possessed by the Company's Directors (Skill Matrix) (as of June 27, 2023)

Name		Directors					
		Naofumi Negishi	Hirofumi Hagihira	Mari Sagiya	Hajime Kawamura	Takayuki Aonuma	Hirozumi Sone
Areas of expertise, knowledge, and experience	Corporate Management	●		●	●		●
	Legal/Compliance/Risk Management	●			●	●	●
	Finance/Accounting/Financial Economy	●	●				
	Global		●	●	●	●	
	Sustainability	●	●	●	●	●	●

The above list does not represent all knowledge and experience possessed by each director and Audit & Supervisory Board Member.

Reasons for Appointment and Expected Roles

Naofumi Negishi	He possesses abundant experience and broad insight in the manufacturing industry's corporate management. Since his appointment as Outside Director of the Company in June 2019, he has provided appropriate supervision of management and has been involved in strategic decision-making. We expect that he will continue to contribute to the management supervision and decision-making directed at sustainable growth and improvement of the medium to long-term corporate value of the Company based on his abundant experience and broad insight. As a member of the optional Nomination and Compensation Committee, he is also involved in selecting candidates for the Company officers and determining officer compensation, etc. from an independent standpoint.
Hirofumi Hagihira	He possesses abundant experience and broad insight in the field of economic, industrial, and trade policies. Since his appointment as Outside Director of the Company in June 2019, he has provided appropriate supervision of management and has been involved in strategic decision-making. We expect that he will continue to contribute to the management supervision and decision-making directed at sustainable growth and improvement of the medium to long-term corporate value of the Company based on his abundant experience and broad insight. As a member of the optional Nomination and Compensation Committee, he is also involved in selecting candidates for the Company officers and determining officer compensation, etc. from an independent standpoint.
Mari Sagiya	She possesses extensive operational and business management experience within multiple IT-related companies. Since her appointment as Outside Director of the Company in June 2019, she has provided appropriate supervision of management and has been involved in strategic decision-making using her high-level expertise and diverse perspectives. We expect that she will continue to contribute to the management supervision and decision-making directed at sustainable growth and improvement of the medium to long-term corporate value of the Company based on her abundant experience and broad insight. As a member of the optional Nomination and Compensation Committee, she is also involved in selecting candidates for the Company officers and determining officer compensation, etc. from an independent standpoint.

Hajime Kawamura	He possesses in-depth knowledge of the overall business operations of a general trading company and has also obtained abundant experience in business management as part of top management, including as CEO of Transportation & Industrial Machinery, Financial Business Group of Marubeni Corporation. Since his appointment as Outside Director of the Company in June 2020, he has provided appropriate supervision of management and has been involved in strategic decision-making. We expect that he will continue to contribute to the management supervision and decision-making directed at sustainable growth and improvement of the medium to long-term corporate value of the Company based on his abundant experience and broad insight.
Takayuki Aonuma	He possesses a wide range of insight based on his high-level expertise and extensive experience as a legal expert. Since his appointment as Outside Director of the Company in June 2021, he has provided appropriate supervision of management and has been involved in strategic decision-making using his capabilities, experience, and insight. We expect that he will continue to contribute to the management supervision and decision-making directed at sustainable growth and improvement of the medium to long-term corporate value of the Company. As a member of the optional Nomination and Compensation Committee, he is also involved in selecting candidates for the Company officers and determining officer compensation, etc. from an independent standpoint.
Hirozumi Sone	He possesses abundant experience and broad insight in the global manufacturing industry's corporate management. We expect that he will contribute to the management supervision and decision-making directed at sustainable growth and improvement of the medium to long-term corporate value of the Company based on his abundant experience and broad insight. We have therefore appointed him as Outside Director. As a member of the optional Nomination and Compensation Committee, he will also be involved in selecting candidates for the Company officers and determining officer compensation, etc. from an independent standpoint.

Basic Approach

Business activities of a listed company are primarily aimed at enhancing corporate value from the perspective of its shareholders, consistently and over the long term. To this end, the Company recognizes that it is essential to ensure effective corporate governance, meaning a framework governing business activities centered on a closely regulated relationship between shareholders and management.

The Company's idea of corporate governance required of a listed company is: primarily, that the rights and benefits of shareholders are protected and shareholder equality according to equity holdings is guaranteed; secondly, that the rights and benefits of stakeholders with increasing roles other than shareholders, namely, employees, clients, suppliers and others, are respected and a smooth relationship with these stakeholders is in place; thirdly, that transparency of business activities is secured through timely and appropriate disclosure of information so that the rights and benefits of the stakeholders are actually protected; and finally, that it is important for the Board of Directors and the Auditors (Audit Committee) to appropriately practice their supervisory and audit functions. Based on this belief, the Company is working to execute effective corporate governance through continuous efforts to create and improve environments pertaining to the Company's corporate governance structure.

Outline of Corporate Governance Structure

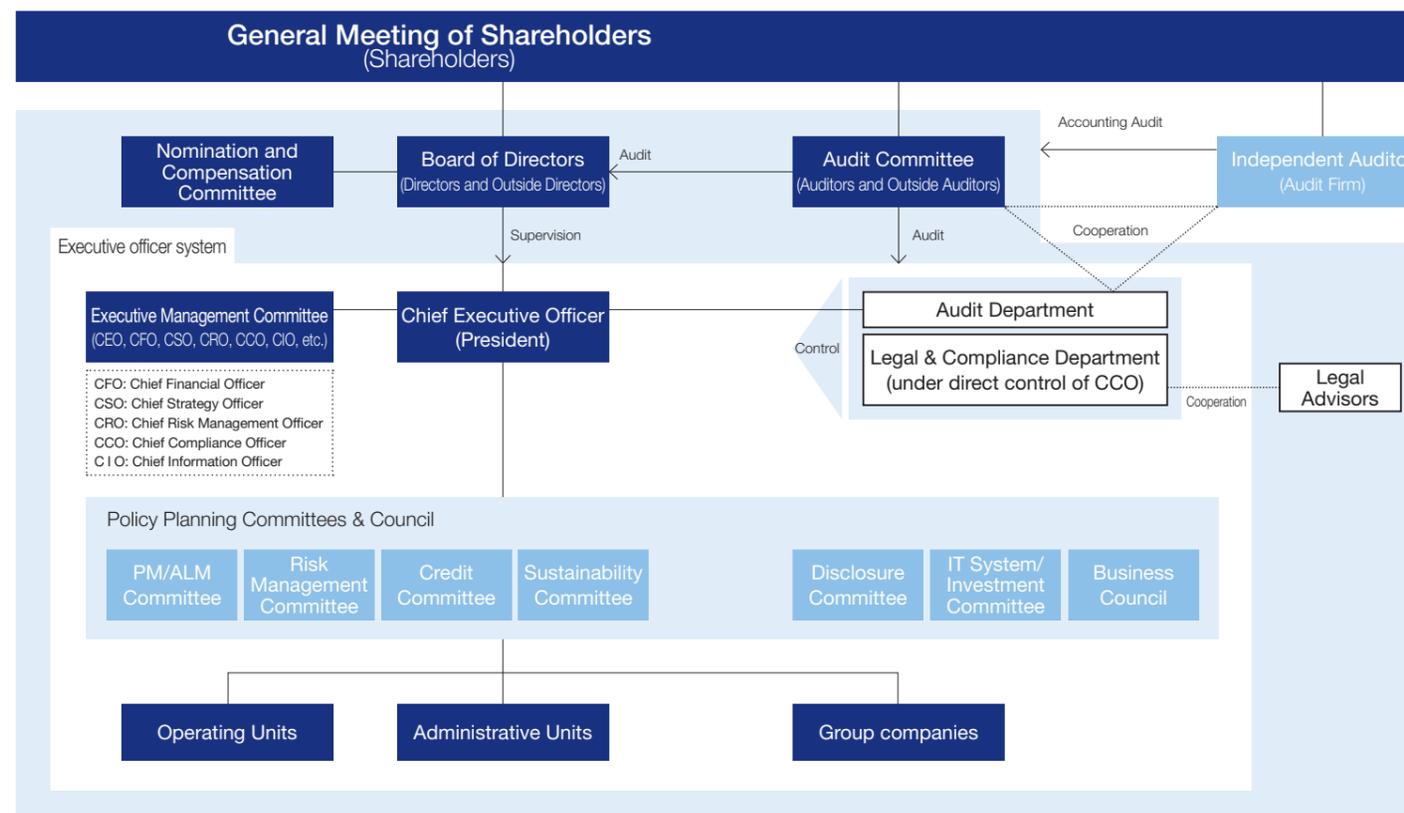
The Board of Directors has a sufficient number of outside directors. This arrangement helps the directors supervise business execution from diverse perspectives. The Audit Committee cooperates closely with the independent auditor and the internal audit department. Meanwhile, the standing auditors audit the directors' and other officers' execution of duties on a daily basis. The Company believes that these ways would enable it to realize a highly effective corporate governance structure, and therefore decided to select the current structure.

Board of Directors

The Board of Directors resolves matters stipulated by laws and regulations and those provided in the Rules of the Board of Directors, reports its business execution, and discusses the management policy, management strategies and other matters under an open and lively operation of its meetings.

The Company elects outside directors who have high-level knowledge and experience to ensure the Board of Directors' appropriate supervision of the execution of duties in departments involved in business execution and the appropriateness, reasonableness and objectivity of resolutions and discussions at the Board of Directors meetings. The directors fully demonstrate their skills based on their own backgrounds. (Please see the skill matrix for the skills possessed by the directors.)

Corporate Governance Structure



The Company also actively provides information* to the outside directors to assist them in understanding the Company, leading to their deeper understanding of our business. (* Preliminary briefing sessions on the Board of Directors meeting agenda, briefing sessions on the Company's business other than the Board of Directors meetings, and other opportunities)

Audit Committee

The Company is a company with an Audit Committee. Based on the audit plans formulated by the Audit Committee, each auditor audits the status of directors' execution of duties by attending important meetings, reviewing important documents, inspecting operations and property, and listening to audit progress and results from the independent auditor and the internal audit department. The auditors also express their views after confirming whether the Company properly presents its business report and other documents; there are no material facts found that a director commits wrongdoing or violates laws, regulations or the Articles of Incorporation in executing his or her duties; there are no findings that should be reported on the details of resolutions by the Board of Directors regarding the internal control system and on the directors' execution of duties; and the audit methods and results by the independent auditor are appropriate.

Executive Management Committee

The Executive Management Committee was established as an advisory body to the president. As a general rule, the committee has one or more meetings a month to discuss and report important matters related to business execution.

As policy planning committees with authority delegated by the president, the Company has established a PM/ALM Committee, a Risk Management Committee, a Credit Committee, a Sustainability Committee, a Disclosure Committee, and an IT System/Investment Committee. As a council, the Company has also established a Business Council. Each of such policy planning committees and council has sufficient discussions and examinations.

Internal Audit

The Company's Audit Department is responsible for conducting internal audits and reports directly to the president. The Audit Department conducts internal audits to ensure efficiency and appropriateness of business operations and the status of compliance measures, and to give specific advice, recommendations and suggestions regarding the improvement of business operations.

The Audit Department cooperates with corporate auditors and the independent auditor as necessary. The Board of Directors receives a report on the results of internal audits every six months and determines, based on these results, whether improvements to systems and organizations are necessary to respond to various risks.

Form of organization	Company with an Audit Committee	
Number of Directors	12, of whom 6 are Outside Directors	
Number of Auditors	4, of whom 3 are Outside Auditors	
Nomination and Compensation Committee	7, of whom 5 are independent Outside Directors	
Term of office of Directors	1 year	
Executive officer system	Adopted	
Board of Directors meetings in FY2022	Number of meetings held	16 times
	Attendance rate of Directors	97%
	Attendance rate of corporate auditors	98%
Audit Committee meetings in FY2022	Number of meetings held	14 times
	Attendance rate of corporate auditors	100%
Independent auditor	Deloitte Touche Tohmatsu LLC	

Effectiveness Evaluation of the Board of Directors

The effectiveness of the Board of Directors as a whole is analyzed and evaluated each year by an evaluation agency through a questionnaire distributed to directors and auditors.

Questionnaire items

- (1) Roles and functions of the Board of Directors, (2) Composition and scale of the Board of Directors, (3) Operation of the Board of Directors meetings, (4) Coordination with auditing bodies, (5) Communication with the management team, (6) Shareholder and investor relations

Analysis and evaluation of the effectiveness of the Board of Directors in FY2022

- 1 Lively discussions are held about medium- to long-term issues.
- 2 Meetings are operated to have open and lively discussions.
- 3 Information is provided to the outside directors to help them understand the Company.
- 4 Further improvements are expected for efforts to invigorate discussion at the Board of Directors meetings. (e.g., selecting agenda items and distributing materials early that contain organized key points)
- 5 Further enhancements are expected for training for officers using external training programs.
- 6 Continuous efforts are expected to ensure the diversity of directors.

We will work to improve not only areas where issues were pointed out but also areas where our efforts were recognized, and will further improve the effectiveness and functions of the Board of Directors in light of these analysis and evaluation.

Message from the Chairman of the Board

I am Tsuhara, the Chairman of the Board. I started to operate the Board of Directors meetings as non-executive Director and Chairman in April 2023. The Company's Board of Directors currently has 12 directors, of whom six are outside directors. As the Chairman of the Board, I work to steer the Board of Directors meetings in which the outside directors fully demonstrate their respective expertise and experience. I encourage appropriate discussions among all the directors and the auditors, thereby striving to make the Board of Directors become truly effective in terms of governance.



Shusaku Tsuhara, the Chairman of the Board

Optional Nomination and Compensation Committee

The optional Nomination and Compensation Committee deliberates the proposals for appointment and dismissal of directors and auditors, and the proposals for their compensation to be submitted to the General Meeting of Shareholders, the appointment and dismissal of executive officers, and matters related to their compensation. The results of such deliberations are presented to the Board of Directors. By having at least, a majority of committee members be outside directors, we seek to ensure the transparency and objectivity of the decision-making process regarding the nomination and compensation of officers at the Board of Directors meetings.

Compensation for Officers

The Company decided on FY2022 compensation for directors based on the Policy for Determining the Details of Compensation for Individual Directors, which was resolved at the Board of Directors meeting held on June 24, 2022.

The Company resolved to change the Policy for Determining the Details of Compensation for Individual Directors at the Board of Directors meeting held on June 27, 2023 for FY2023 compensation for directors. The details of the policy are as shown in the Securities Report for the 54th term (fiscal year ended March 31, 2023). The optional Nomination and Compensation Committee, the majority of which are independent outside directors, deliberated such compensation for directors prior to the Board of Directors meeting. The amount of compensation for individual auditors was determined based on discussions among the auditors.

Basic Policy

The Company's basic policy of compensation for directors is that they contribute to improving business performance in the medium to long term and increasing corporate value, and ultimately sharing awareness of raising our stock value with our shareholders by further clarifying the linkage with the business performance and stock value of the Company.

Compensation for Directors Concurrently Serving as Executive Officers

Compensation for directors concurrently serving as executive officers consists of basic compensation (fixed compensation) and performance-linked compensation. The basic compensation consists of a basic salary, where a fixed amount of money is paid according to each director's position and other conditions, and share-based remuneration I, where the fixed number of shares is granted according to each director's position and other conditions. The performance-linked compensation consists of a bonus, where an amount of money is paid, and share-based remuneration II, where shares are granted, both of which are linked to the Company's business performance and each director's own performance.

Compensation for Non-executive Directors

Compensation for non-executive directors consists of basic compensation only, a basic salary and share-based remuneration I).

Share-based Remuneration System

The Company partially amended the share-based remuneration system, Board Benefit Trust (BBT), and changed it to the Board Benefit Trust-Restricted Stock (BBT-RS) Plan by a resolution at the Ordinary General Meeting of Shareholders held on June 27, 2023. The system was introduced based on a resolution of the Ordinary General Meeting of Shareholders held on June 26, 2018. Under the BBT-RS Plan, the Company's shares are acquired through the trust using the funds contributed by the Company. Through the trust, the Company provides directors with the Company's shares at a specific time every year and with money equivalent to the market value of the Company's shares at the time when the directors retire from office in accordance with the share delivery regulations for officers stipulated by the Company. Each of the directors will conclude a transfer restriction agreement with the Company before receiving the Company's shares. The agreement will restrict transfer or any other forms of disposal of the Company's shares received by the directors during their tenure, until they retire from office.

Compensation composition	For non-executive directors responsible for supervising the corporate management: They receive only fixed compensation, i.e., a basic salary and share-based remuneration I. The ratio of basic salary to share-based remuneration I is approximately 0.9 to 0.1. For directors concurrently serving as executive officers: The ratio of fixed compensation (the sum of a basic salary and share-based remuneration I) to monetary compensation of performance-linked compensation (bonus) to non-monetary compensation of performance-linked compensation (share-based remuneration II) is 1 to 0.25 to 0.35. * The above ratio is the average ratio for directors concurrently serving as executive officers, using a model when the degree of achievement of the targets to determine the amount of performance-linked compensation is taken as 100%.
Calculation method of performance-linked compensation	Company performance-linked compensation = Payment standard amount by position for company performance-linked portion × Performance evaluation coefficient Performance evaluation coefficient is calculated based on the following indicators: · Gross profit before funding costs, ordinary income, and net income attributable to owners of the parent when compared to their projections and year-on-year results · Comprehensive evaluation of sustainability initiatives

Total amount of compensation, etc. for directors and corporate auditors in FY2022

Officer category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type (Millions of yen)			Number of eligible officers ¹ (Persons)
		Fixed compensation	Performance-linked compensation ²	Of the left, non-monetary compensation, etc.	
Directors excluding outside directors	335	197	138	77	7
Corporate auditors excluding outside auditors	22	22	—	—	1
Outside officers	119	119	—	—	10

1. The table above includes one director and one outside auditor who retired from their respective positions at the conclusion of the 53rd Ordinary General Meeting of Shareholders held on June 24, 2022.
2. Performance-linked compensation states the amounts of provision for bonuses for directors (and other officers) and provision for share awards for directors (and other officers) recorded for FY2022.
3. The amount of non-monetary compensation, etc. for directors excluding outside directors is performance-linked compensation only.

Compliance

The Group's definition of "compliance" is "the strict observance of all applicable laws and regulations, and the pursuit of fair and honest business operations that conform to socially-accepted norms." Duly recognizing that the failure to thoroughly observe compliance could cause damage to the very foundations of management, and regarding that the "compliance principles" are to be highly appreciated by shareholders and the market and to earn the trust of society, the Group is working to strengthen its compliance structure.

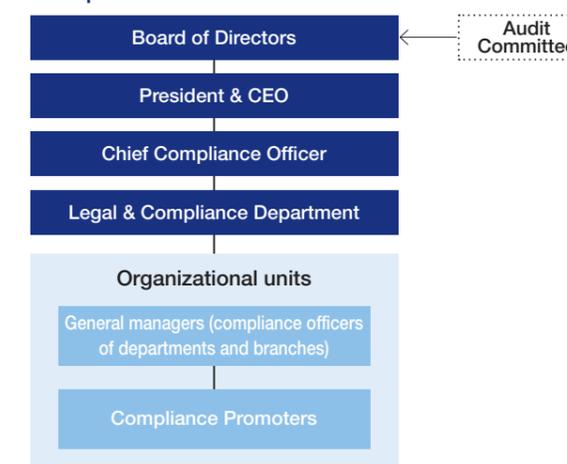
Compliance Structure

In order to thoroughly enforce compliance, the Group has formulated policies, administrative guidelines, manuals, and other materials based on the Compliance Policy. The president has appointed the Chief Compliance Officer (CCO) who has the following responsibility and authority to have the compliance structure headed by the Board of Directors. The CCO is fully responsible and authorized to plan and manage the overall compliance-related affairs. Directed by the CCO, the Legal & Compliance Department promotes overall compliance-related affairs, takes preventive measures against money laundering, etc., and blocks off any relationship with anti-social forces, among others, as well as grasps and controls the state of the Group's compliance and provides guidance and supervision.

More specifically, the general managers, as the compliance officer of their respective departments or branches, grasp and control the state of compliance within the department or branch and provide guidance and supervision, with support from compliance promoters who are assigned to the department or branch according to its scale and operations to

promote compliance. Based on instructions given by the Legal & Compliance Department every quarter, the general managers also assess the state of compliance and provide training in their respective departments or branches. After examining the results of the assessment reported by the departments and branches, the Legal & Compliance Department gives instructions and guidance to the general managers, changes rules, and sends a reminder to warn all departments and branches, as necessary. The Audit Department separately audits the state of compliance in the departments and branches. The general managers of the departments and branches take necessary responses and/or corrective measures and other actions, based on instructions given by the Legal & Compliance

Compliance structure



Department and the Audit Department. (Please see the compliance structure shown on page 74.)

To facilitate early detection of misconduct, etc. in the workplace, the Group has established various channels through which employees, etc. can securely make reports and/or have consultations, such as, a compliance hotline, a harassment consultation desk, corporate auditor's hotline, and an external contact point to attorneys. The Group also stipulates in its Whistleblower Policy that a reporter shall not receive any disadvantageous treatment whatsoever.

Enhancing Compliance Awareness

The Group has formulated the Corporate Code of Conduct of the Mizuho Leasing Group, which sets out concrete action guidelines for directors and employees, as well as published a Compliance Manual that serves as the Group's standards of compliance, outlining key rules and regulations that must be followed and compliance activities that need to be conducted in its business operations. The Compliance Manual is also available on the corporate intranet so that directors and employees can easily refer to it in the course of their daily work.

As a practical scheme to ensure the thorough practice of compliance, the Group works out a Compliance Program. Once a year, the Compliance Program is deliberated at the Risk Management Committee, discussed at the Executive Management Committee (approved by the president), and reported to the Board of Directors, and the result of its implementation is reported to the Executive Management Committee every six months. Providing compliance-related education and training programs is regarded as a key initiative in the Compliance Program. Specifically, through position-specific training programs on compliance such as those for directors and general managers, theme-specific training programs such as those on preventing insider trading, as well as ongoing e-learning sessions, the Group is working to raise all directors and employees' awareness of compliance, to ensure the thorough practice of compliance, and to nurture a culture of compliance internally.

Risk Management Structure

Comprehensive Risk Management Activities

As financial services become more diversified and sophisticated, the various risks that arise from business operations grow increasingly complex. In this environment, the Group

recognizes that the precise monitoring and analysis of these risks as well as the proper control and management of them are exceedingly important for maintaining or increasing the soundness of business operations, and is strengthening and streamlining its risk management system accordingly.

The Mizuho Leasing Group has categorized risks that arise in association with the operating activities into financial risk to be managed quantitatively and operational risk to be managed qualitatively, and risk management systems are established for each risk. Moreover, the Risk Management Committee was instituted to establish a comprehensive risk management system to centrally manage operational risk and financial risk.

As for financial risk, meaning credit risk¹, market risk², and value fluctuation risk³, the locations and the magnitude of risk are monitored based on the management framework centered on the allocation of risk capital. Operational risk, such as administrative risk, system risk, and legal risk, is monitored for the status of occurrence of risk events, countermeasures, preventive measures, etc.

In addition, to realize the goal of becoming a multiple financial services company and expanding our specialized financing services, we are aware that further enhancement of our risk management system, for example, monitoring and handling the various risks inherent in transactions, etc. will be more important than ever. For example, when we start handling new products and developing new businesses, we evaluate risks from the perspective of both financial risk and operational risk, and work to strengthen management through the establishment of a structure for thorough reviews in advance.

Attitude toward Credit Risk Management

The Mizuho Leasing Group aims to minimize credit costs by optimizing its credit management structure at all stages of each transaction, from entrance to exit, regarding credit risk of our clients. At the initial stage of deal execution under our "client credit rating system," we grant a credit rating for each debtor, conduct a strict credit screening for each debtor when reviewing a deal, and, to avoid excessive concentrations of credit, manage credit limit by using our "credit monitoring systems by ratings."

Meanwhile, our approach to credit portfolio management is based on the use of statistical methods to calculate the potential for losses related to credit risk. To that end, each month we calculate the expected loss (EL, i.e., credit cost), which is the average loss anticipated over the next year, and

Keywords Explained

- Credit risk** is the risk of loss associated with the inability to collect lease payments, installment payments, or loan principal and interest as contracted, due to factors such as bankruptcy or deterioration of financial position of the debtor.
- Market risk** is the risk of incurring loss as a result of a decline or disappearance in, or total loss of, the value of the Company's financial assets and liabilities attendant on market price fluctuations (interest rates, stock prices, foreign exchange rates, etc.).
- Value fluctuation risk** is the risk of fluctuations in the value of items other than marketable products, for example, the risk of fluctuations in the estimated residual value in operating leases and risk inherent in real estate-related financing (risk of fluctuations in the value of real estate at the time of contract expiration).

the unexpected loss (UL, i.e., credit risk amount), which is the maximum amount of any additional loss in excess of the EL.

As for expected losses, our stance is to cover an expected loss from income gained through credit transactions, and we use this amount as a reference value when estimating the cost of credit for our income plan as well as when arranging deals. Concerning unexpected losses, if an unexpected loss is incurred, our stance is to cover it from our capital, which we monitor in relation to the pre-allocated risk capital, and report to the PM/ALM Committee and the Board of Directors on a monthly basis.

In addition, we are focusing on initiatives to improve our asset quality by controlling the risks inherent in the business and assets through portfolio management.

Market Risk Management Structure

The Mizuho Leasing Group establishes basic policies based on market environments, financial strength, etc. at the Board of Directors meeting each year to properly control risks in line with financial operations. In addition, ALM operating policies based on the basic policies, various credit lines for transactions, loss limits, etc. are determined on a monthly basis at the meetings of the PM/ALM Committee, whose members include executives in charge of relevant departments. Through these measures, the Mizuho Leasing Group strives to maintain stable earnings by controlling risk.

Furthermore, risk-related analyses are reported monthly at meetings of the PM/ALM Committee as well as those of the Board of Directors.

Attitude toward Operational Risk Management

The Operational Risk Management Division of the Risk Management Department centrally collects and manages operational risk events resulting from inadequacies, administrative errors, compliance issues, inappropriate business operations, system failures, and any other external factors, and takes

appropriate actions according to the relevant risk categories, such as the formulation of countermeasures and measures to prevent recurrence.

Furthermore, risk-related analyses are reported quarterly at meetings of the Risk Management Committee as well as those of the Board of Directors, together with financial risk.

Risk Capital Allocation

The Group places an extremely high priority on the integrated monitoring and control of total financial risk. Thus, we incorporate an integrated risk management structure according to that of the mega banks into our management policies in order to improve the soundness and stability of our business. Specifically, we quantify various risk factors and employ integrated and centralized control systems to ensure that our total risk exposure remains below the required percentage of our shareholders' equity (i.e., our financial strength).

In other words, we define core capital, capital surplus, and retained earnings as risk capital. By allocating this risk capital to each financial risk, we control losses incurred from any unforeseen situation within manageable limits, thereby maintaining our financial stability.

Key aspects, such as the amount of risk capital to be allocated for each risk, are determined as a part of the fiscal year's management plan at the Board of Directors meetings, and specific operating policies are determined through resolutions by the Executive Management Committee and Policy Planning Committees (such as the PM/ALM Committee), and reflected in business operations. Within such a framework, the Risk Management Department, which is independent from the business and treasury departments, monitors operations periodically to measure risks. The results of this monitoring are reported to the Board of Directors on a monthly basis.

