

# FY2021 First-Half Financial Results Presentation Materials

November 16, 2021

Mizuho Leasing Co., Ltd.

**MIZUHO**

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# 1. Financial Results and Business Performance Overview

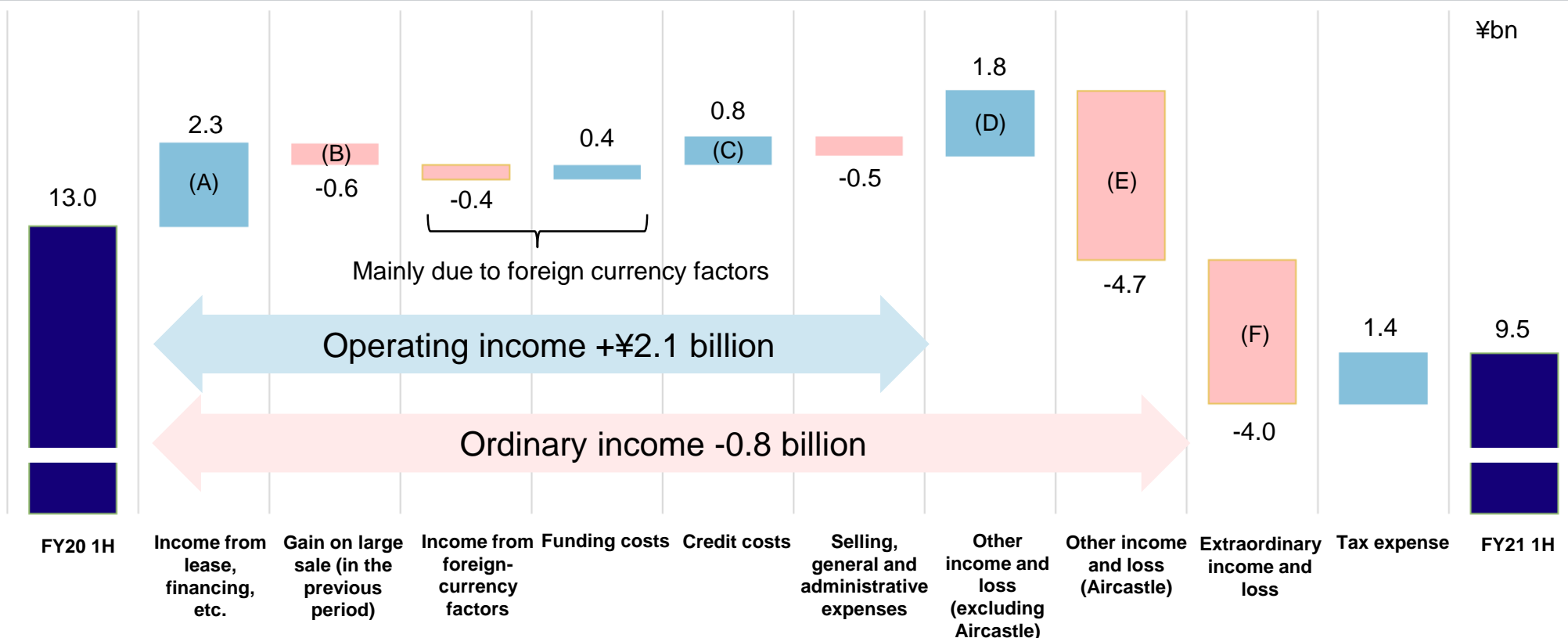
## Summary of Second-Quarter Results for FY2021

- **Operating income increased** amid the harsh environment under the COVID-19 pandemic, supported by the accumulation of highly profitable financing assets and a reversal of credit costs
- **Ordinary income declined** due to the effect of recording equity in loss of Aircastle resulting from the downturn in the airline industry
- **Net income attributable to owners of the parent declined** since extraordinary income (gain on sales of investment securities, etc.) was posted in the same period of the previous fiscal year

### Income indicators (¥bn)

	FY19 1H Results	FY20 1H Results	FY21 1H Results	Change	% Change
Revenues	254.9	228.7	<b>260.0</b>	+31.3	+14%
Gross profit before write-offs and funding costs	28.9	28.4	<b>29.7</b>	+1.3	+5%
Operating income	12.6	11.2	<b>13.3</b>	+2.1	+18%
Ordinary income	12.9	14.6	<b>13.8</b>	-0.8	-6%
(Earning and loss of Aircastle)	-	(2.3)	<b>(-2.4)</b>	(-4.7)	-
Extraordinary income	0.3	4.0	<b>0.0</b>	-4.0	-100%
Net income attributable to owners of the parent	8.9	13.0	<b>9.5</b>	-3.5	-27%

# Factors behind change in net income attributable to owners of the parent



(A) Income from lease, financing, etc.	Increased due to the accumulation of assets in the highly profitable financing area
(B) Gain on large sale (recorded in the previous period)	Distribution of income in connection with large sale of operational investment securities and gain on sales of real-estate related bridge scheme in the same period of the previous fiscal year
(C) Credit costs	Credit costs contributed from a reversal of provisions for a vessel transaction
(D) Other income and loss (excluding Aircastle)	Accumulation of equity in earnings and losses of associated companies other than Aircastle
(E) Other income and loss (Aircastle)	Declined due to the effect of recording equity in loss of Aircastle resulting from the downturn in the airline industry
(F) Extraordinary income and loss	Declined since extraordinary income (gain on sales of investment securities, etc.) was posted in the same period of the previous fiscal year

# Overview of Financial Results

(¥bn)	FY19 1H	FY20 1H	FY21 1H	Change	% Change
<b>Revenues</b>	254.9	228.7	260.0	+31.3	+14%
<b>Gross profit before write-offs and funding costs</b>	28.9	28.4	29.7	+1.3	+5%
Funding costs	(5.0)	(4.2)	(3.7)	-0.5	-11%
<b>Gross profit</b>	24.0	24.2	26.0	+1.8	+7%
Credit costs	-0.5	0.6	-0.2	-0.8	-
<b>Operating income</b>	12.6	11.2	13.3	+2.1	+18%
Other income	0.8	4.4	1.2	-3.2	-73%
<b>Ordinary income</b>	12.9	14.6	13.8	-0.8	-6%
Extraordinary income	0.3	4.0	0.0	-4.0	-100%
<b>Net income attributable to owners of the parent</b>	8.9	13.0	9.5	-3.5	-27%

Declined due to the effect of recording equity in loss of Aircastle (-¥2.4 billion) resulting from the downturn in the airline industry

Declined since gain on sales of investment securities, etc. (¥4.0 billion) was posted in the same period of the previous fiscal year

Note) Gross profit margin before write-offs and funding costs = Gross profit before write-offs and funding costs (annualized basis) / Operating assets (average of the beginning and ending balances)

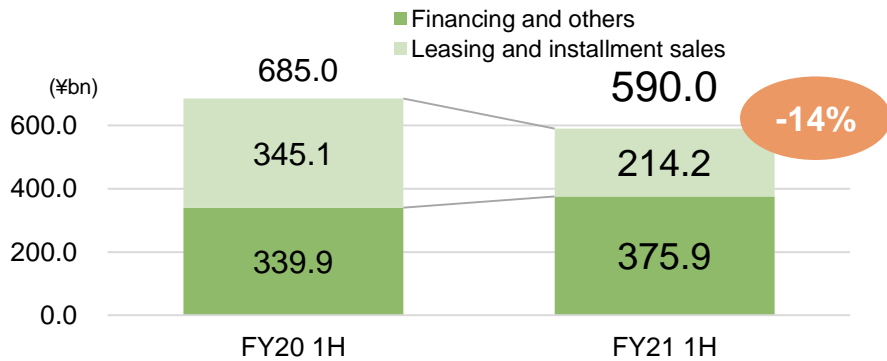
<b>Gross profit margin before write-offs and funding costs</b>	2.86%	2.60%	2.56%	-0.04pt	-
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(¥bn)	End of Mar 2020	End of Mar 2021	End of Sep 2021	Change	% Change
<b>Operating assets</b>	2,090.3	2,322.4	2,324.3	+1.9	+0%
<b>Net assets</b>	195.8	210.9	223.6	+12.7	+6%
<b>Equity ratio</b>	7.9%	7.7%	8.1%	+0.4pt	-

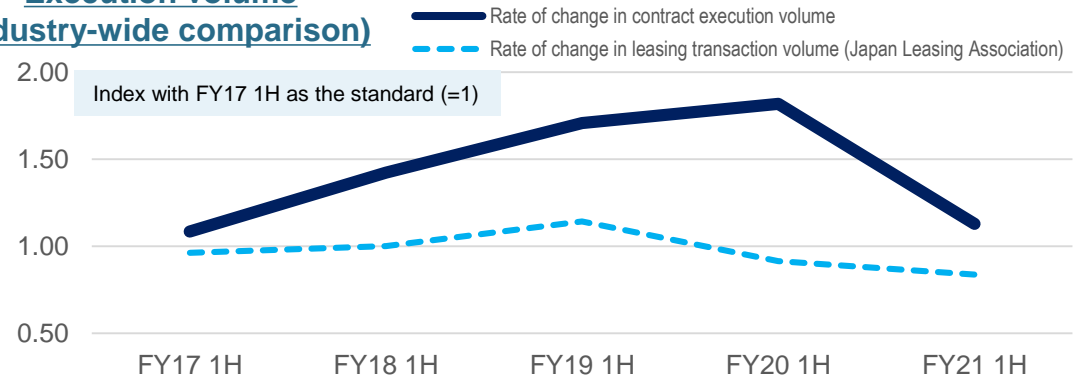
# Business Performance Overview

- Contract execution volume of leasing and installment sales declined mainly due to delays in capital investment of customers
- Contract execution volume for FY21 1H declined partly due to a rebound from FY19 1H and FY20 1H where new contracts were accumulated at a high level
- Thanks to the commitment to the accumulation of assets, prioritizing profit, future revenue\*1 and profit margin\*2 for new projects improved

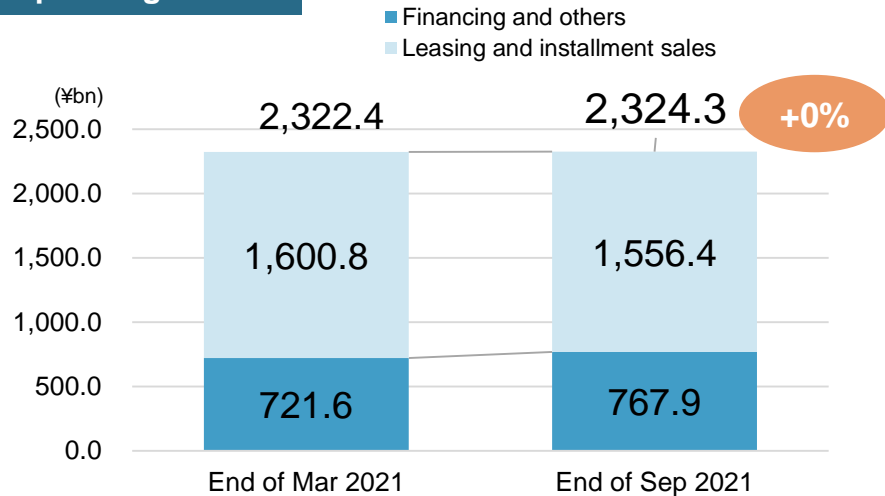
## Contract execution volume



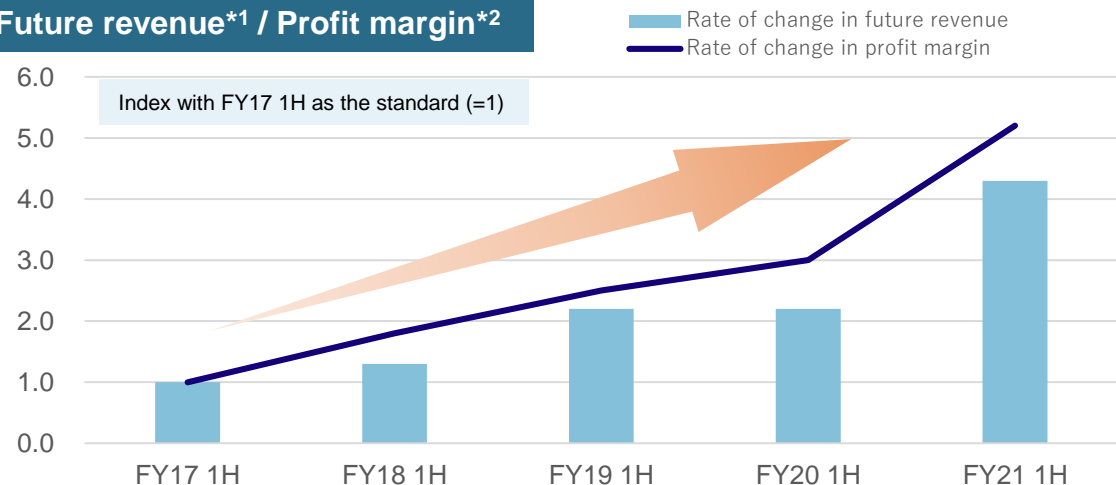
## Execution volume (industry-wide comparison)



## Operating assets



## Future revenue\*1 / Profit margin\*2



\*1 Estimated future revenue to be recorded before new projects are completed

\*2 Profit margin for new projects

# Contract Execution Volume / Leasing and Installment Sales

## Contract execution volume by equipment type

- Although the movement of contract execution volume in FY21 1Q got off to a slow start, it has gradually improved in FY21 2Q (+¥30.2 billion)

(¥bn)	FY19 1H	FY20 1H	FY21 1H	Change	% Change
Information and communications	65.2	117.5	56.5	-61.0	-52%
Real estate	69.0	88.8	42.3	-46.5	-52%
Industrial and factory	87.3	61.7	37.2	-24.5	-40%
Transport	38.5	20.0	17.9	-2.1	-11%
Construction	17.8	15.2	11.8	-3.4	-22%
Commerce and services	14.6	13.1	7.9	-5.2	-39%
Medical	10.4	5.2	5.0	-0.2	-4%
Other	21.3	23.5	35.5	12.0	51%
<b>Total</b>	<b>324.2</b>	<b>345.1</b>	<b>214.2</b>	<b>-130.9</b>	<b>-38%</b>

(Breakdown of 21/1Q and 2Q)

	21/1Q	21/2Q	Change
Information and communications	20.4	36.1	+15.7
Real estate	23.3	19.0	-4.3
Industrial and factory	15.5	21.7	+6.2
Transport	9.5	8.4	-1.1
Construction	5.9	5.9	0.0
Commerce and services	3.7	4.3	+0.6
Medical	2.8	2.2	-0.6
Other	10.9	24.5	+13.6
<b>Total</b>	<b>92.0</b>	<b>122.2</b>	<b>+30.2</b>



# Contract Execution Volume / Financing

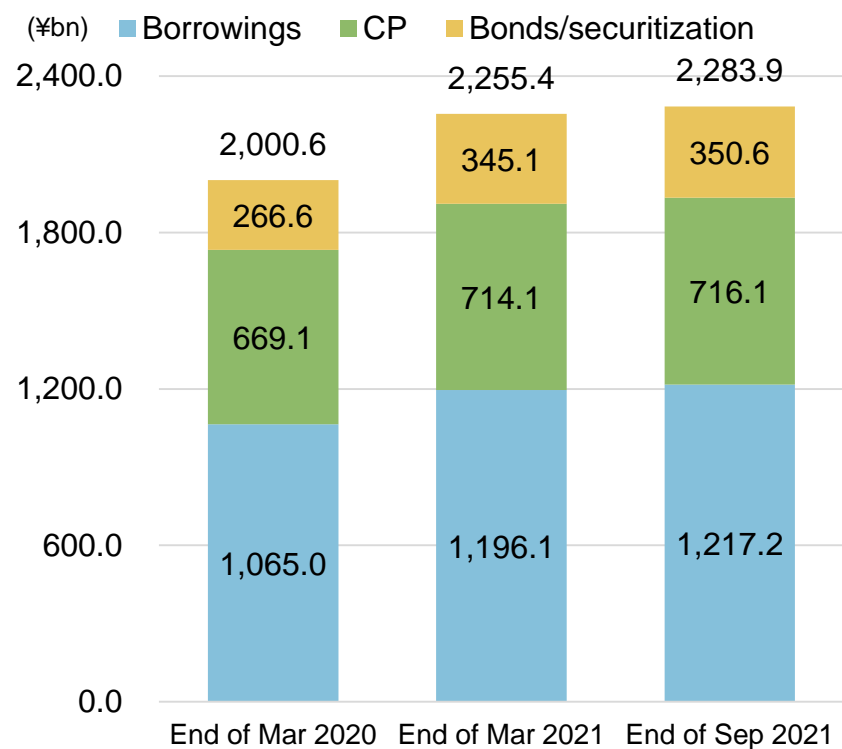
## Contract execution volume

(¥bn)	FY19 1H	FY20 1H	FY21 1H	Change	% Change	
<b>Commercial distribution finance / loan, etc.</b>	254.9	303.2	294.0	-9.2	-3%	
<b>Real estate</b>	26.2	26.8	79.4	+52.6	+196%	Increased due to large projects executed
<b>Vessel</b>	10.9	6.9	2.5	-4.4	-64%	
<b>Aircraft</b>	8.0	3.0	-	-3.0	-100%	
<b>Total</b>	300.0	339.9	375.9	+36.0	+11%	

# Funding

- Funding costs and funding costs ratio both decreased due to factors such as lower foreign currency funding interest rates

## Interest-bearing debt



## Funding costs (ratio)

(¥bn)	FY19 1H	FY20 1H	FY21 1H
<b>Funding costs</b>	5.0	4.2	3.7
<b>Funding costs ratio</b>	0.49%	0.38%	0.32%

Note) Funding costs ratio = Funding costs (annualized basis) / Operating assets (average of the beginning and ending balances)

## External ratings

Rating agency	Rating	
R&I	Long-term	A
	Short-term	a-1
JCR	Long-term	A+
	Short-term	-

## 2. Earnings Forecasts and Dividends

## Earnings Forecasts and Dividends

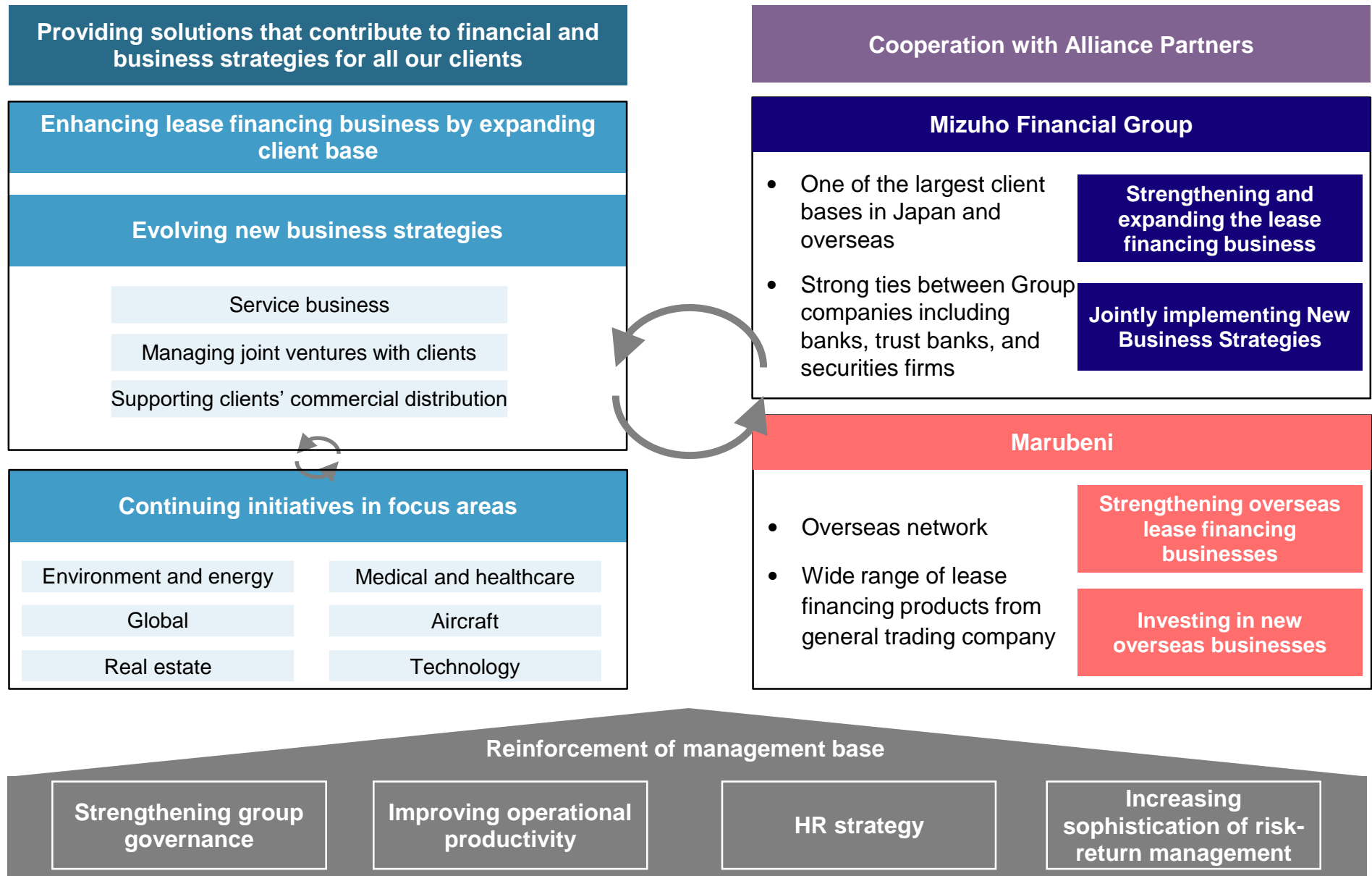
- We have not changed our full-year earnings forecasts for FY2021, and aim to achieve them by regaining earnings in the second half
  - Going forward, we will continue to closely watch the impact of the global spread of COVID-19
- Interim dividend of ¥55/share, an increase of ¥15/share y-o-y, paid out as forecast at beginning of fiscal year
- The plan is also to increase annual dividend by ¥18/share y-o-y to ¥110/share, as forecast at beginning of fiscal year

(¥bn)	FY2020 (Results) (A)	FY2021 (Forecast) (B)		1H Results	% Progress	Change (B)-(A)	% Change (B)/(A)
Revenues	497.9	550.0		256.0	47%	+52.1	+10%
Operating income	26.0	30.0		13.3	44%	+4.0	+16%
Ordinary income	27.5	33.0		13.8	42%	+5.5	+20%
Net income attributable to owners of the parent	21.8	23.0		9.5	41%	+1.2	+6%
Annual dividend	¥92	¥110		+¥18			
Interim dividend	¥40	(Result) ¥55		+¥15			
Year-end dividend	¥52	(Forecast) ¥55		+¥3			
Dividend payout ratio	20.4%	23.1%		+2.7pt			

### 3. Status of Sixth Mid-term Management Plan

## 3-(A) Overview of Sixth Mid-term Management Plan

# Overview of Sixth Mid-term Management Plan (FY 2019-2023)



# Consolidated Targets for the Final Fiscal Year of Sixth Mid-term Management Plan (FY 2019-2023)

Net income attributable to owners of the parent

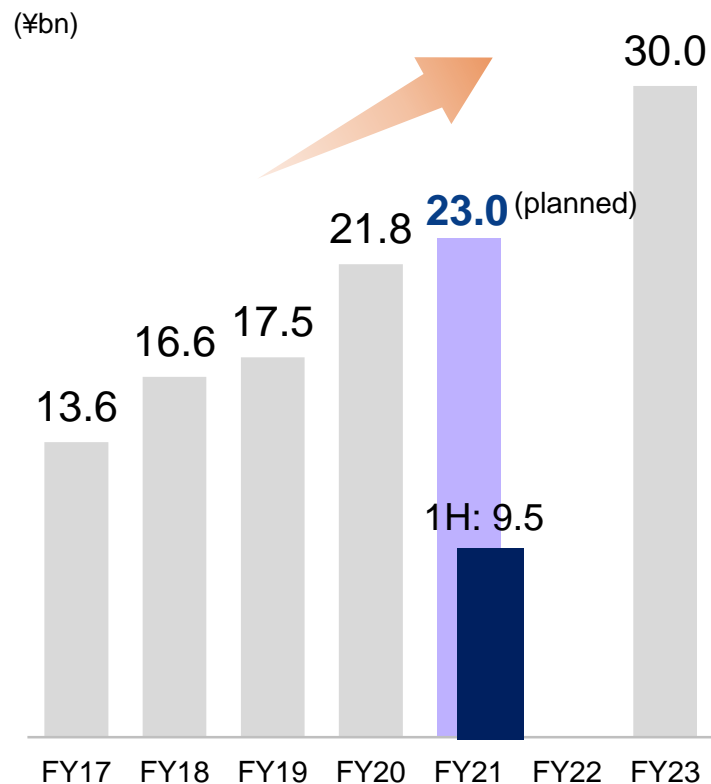
**¥30.0**  
billion

Balance in the global area

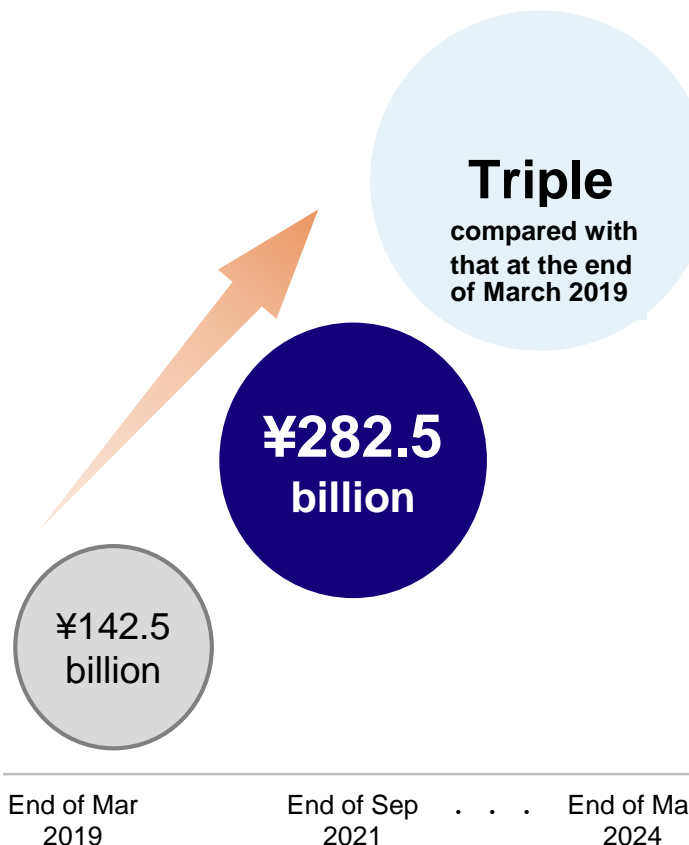
**Triple**  
compared with that at the end of March 2019

Dividend payout ratio

Aim for **25%**  
or more

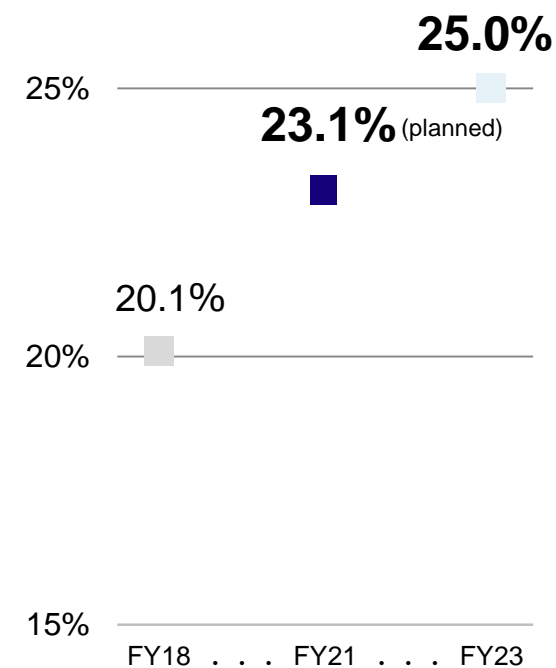


**FY21 1H results ¥9.5 billion**



**Balance as of end of Sep 2021**

**¥282.5 billion**



**FY21 dividend payout ratio 23.1% (planned)**



## 3-(B) Cooperation with Alliance Partners

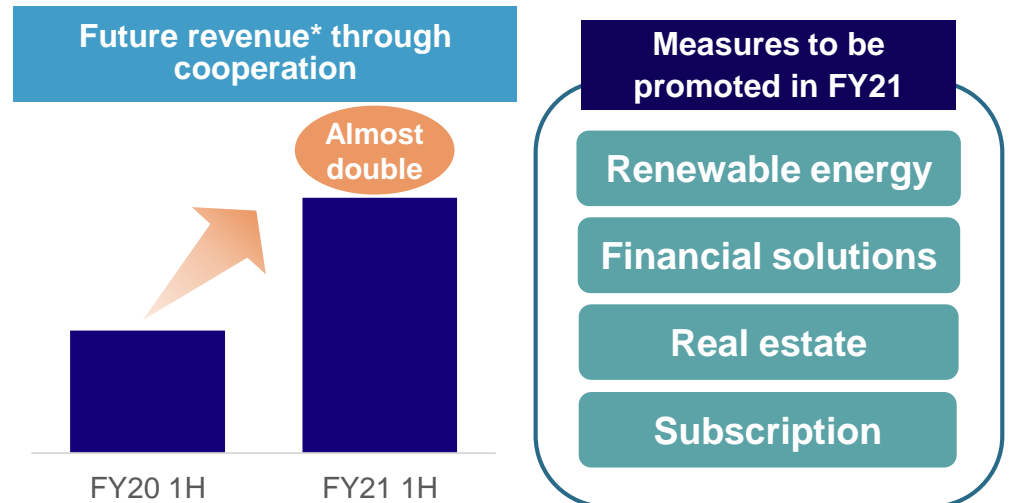
# Cooperation with Alliance Partners: Mizuho Financial Group

## Cooperation with Mizuho Financial Group

- In FY2021 1H, future revenue\* through cooperation almost doubled y-o-y
  - ➔ Cooperation expanded in areas such as real estate and environment
- We will be aiming to further strengthen the tie-up by forging ahead with collaborations in renewable energy area and in service business such as subscription services, in addition to collaborations in the areas of real estate and the provision of financial solutions to customers amid the COVID-19 pandemic

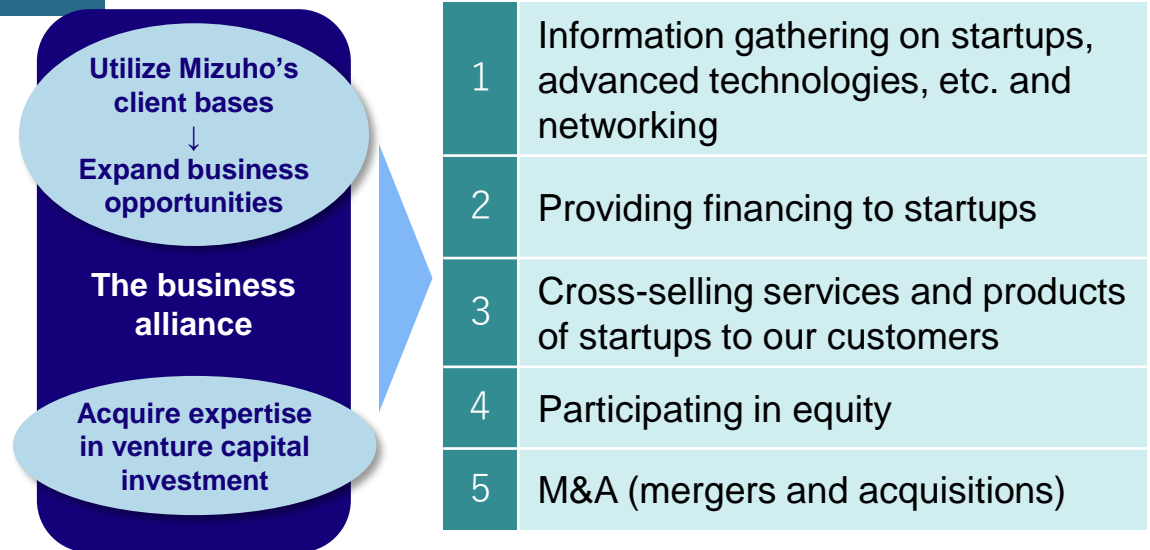
\*Estimated future revenue to be recorded before new projects are completed

\*Management accounting basis



## Business alliance with Mizuho Capital Co., Ltd.

- We acquired 15.01% of the shares in the venture capital company Mizuho Capital and executed a business alliance agreement in May 2021.
  - We are looking to make Mizuho Capital an affiliated company with equity method applied in the future
- We will promote providing risk capital to start-up companies and cooperating to support the cultivation of these investees
- At present, we have started to refer to potential investees and investees with potential for business collaboration



# Cooperation with Alliance Partners: the Marubeni Group

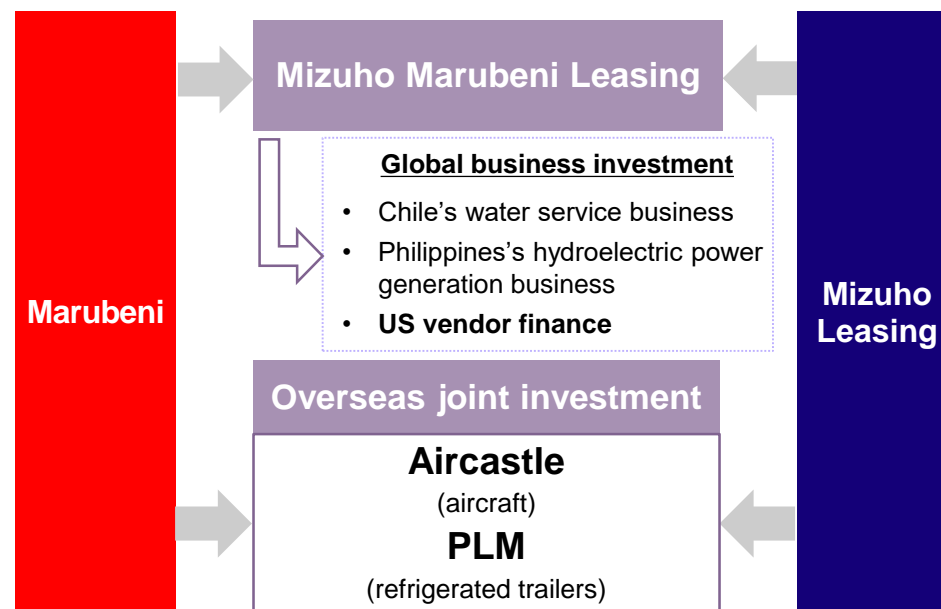
## Cooperation with the Marubeni Group

- We promote cooperation with the Marubeni Group mainly in the global area
  - Deployed aggressive overseas business investment through **Mizuho Marubeni Leasing**, a 50-50 joint venture company
  - Mizuho Marubeni Leasing's business results for FY21 2Q were significantly higher than the same period of the previous fiscal year
  - We also **participated in joint investment** with Marubeni in acquisition of overseas financial businesses, etc.

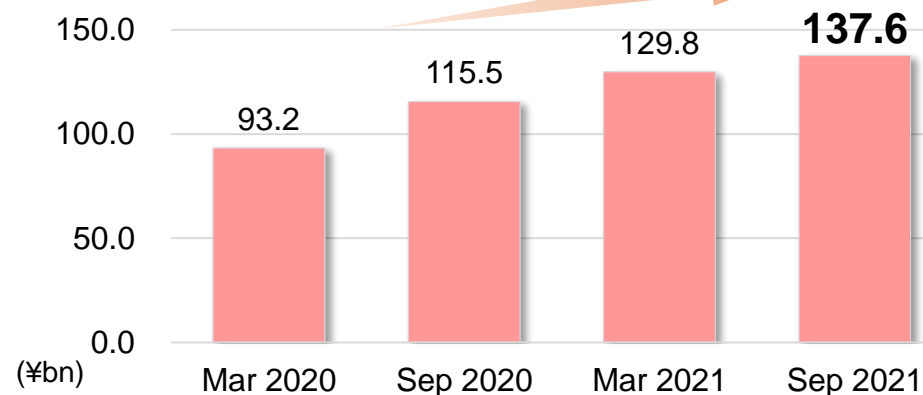
### 【Highlight】

- **Balance** in the global area **increased ¥7.8 billion from the end of the previous fiscal year to ¥137.6 billion through cooperation with Marubeni**
- Mizuho Marubeni Leasing **entered the US vendor finance business by acquiring a 36% stake in Auxilior Capitals Partners, Inc.**

## Collaboration with the Marubeni Group



## Balance

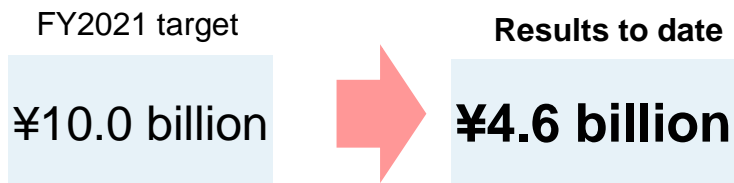


# Cooperation with Alliance Partners: Ricoh and Ricoh Leasing

## Cooperation with Ricoh and Ricoh Leasing

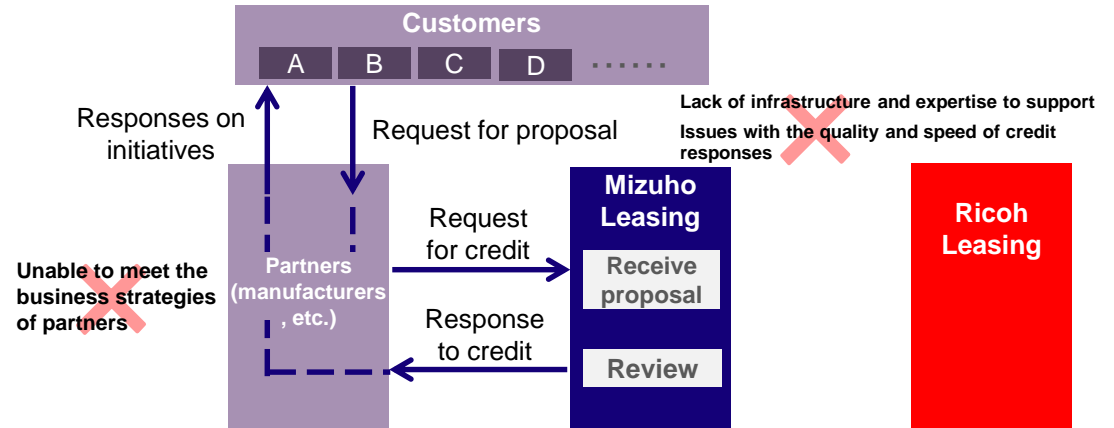
- Further promote new businesses such as service business and subscription business**
  - Started taking advantage of Ricoh Leasing's vendor transactions expertise and infrastructure in November
  - Improved speed and administrative efficiency of credit response
- Mutually refer customers for products the other has strength in**
- Consider areas for medium-term collaboration, aiming to create new value**
  - Collaboration in areas such as environment, medical, real estate, etc.
- Promote case-by-case collaboration and arranging for referrals**
  - Achieved results in areas such as communications, medical, vehicles, etc.

### Contract volume through cooperation

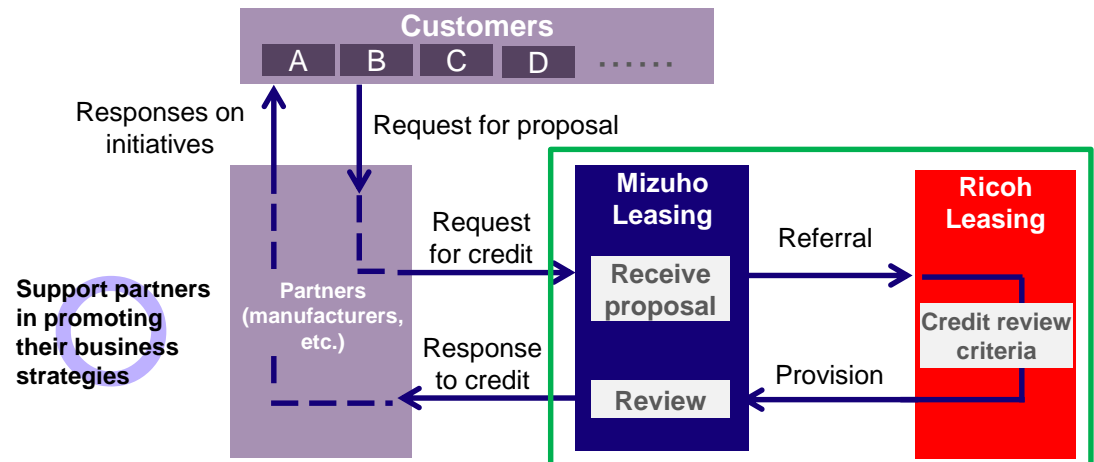


## Collaboration in new business

### 【Before collaboration】



### 【After collaboration】

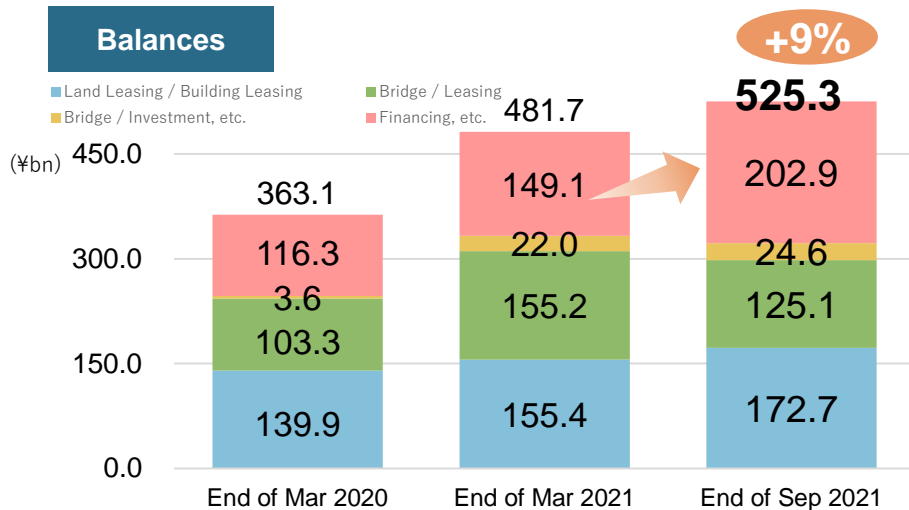


## 3-(C) New Business Strategies and Focus Areas



# Status of Focus Area: Real Estate

- Balance increased mainly for long-term (financing etc., land leasing / building leasing) assets, and the total balance **rose by approximately ¥43.5 billion** from the end of the previous fiscal year
  - Handled wide range of asset type such as logistics facilities and complex facilities
- We worked on **long-term property holding business** and **CRE project**, etc. in a balanced manner, promoting to build a stable revenue base
- **In the future, we will take on new business challenges through collaboration and cooperation with business partners** (initiatives in **topic** are underway)

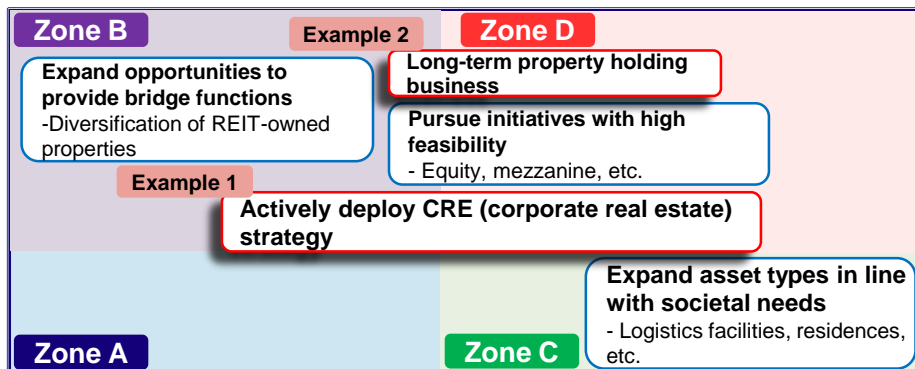


## topic

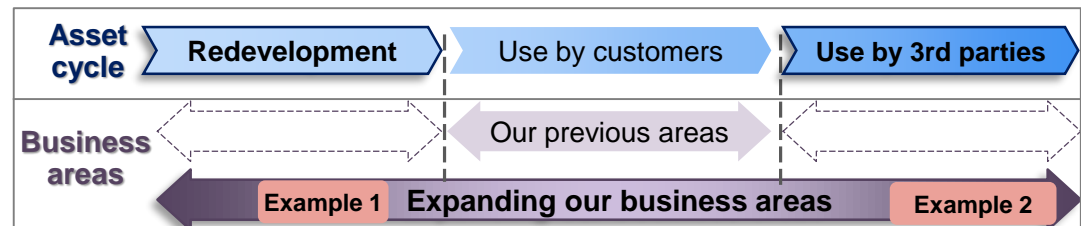
### Business alliance with Nippon Steel Kowa Real Estate Co., Ltd.

- We **acquired** the shares in the comprehensive real estate developer **Nippon Steel Kowa Real Estate** (22.24% stake after acquisition) and **started a business alliance**
- We will promote to strengthen our Group's **CRE proposal capabilities** and **expand our product lineup** by combining the company's wealth of experience as a real estate developer and multifaceted functions for real estate business and our strengths

### Future strategy



### Expansion of business areas



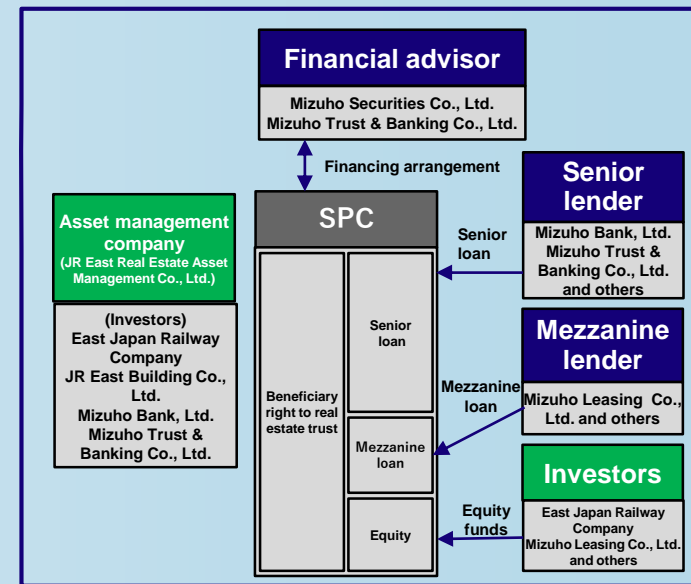
**Example 1** Actively deploy CRE strategy ⇒ Business participation from the redevelopment stage

**Example 2** Expand business into long-term property holding business

# Status of Focus Area: Real Estate (Topics)

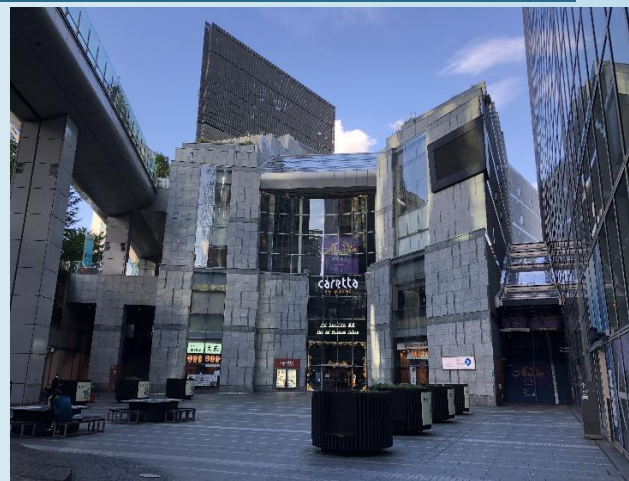
## Supporting East Japan Railway Company Group's real estate asset management business

- Support from the entire Mizuho Financial Group to contribute to the maximization of the real estate values in the investment areas (town planning) and realization of a society that enriches people's lives (life planning).



## Investing in SPC that acquires the Shiodome A-block real estate including DENTSU's headquarters building

- Complex facilities where large office building in which DENTSU INC. is headquartered and Caretta Shiodome and other facilities are located.
- The portion of DENTSU's headquarters building will be leased back to DENTSU by SPC for 11 years after acquisition, and stable rental income is expected.



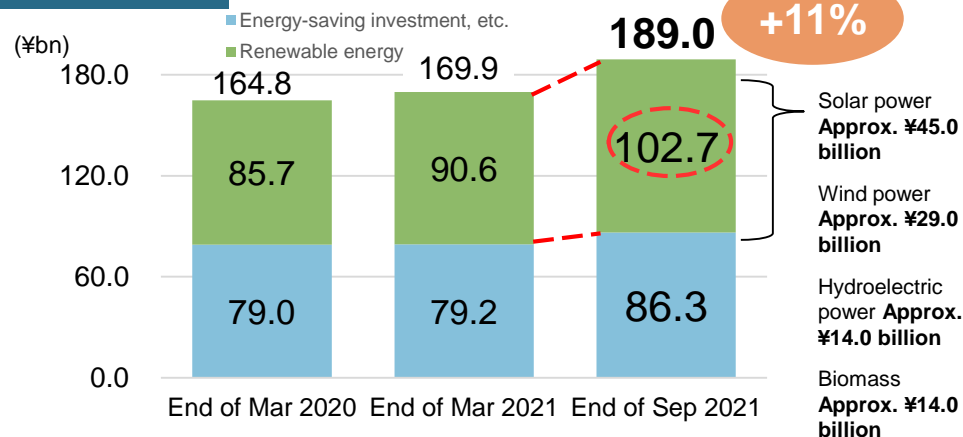


# Status of Focus Area: Environment and Energy

- Offered a wide range of solutions for a myriad of power source types in renewable energy area and balances increased
  - Power source types: Solar power, wind power, hydroelectric power, biomass, etc.
  - Solutions: Business management, equity investment, mezzanine loans, leasing, etc.
- Aim to expand business areas by promoting business management and joint investments in renewable energy area

## Balances

\* Balances related to energy saving/power generation equipment, etc.



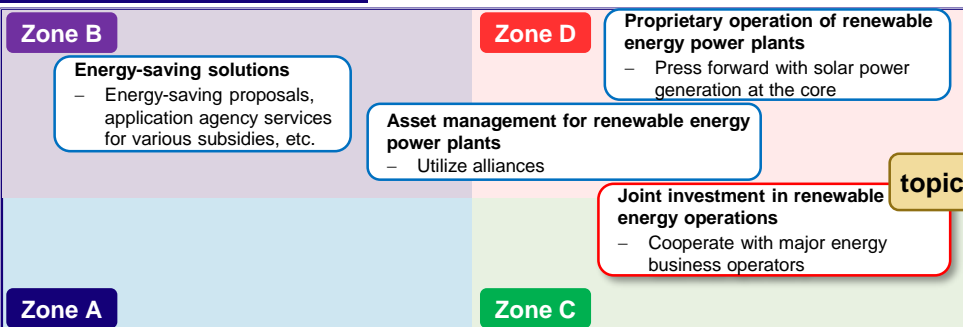
## topic

### Participation in hydroelectric power generation business

- For the hydroelectric power generation facilities (Shirakawa Power Station) operated by JNC CORPORATION Group, we utilized a pay-per-use type lease to execute a project investment type lease according to the revenue from electric power sales of the power generation business in June 2021.
- Our first participation in a domestic hydroelectric power generation business.
- The Shirakawa Power Station started operation in 1914, with a generating capacity of 9,500kW.



## Future strategy

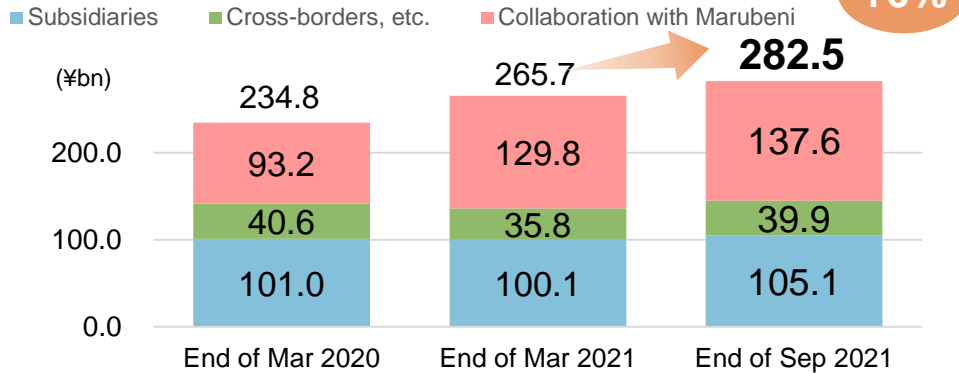


# Status of Focus Area: Global

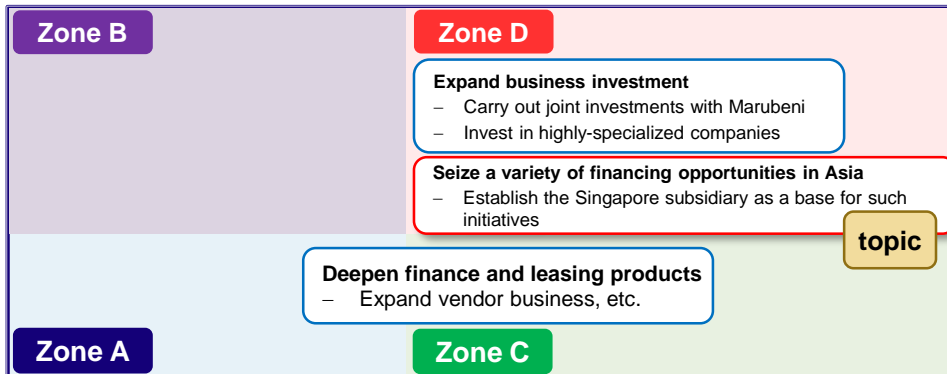


- Although we were affected by COVID-19, mainly in our mainstay Asia region, we continued our efforts to support our customers' overseas businesses
- **New business initiatives by utilizing our Singapore subsidiary**
  - Capture a wide range of needs in the Asia-Oceania region
- **We will further strengthen cooperation with our alliance partners** going forward, and also consider initiatives in the overseas renewable energy field and expansion into leasing-related businesses.

## Balances



## Future strategy



## Singapore Subsidiary



- Our Singapore subsidiary commenced operations in 2021
- We aim to capture new business opportunities in Singapore, a logistics and financial hub of ASEAN, including cross-border transactions with neighboring countries

### topic

- In September 2021, we executed a ¥1.5 billion loan to GLP Pte, Ltd., a leading logistics property company in Singapore, as a borrower for the ESG finance type I sustainability linked loans\*

\* A loan product that sets SPTs, which are targets to be worked on in line with the customer's SDGs and ESG strategies, and the loan terms and conditions vary according to the achievement of the SPTs

# Status of Focus Area

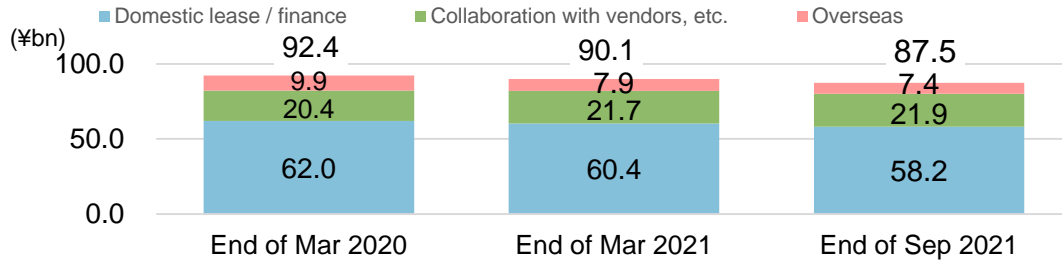
## Medical and Healthcare



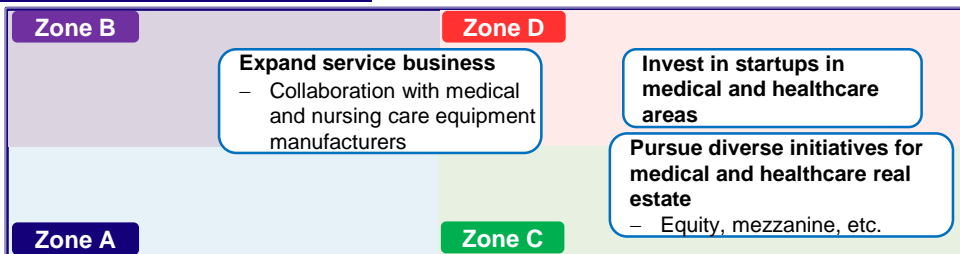
- **Shift our attention to initiatives that prioritize profitability**, with medical institutions cutting back on capital expenditures
  - **Service business:** Subscription-based services for medical equipment offered in collaboration with manufacturers, etc.
  - **Real estate:** Mezzanine loans for nursing homes for elderly, etc.
- **Aiming to expand into new business areas** beyond conventional medical device leasing finance

### Balances

\* Balances for medical equipment and medical/healthcare providers



### Future strategy

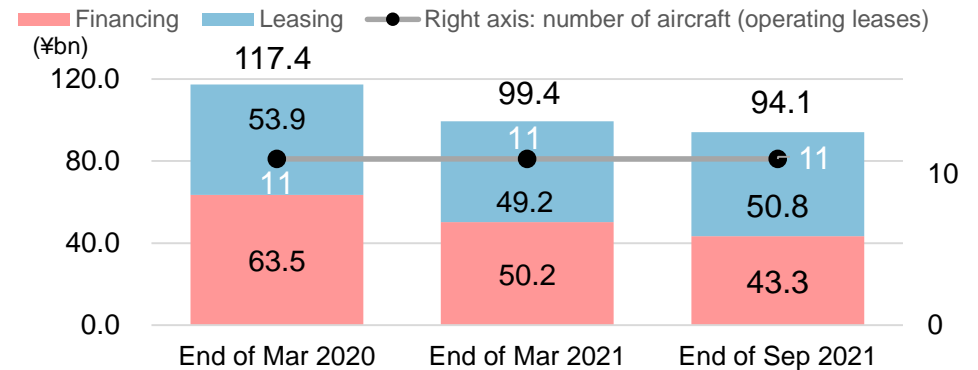


## Aircraft (A) (other than Aircastle)



- Change our stance from **restraining new initiatives** to **resuming initiatives by selecting deals**, based on the market recovery, etc. (refer to Aircraft (C))
- Going forward, continue to carry out initiatives that take mutual advantage of expertise for leasing, loans and set-up of JOLCOs while carefully selecting deals, and prioritizing profit

### Balances



### Status of Portfolio

#### [Aircraft operating leases]

- Ratio of narrow body planes : 100%
- Average age of planes : 6.3 years
- Number of lessee airlines : 10

#### [Aircraft-backed collateralized loans]

- Average LTV : 63.4%

# Aircraft (B) (Aircastle)

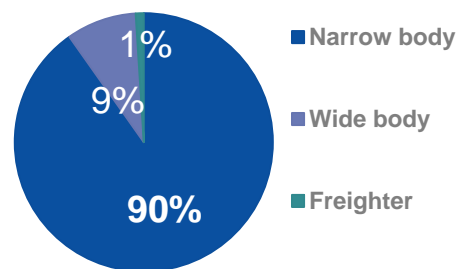
(Source: Data published by Aircastle on October 13, 2021)

## Aircastle Profile

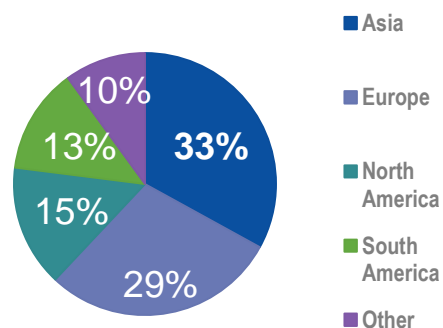
(As of end of August 2021)

Investment ratio	Marubeni: 75%, Mizuho Leasing: 25%
Number of aircraft held	255
Average age of planes	10.6 years
Number of lessee airlines	76 (in 42 countries)
Rating	S&P: BBB- / Fitch: BBB Moody's: Baa3

### Ratio of each type of aircraft



### Exposure by region\*



\* The ratios are based on the book values of aircraft

- Liquidity was USD 2.4 billion (as of October 1, 2021), secured sufficient liquidity  
Unused credit line: USD 1.4 billion, cash and deposits: USD 0.3 billion, assets to be sold (contracts already signed): USD 0.3 billion, cash flow from operating activities (forecast): USD 0.4 billion
- Issued USD 400 million preferred shares in the US capital markets in June 2021

- Demand for passenger transport has been gradually recovering (refer to Aircraft (C))
- Aircastle is also working to acquire new aircraft and its aircraft utilization rate remains high at 94%
- Received a certain level of recognition from the capital markets and rating agencies, including the issuance of USD 400 million preferred shares in June 2021 and improvement in the Moody's outlook from "Negative" to "Stable"
- Expect demand for aircraft leasing to pick up as the airline industry recovers in the medium- to long-term

## Aircastle's results

(USD million)

	FY20 1H	FY21 1H	Change
Sales	255	323	—
Impairment	-280	-42	—
Net income attributable to owners of the parent (A)	-191	-6	—
Subsequent events (expected in 3Q) (B)	—	-48	—
Total ((A)+(B))	-191	-53	—

## Mizuho Leasing's results

(¥bn)

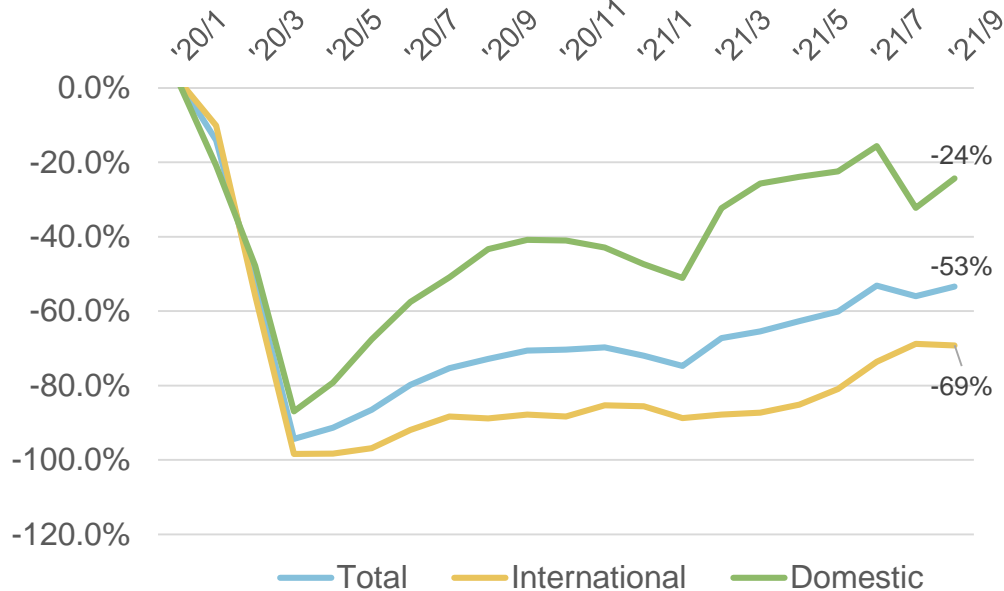
	FY20 1H	FY21 1H	Change
Equity-method earnings and losses (*)	2.3	-2.4	-4.7

\* Incorporates portion for 3 months from April to June for Aircastle (fiscal year end: December) for FY20 1H  
Incorporates portion for 6 months from March to August for Aircastle (fiscal year end: February, changed in September 2020) for FY21 1H

# Aircraft (C) (General Situation of the Airline Market)

- Demand for passenger transport has been gradually recovering, and recovery of demand for domestic flights is ahead of that for international flights
- As countries have eased their travel restrictions, airline passenger demand is expected to recover in the future, mainly in North America

## Passenger traffic (results)

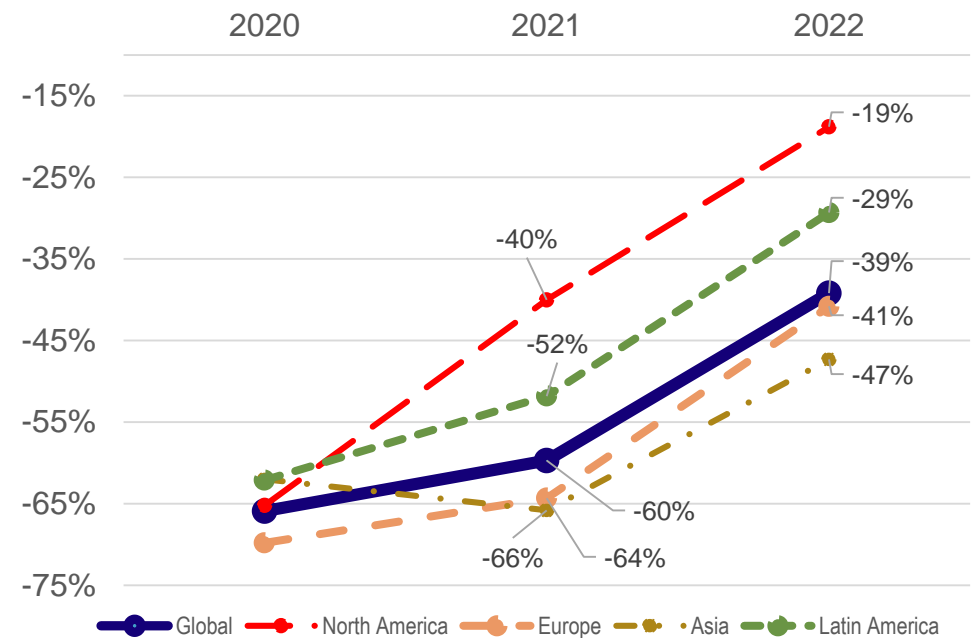


- RPK\* (passenger traffic) results from January 2020 to September 2021, compared with 2019 results

\*Number of paid passengers x transport distance

Source: IATA (Air Passenger Market Analysis)

## Passenger traffic results and forecasts



- RPK (passenger traffic) results of 2020 and forecasts for 2021 to 2022, compared with 2019 results
- RPK includes domestic and international traffic

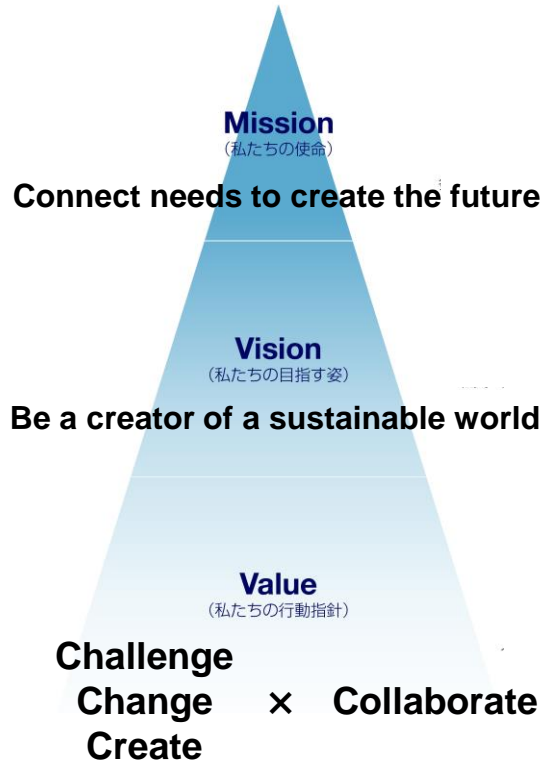
Source: IATA (Airline Industry Economic Performance – October 2021)

3-(D) “Identification of Issues” and  
“Realization of Solutions”  
Based on Management  
Philosophy

# “Identification of Issues” and “Realization of Solutions” Based on Management Philosophy

- With the management environment changing drastically, in order to concisely show the ideal vision of Mizuho Leasing, we revised our existing management philosophy in May 2021
- We identified material issues (materiality) that the Group should tackle
- We will widely achieve solutions to these material issues through the Group’s wide-ranging business activities, in line with our management philosophy.

## Revision of management philosophy



## Material sustainability issues

Six materiality	
Contributing to a decarbonized society	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Contributing to a healthy and prosperous lifestyle	3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES
Contributing to the creation of social infrastructure that supports our lifestyle	9 INDUSTRY INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
Leading toward circular economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Creating new value through technology	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Creating a society and workplace where everyone can thrive	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES

## Solving issues through business activities

### Our business

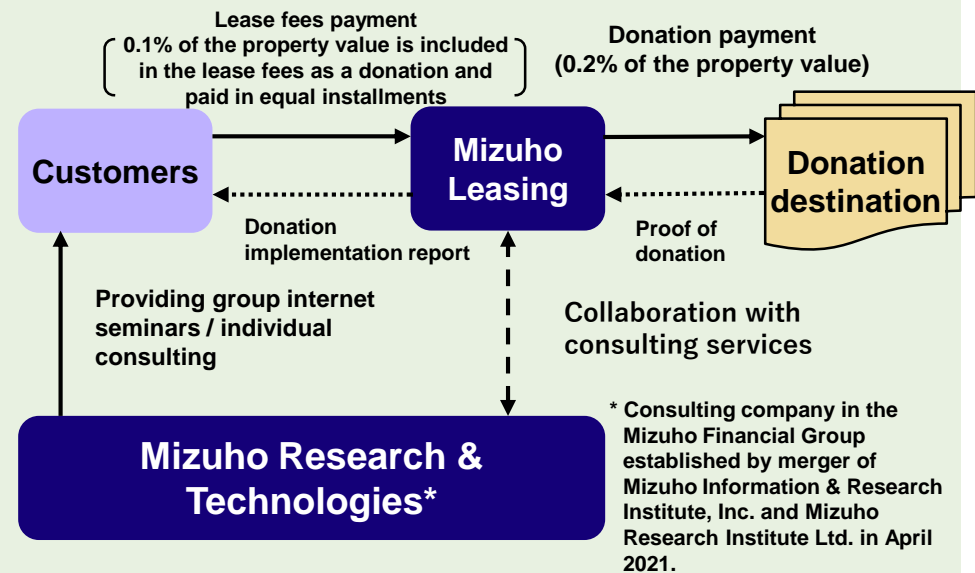
- Environment and energy
- Medical and healthcare
- Real estate
- Financing and equity
- Subscription services
- Equipment
- General
- Global



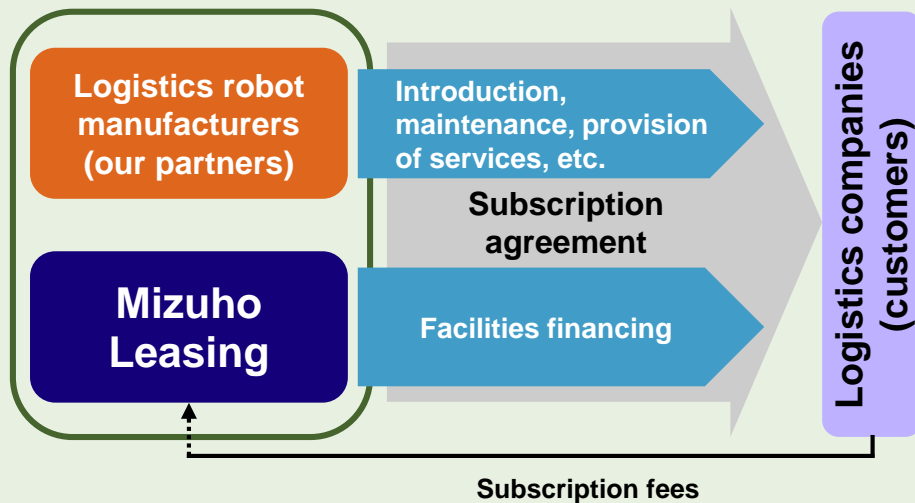
# Solving Issues through Business Activities

## Commence Mizuho SDGs Leases Initiatives

- In collaboration with Mizuho Research & Technologies, Ltd. we commenced handling “Mizuho SDGs Leases” that can contribute to achieving SDGs in June 2021
- We provide customers engaged in leasing and installment sales with donation opportunities, SDGs-related group internet seminars, and individual consulting related to SDGs
- Customers select donation destination from several candidates, and the customers and Mizuho Leasing donate the equivalent of 0.2% of the property value



## Provide business models for circular economy (subscription services)



- Together with logistics robot manufacturers, our partners, we provide subscription services for AMR (Autonomous Mobile Robot) introduced by major logistics companies in their warehouses
- The subscription services are ones in which Mizuho Leasing and our partners provide “goods” and “services” through an agreement, and our partner manufacturers provide services necessary to use goods and generate added value



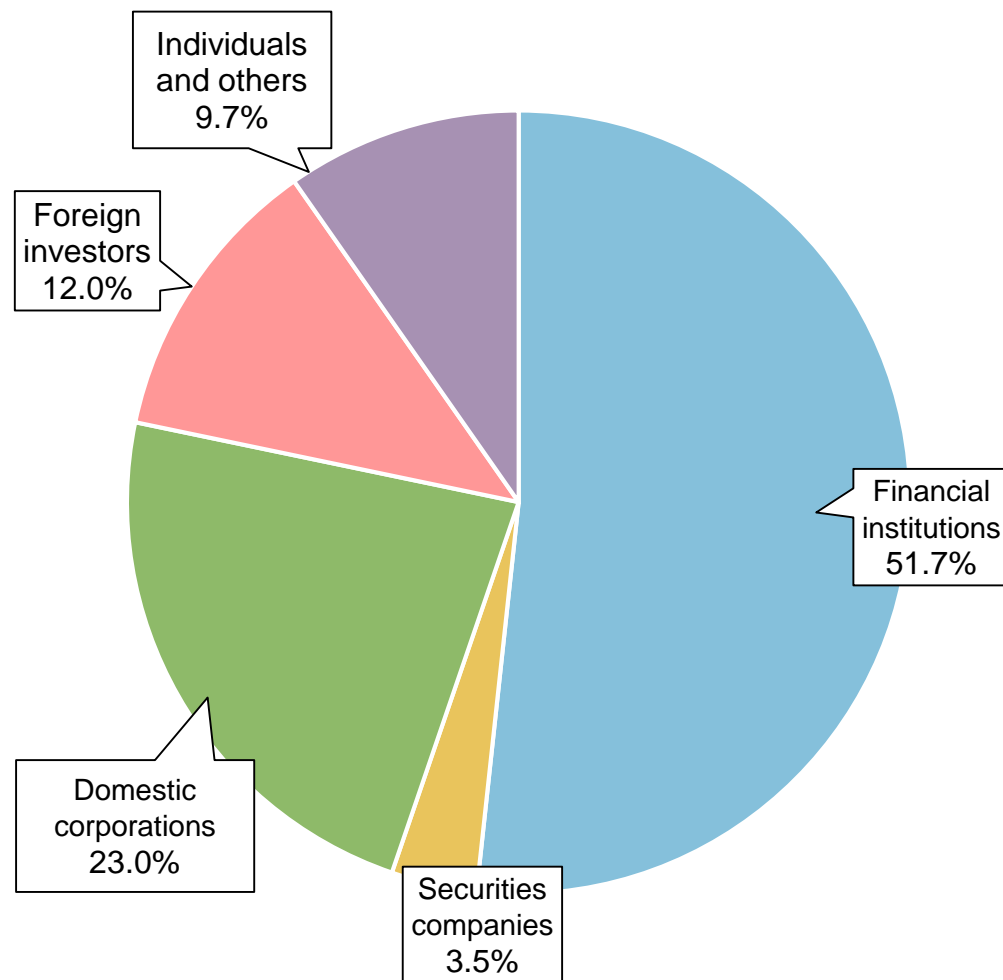
# Appendix

# Company Profile

<b>Company Name</b>	Mizuho Leasing Company, Limited
<b>Address</b>	1-2-6 Toranomom, Minato-ku, Tokyo 105-0001
<b>Representative</b>	Shusaku Tsuhara, President and CEO
<b>Establishment</b>	December 1, 1969
<b>Listing</b>	Tokyo Stock Exchange, 1st Section (Code: 8425)
<b>Capital Stock</b>	26,088 million yen (Outstanding shares: 49,004,000)
<b>Employees</b>	1,842 (consolidated, as of September 30, 2021)
<b>Business Sites</b>	14 in Japan (Tokyo, Osaka, Nagoya, others) 7 overseas (6 in Asia, 1 in Europe)
<b>Key Group Companies</b>	Mizuho-Toshiba Leasing Company, Limited, Dai-ichi Leasing Co., Ltd., Universal Leasing Co., Ltd., Mizuho Marubeni Leasing Corporation, RICOH LEASING COMPANY, LTD., Mizuho Auto Lease Company, Limited, ML Estate Company, Limited, ML Shoji Company, Limited, Nippon Steel Kowa Real Estate Co., Ltd., IBJ Air Leasing Limited  (Overseas joint operating companies with Marubeni Corporation) PLM Fleet, LLC, Aircastle Limited

# Stock Status (As of September 30, 2021)

- Number of shares issued 49,004,000
- Number of shareholders 41,286
- Distribution of shareholders (shareholding ratio)



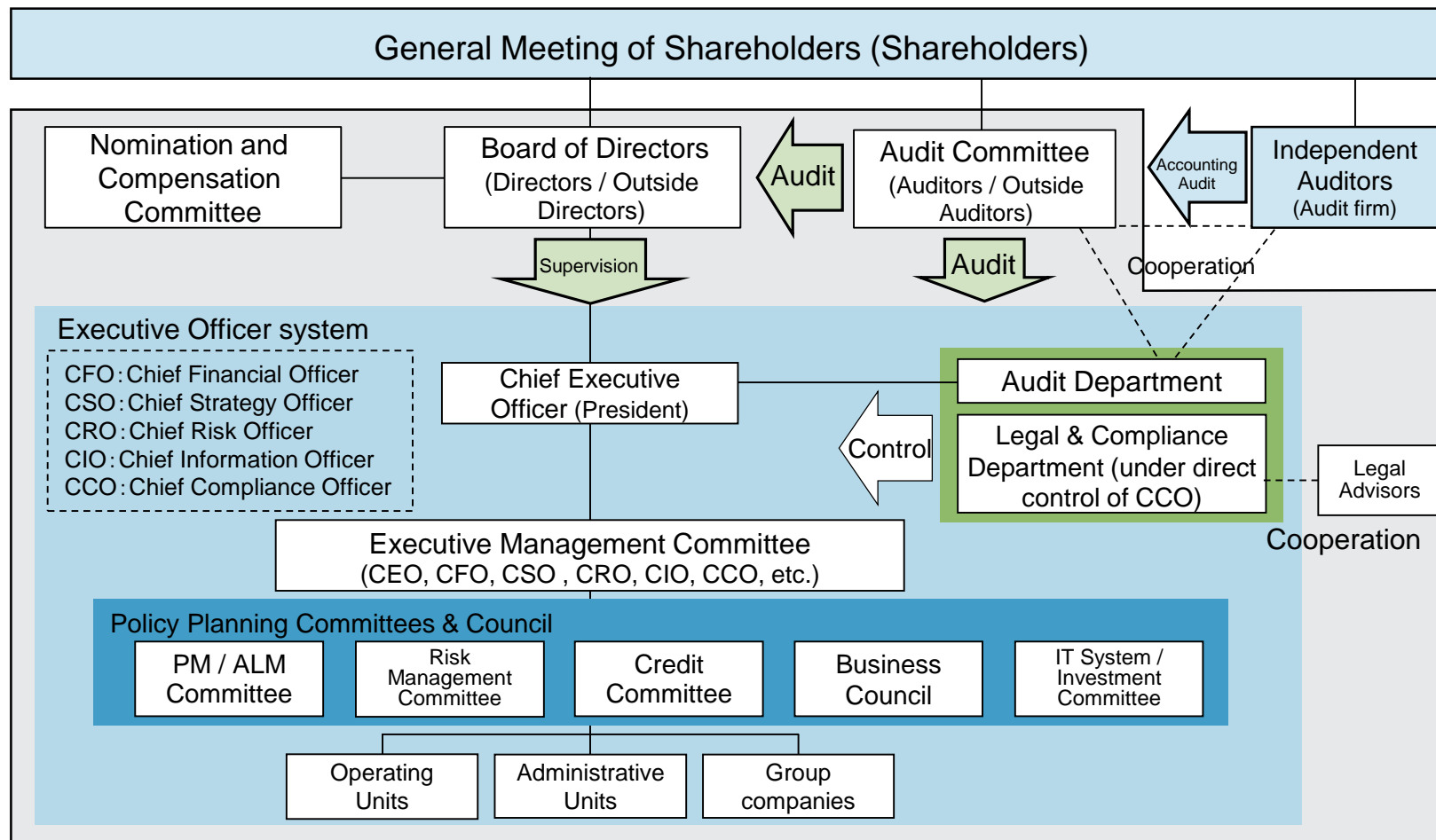
## Major Shareholders

Shareholders	Shares Held (1,000 shares)	Holding Ratio
Mizuho Bank, Ltd.	11,283	23.03%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,206	6.54%
The Dai-ichi Life Insurance Company, Limited	2,506	5.11%
Marubeni Corporation	2,157	4.40%
NISSAN MOTOR CO., LTD. Retirement Benefit Trust Account Mizuho Trust & Banking Co., Ltd.	1,750	3.57%
RICOH LEASING COMPANY	1,500	3.06%
Meiji Yasuda Life Insurance Company	1,251	2.55%
DOWA HOLDINGS CO., LTD.	1,120	2.29%
SMBC Nikko Securities Inc.	958	1.96%
Custody Bank of Japan, Ltd. (Trust Account)	954	1.95%

# Internal Control System

- Mizuho Leasing has established a system to ensure proper execution of business operations, and is operating this system in an effective and appropriate manner.
- Management structure: 12 directors (incl. 6 outside directors), 4 auditors (incl. 3 outside auditors, 1 part-time auditor)
  - Appoint 5 outside directors and 3 outside auditors as Independent Officers under the Tokyo Stock Exchange rule.

## Corporate Governance Structure



# Consolidated Balance Sheet (Assets)

(¥bn)	End of Mar 2018	End of Mar 2019	End of Mar 2020	End of Mar 2021 (A)	End of Sep 2021 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Current assets</b>	1,602.4	1,866.6	1,947.3	2,085.1	2,070.8	-14.3	-0.7%
Cash and deposits	30.3	25.9	22.8	21.1	18.8	-2.3	-10.7%
Investment in lease	823.4	930.3	1,082.1	1,174.1	1,133.1	-41.0	-3.5%
Installment sales receivable	138.9	148.0	141.8	127.1	119.3	-7.8	-6.1%
Operational loans	360.1	469.1	401.0	500.7	352.1	+23.0	+7.0%
Operational investment securities	196.9	239.8	221.9	221.0	246.6	+25.6	+11.6%
Marketable securities	0.5	-	-	-	-	-	-
Allowance for doubtful receivables	-2.3	-1.6	-1.8	-2.2	-1.8	+0.4	-21.2%
<b>Property &amp; equipment</b>	218.8	295.3	401.1	518.1	563.6	+45.5	+8.8%
Leased assets	160.2	229.9	245.6	302.3	306.9	+4.6	+1.5%
Investment securities	30.0	32.0	119.1	172.0	202.6	+30.6	+17.8%
Doubtful operating receivables	2.4	3.4	5.4	11.5	20.4	+8.9	+77.5%
Allowance for doubtful receivables	-0.2	-0.2	-0.5	-0.5	-0.5	0.0	-9.2%
<b>Total assets</b>	1,821.3	2,161.9	2,348.4	2,603.2	2,941.3	+35.8	+1.2%
<b>Operating assets</b>	1,683.0	2,021.4	2,090.3	2,322.4	2,324.3	+1.9	+0.1%

The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) have been adopted since fiscal 2018 and retrospectively applied to figures for the end of March 2017 through the end of March 2018.

# Consolidated Balance Sheet (Liabilities and Equity)

(¥bn)	End of Mar 2018	End of Mar 2019	End of Mar 2020	End of Mar 2021 (A)	End of Sep 2021 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Current liabilities</b>	1,082.1	1,294.2	1,314.1	1,492.9	1,494.1	+1.2	+0.1%
Short-term borrowings	270.7	302.2	256.7	317.8	333.7	+15.9	+5.0%
Current portion of corporate bond	20.0	20.8	-	40.0	20.0	-20.0	-50.0%
Current portion of long-term debt	182.1	177.2	185.4	228.4	238.5	+10.1	+4.4%
Commercial paper	453.8	609.8	669.1	714.1	716.1	+2.0	+0.3%
Payables under securitized lease receivables	63.6	82.4	105.2	101.5	104.2	+2.7	+2.7%
<b>Long-term liabilities</b>	584.5	685.5	838.5	899.5	916.8	+17.3	+1.9%
Long-term debt	466.8	524.2	622.9	649.9	645.0	-4.9	-0.8%
Corporate bond	38.0	85.0	135.3	170.4	195.5	+25.1	+14.7%
Payables under securitized lease receivables	41.2	33.2	26.0	33.3	31.0	-2.3	-6.8%
<b>Total liabilities</b>	1,666.6	1,979.7	2,152.6	2,392.3	2,410.9	+18.6	+0.8%
<b>Net assets</b>	154.6	182.2	195.8	210.9	223.6	+12.7	+6.0%
Shareholder's equity	139.1	167.8	179.9	197.5	204.4	+6.9	+3.5%
<b>Total liabilities and net assets</b>	1,821.3	2,161.9	2,348.4	2,603.2	2,634.5	+31.3	+1.2%
<b>Total interest-bearing debt</b>	1,536.2	1,834.8	2,000.6	2,255.4	2,283.9	+28.5	+1.3%
<b>Equity ratio</b>	8.2%	8.0%	7.9%	7.7%	8.1%	+0.4pt	

The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) have been adopted since fiscal 2018 and retrospectively applied to figures for the end of March 2017 through the end of March 2018.

# Consolidated Statement of Income

(¥bn)	FY17 1H	FY18 1H	FY19 1H	FY20 1H (A)	FY21 1H (B)	Change (B) – (A)	% Change (B) – (A) / (A)
<b>Revenues</b>	178.4	179.8	254.9	228.7	260.0	+31.3	+13.7%
Gross profit before write-offs and funding costs	22.2	25.0	28.9	28.4	29.7	+1.3	+4.7%
Funding costs	3.4	4.1	5.0	4.2	3.7	-0.5	-10.6%
<b>Gross profit</b>	18.8	20.9	24.0	24.2	26.0	+1.8	+7.4%
SGA expenses	9.3	9.8	11.4	12.9	12.7	-0.2	-1.9%
Personnel and facilities costs	9.7	10.2	11.8	12.3	12.8	+0.5	+4.4%
Credit costs	-0.4	-0.4	-0.5	0.6	-0.1	-0.7	-123.2%
<b>Operating income</b>	9.5	11.1	12.6	11.2	13.3	+2.1	+18.1%
Other income	0.7	2.4	0.8	4.4	1.2	-3.2	-72.8%
Other expenses	0.2	0.4	0.5	1.0	0.7	-0.3	-32.0%
<b>Ordinary income</b>	10.0	13.0	12.9	14.6	13.8	-0.8	-5.8%
Extraordinary income	-	-	0.3	4.0	0.0	-4.0	-99.5%
Extraordinary loss	0.0	0.0	0.2	0.0	0.0	+0.0	-70.4%
<b>Income before income taxes</b>	10.0	12.9	13.1	18.6	13.8	-4.8	-26.0%
Total income taxes	3.1	4.0	4.0	5.3	3.9	-1.4	-26.3%
<b>Net income attributable to owners of the parent</b>	6.7	8.6	8.9	13.0	9.5	-3.5	-26.9%

# Consolidated Statement of Comprehensive Income

(¥bn)	FY17 1H	FY18 1H	FY19 1H	FY20 1H (A)	FY21 1H (B)	Change (B) – (A)	% Change (B) / (A)
<b>Net income</b>	6.9	8.9	9.1	13.3	9.9	-3.4	-25.9%
Unrealized gain on available-for-sale securities	1.6	-0.5	1.6	-2.4	0.1	+2.5	-
Deferred gain/loss on derivatives under hedge accounting	-0.1	0.0	0.0	0.2	-0.3	-0.5	-
Foreign currency translation adjustments	-0.3	-0.6	-0.9	-0.9	5.1	+6.0	-
Remeasurements of defined benefit plans, net of tax	0.0	0.0	-0.0	0.0	-0.0	-0.0	-
Share of other comprehensive income of associated companies	0.0	-0.1	-0.0	0.3	0.6	+0.3	+126.1%
<b>Total other comprehensive income</b>	1.2	-1.3	0.6	-2.8	5.5	+8.3	-
<b>Total comprehensive income</b>	8.1	7.7	9.7	10.6	15.3	+4.7	+45.3%



## Gross Profit Before Write-offs and Funding Costs by Segment

(¥bn)	FY17 1H	FY18 1H	FY19 1H	FY20 1H (A)	FY21 1H (B)	Change (B) – (A)	% Change (B) / (A)
<b>Revenues</b>	178.4	179.8	254.9	228.7	260.0	+31.2	+ 13.7%
Leasing and installment sales	171.9	171.1	246.0	221.7	251.4	+29.7	+ 13.4%
Finance	6.3	7.9	8.4	7.2	8.7	+1.5	+ 21.2%
Other	0.6	1.2	1.1	0.4	0.5	+0.1	+ 5.3%
Elimination / corporate	-0.4	-0.5	-0.7	-0.6	-0.6	-0.0	-2.1%
<b>Cost of revenues</b>	156.2	154.8	226.0	200.3	230.2	+29.9	+ 14.9%
Leasing and installment sales	155.9	154.2	225.4	200.1	230.0	+29.9	+ 14.9%
Finance	0.1	0.1	0.2	0.1	0.1	-0.0	-1.3%
Other	0.3	0.6	0.5	0.2	0.2	-0.0	-14.0%
Elimination / corporate	-0.2	-0.1	-0.2	-0.1	-0.1	-0.0	-26.7%
<b>Gross profit before write-offs and funding costs</b>	22.2	25.0	28.9	28.4	29.7	+1.3	+ 4.7%
Leasing and installment sales	15.9	17.0	20.6	21.6	21.4	-0.2	-1.0%
Finance	6.2	7.7	8.3	7.1	8.6	+1.5	+ 21.5%
Other	0.3	0.6	0.6	0.2	0.3	+0.1	+ 28.1%
Elimination / corporate	-0.3	-0.3	-0.5	-0.5	-0.5	+0.0	+ 2.8%

# Connect needs to create the future

## Inquiries

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**Corporate Communication Division**  
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**MIZUHO**