



Investor Presentation for FY2023 H1

Apr. 2023 – Sep. 2023

November 15, 2023

Mizuho Leasing Company, Limited

- We posted a record-high net income of 17.9 billion yen in the first half of FY2023. This was due to the growth in underlying profit, driven by an increase in operating assets, as well as the performance contribution of Rent Alpha Pvt. Ltd., resulting in steady growth. However, considering the growing uncertainties posed primarily by geopolitical risks and trends in the financial markets, we have decided to leave our initial full-year earnings forecasts unchanged.
- Although we announced a share split and the abolition of the shareholder benefit plan, we consider both individuals and corporations to be equally important to us as shareholders. The share split is designed to create a more investor-friendly environment for individual investors and improve market liquidity. After careful consideration of how to fairly return profits to shareholders, we have decided to concentrate on returning profits to shareholders through dividends. We intend to increase returns to shareholders by increasing profits through growth investments and enhancing our corporate value.
- On the sustainability front, we have intensified our renewable energy initiatives. We reached 500 MW in the first half of FY2023 against our non-financial target of the Medium-term Management Plan 2025, to secure 1 GW of renewable power generation. At the same time, we are expanding our network with the aim to build a circular economy platform and will continue our efforts to contribute to the realization of a circular economy.
- Under our Medium-term Management Plan 2025, we have initiated a variety of measures to take on challenges and enact change. We are implementing transformations concurrently in both our business portfolio and corporate systems. Particular emphasis is being placed on strengthening human capital such as the transformation of corporate culture. We are committed not only to our performance for this fiscal year but also to growth over the medium to long term.

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1. Financial Results and Business Performance Overview

Summary of First-Half Results for FY2023

- Gross profit before funding costs significantly increased by ¥6.5 bn YoY due to the accumulation of operating assets. Gross profit increased by ¥3.1 bn YoY due to increased funding costs resulting from higher interest rates on foreign currencies.
- Operating income increased by ¥1.5 bn YoY due to increased expenses from expanded workforce and system investments. Ordinary income increased by ¥3.7 bn YoY due in part to gain on investments from the sale of real estate and ship assets recorded in non-operating income. Net income attributable to owners of the parent increased by ¥2.3 bn YoY to ¥17.9 bn, achieving a record high for any first half.
- Rent Alpha Pvt. Ltd., which was consolidated in June, contributed to earnings for the last three months of the first half.

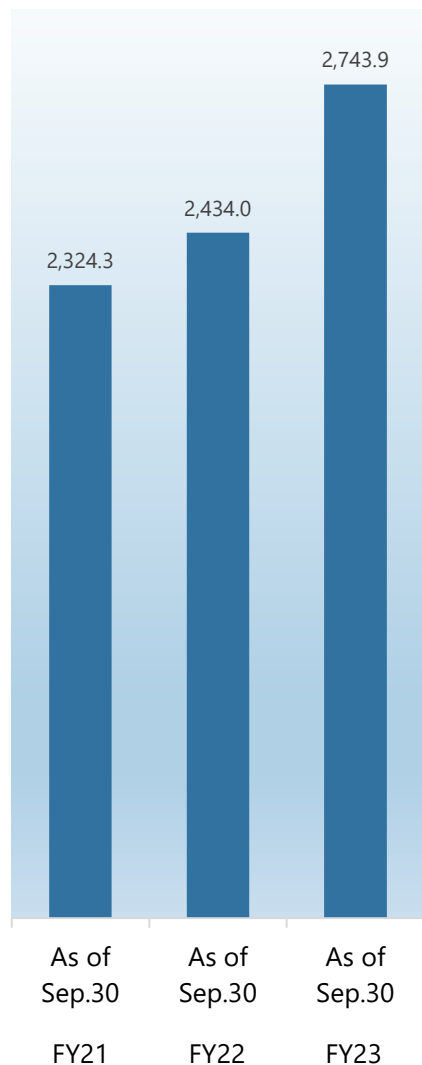
(¥bn)	FY21 H1	FY22 H1	FY23 H1	YoY change	YoY % Change
Gross profit before funding costs	29.7	36.1	42.6	+6.5	+18%
Gross profit	26.0	31.5	34.6	+3.1	+10%
Operating income	13.3	17.4	18.9	+1.5	+9%
(Equity in earnings and losses)	0.7	4.9	4.9	-0.0	-0%
Ordinary income	13.8	22.0	25.7	+3.7	+17%
Net income attributable to owners of the parent	9.5	15.6	17.9	+2.3	+15%
Operating assets	2,324.3	2,434.0	2,743.9	+309.9	+13%
Gross profit margin before funding costs (Gross profit before funding costs ÷ operating assets)*	2.56%	2.98%	3.20%	+0.22pts	
Gross profit margin (Gross profit ÷ operating assets)*	2.24%	2.59%	2.60%	+0.01pts	
ROA (Ratio of ordinary income to total assets)*	1.1%	1.6%	1.7%	+0.1pts	
ROE (Ratio of net income to equity)*	9.2%	13.2%	12.9%	-0.3pts	

* The balance is based on the average of the beginning and ending balances.

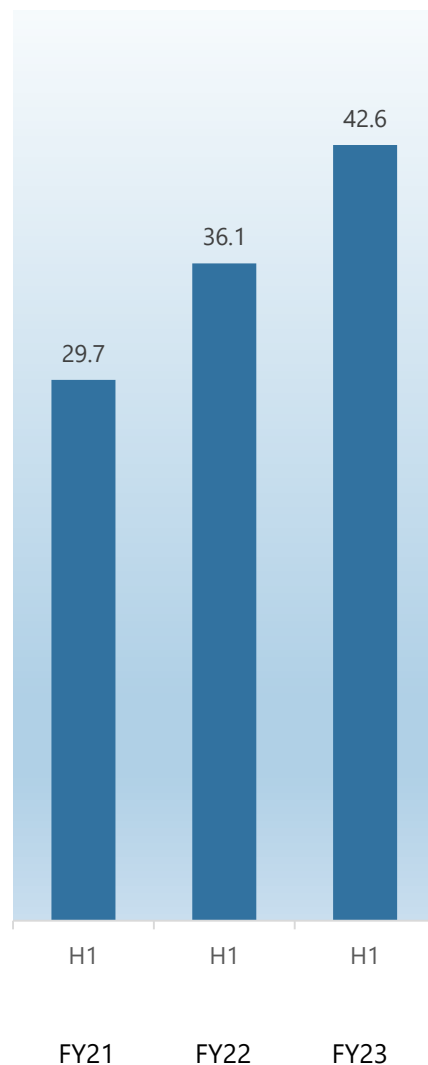
Changes in Operating Assets and Profits at Each Income Level

(¥bn)

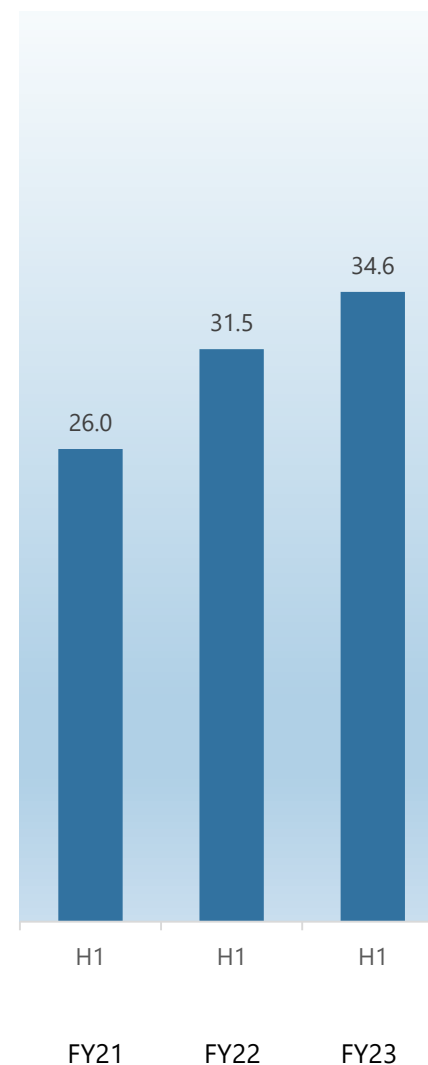
Operating assets



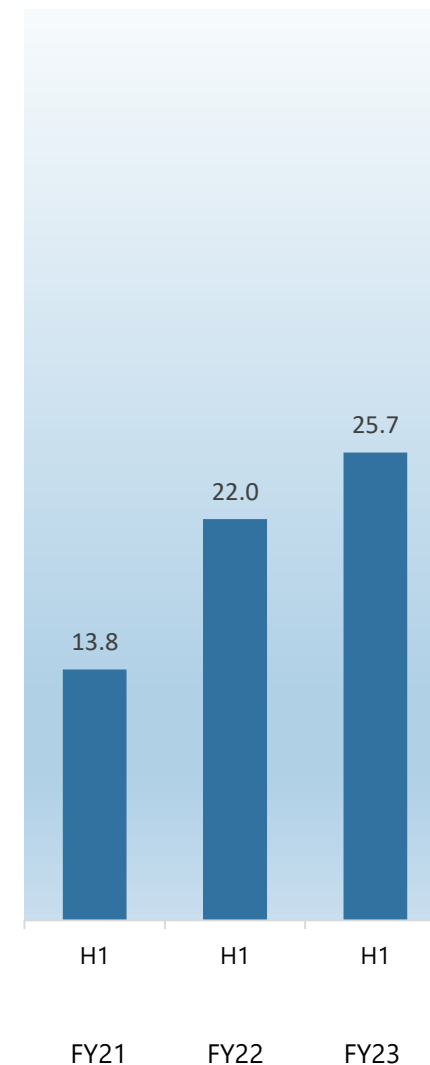
Gross profit before funding costs



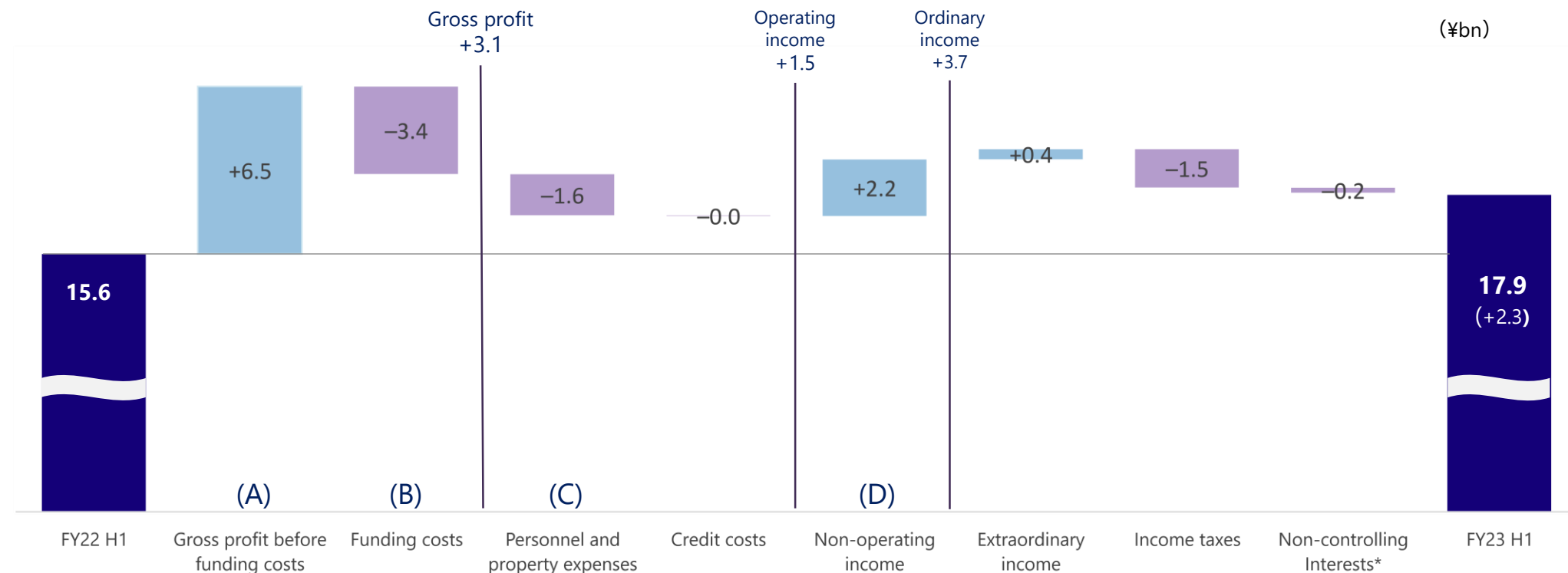
Gross profit



Ordinary income



Factors behind Changes in Net income attributable to owners of the parent



(A) Gross profit before funding costs	Increased significantly YoY due to steady accumulation of operating assets and gain on cancellation of large-scale contracts, which offset the impairment loss of overseas real estate (-¥0.7 bn). Consolidation of Rent Alpha Pvt. Ltd. (+¥2.1 bn) also contributed to the increase.
(B) Funding costs	Increased YoY due to higher interest rates on foreign currency-denominated funding against the backdrop of rising interest rates in the U.S. since the second half of the previous fiscal year, the impact of the consolidation of Rent Alpha Pvt. Ltd. (-¥0.5 bn), and an increase in operating assets.
(C) Personnel and property expenses	Increased YoY due to higher personnel expenses resulting from expanded workforce, increased system expenses, and the impact of the consolidation of Rent Alpha Pvt. Ltd. (-¥0.5 bn).
(D) Non-operating income	Increased YoY mainly due to the recording of proceeds from the sale of ships (+¥1.4 bn) and foreign real estate (+¥1.2 bn).

* Net Income attributable to Non-controlling Interests

Quarterly Trends of Operating Assets and Profits and Losses

- Operating assets grew steadily. The growing trend of underlying gross profit before funding costs continued.
- Despite some quarterly fluctuations due to one-time factors, top-line profit is on a positive trend, absorbing increases in expenses, such as funding costs and personnel and property expenses.

	FY22				Q1 (2)	FY23		
	Q1	Q2 (1)	Q3	Q4		Q2 (3)	Compared with Q1 (3)-(2)	YoY (3)-(1)
(¥bn)								
Gross profit before funding costs	18.1	18.0	19.1	17.1	19.2	23.4	+4.2	+5.4
(Funding costs)	2.1	2.5	3.0	3.3	3.7	4.3	+0.6	+1.8
Gross profit	16.0	15.5	16.1	13.8	15.5	19.1	+3.6	+3.6
(Personnel and property expenses)	7.0	6.6	7.0	7.9	7.5	7.7	+0.2	+1.1
(Credit costs)	0.4	0.0	-0.2	0.8	0.7	-0.3	-1.0	-0.3
Operating income	8.6	8.8	9.3	5.0	7.2	11.7	+4.5	+2.9
(Equity in earnings and losses)	3.0	1.9	3.8	1.0	2.3	2.6	+0.3	+0.7
Ordinary income	11.5	10.5	12.7	5.4	10.0	15.7	+5.7	+5.2
Net income attributable to owners of the parent	8.1	7.4	9.2	3.6	6.8	11.1	+4.3	+3.7
Operating assets	2,384.0	2,434.0	2,517.2	2,580.1	2,604.9	2,743.9	+139.0	+309.9

Gross Profit before Funding Costs and Operating Assets by Business Area

- Domestic leasing businesses: Gross profit before funding costs increased YoY due in part to gain on cancellation of contracts recorded in Q1. As a result, the businesses remained profitable, while the balance of operating assets was maintained.
- Real estate/environment and energy businesses: Gross profit before funding costs increased YoY due to increased operating assets through the execution of large-scale contracts, offsetting impairment losses on foreign real estate.
- Overseas/aircraft businesses: Gross profit before funding costs increased due to the consolidation of Rent Alpha Pvt. Ltd., which contributed to earnings for three months during the first half, as well as the execution of new contracts in aircraft.

	Gross Profit before Funding Costs			Operating assets			Newly Executed Contract Volume		
	FY22 H1	FY23 H1	YoY change	As of Sep. 30, 2022	As of Sep. 30, 2023	YoY Change	FY22 H1	FY23 H1	YoY Change
(¥bn)									
Domestic leasing									
– Leases, construction machinery, auto leases, etc.	18.4	19.9	+1.5	1,414.1	1,394.6	–19.5	407.8	347.2	–60.6
Real estate/Environment and Energy									
	10.6	12.2	+1.6	658.3	937.4	+279.1	109.4	223.5	+114.1
Finance/Investment									
– Funds, investment in startups, etc.	1.5	1.5	–0.0	181.6	169.4	–12.2	27.2	23.7	–3.5
Overseas/Aircraft									
– Overseas associated companies, aircraft, ships, etc.	5.6	9.1	+3.5	180.1	242.6	+62.5	25.5	46.8	+21.3
Total	36.1	42.6	+6.5	2,434.0	2,743.9	+309.9	569.9	641.2	+71.3

Results by business area are on a management accounting basis.

Equity in Earnings and Losses (Non-operating Income and Expenses)

- Both domestic and overseas associated companies performed well overall.
 - The performance of domestic associated companies was impacted by loss on valuation of investment securities at RICOH LEASING.
 - Net income of Aircastle improved by US\$29 mn YoY. This was driven by aggressively proceeding with the acquisition of aircraft, while simultaneously selling existing aircraft at a profit due to increased market prices.

On the other hand, the Company's equity in earnings and losses improved by only ¥0.6 bn YoY due to the accelerated amortization of *PPA assets through the sale of aircraft. The accelerated amortization, however, will reduce the amortization burden in the future.

(*PPA assets refer to the fair value of Aircastle's aircraft at the time we acquired its shares. Straight-line amortization is applied to the consolidated accounting.)

Equity in earnings and losses (¥bn)	FY21 H1	FY22 H1(1)	FY23 H1(2)	YoY change (2) –(1)
Domestic associated companies	2.3	4.7	4.3	-0.4
Overseas associated companies	-1.6	0.2	0.6	+0.4
Aircastle	-2.4	-1.3	-0.7	+0.6
Total of Domestic and Overseas	0.7	4.9	4.9	-0.0

Performance

- Earnings for FY2023 H1 (March-August) were solid as airline industry market conditions recovered.

Aircraft Market Conditions

- In addition to Airbus and Boeing's production capacity still recovering, a low utilization rate and the maintenance cost of newer engines has pushed up demand for mid-aged narrow-body aircraft, leading to an increase in the market price.

Aircastle Financial Results

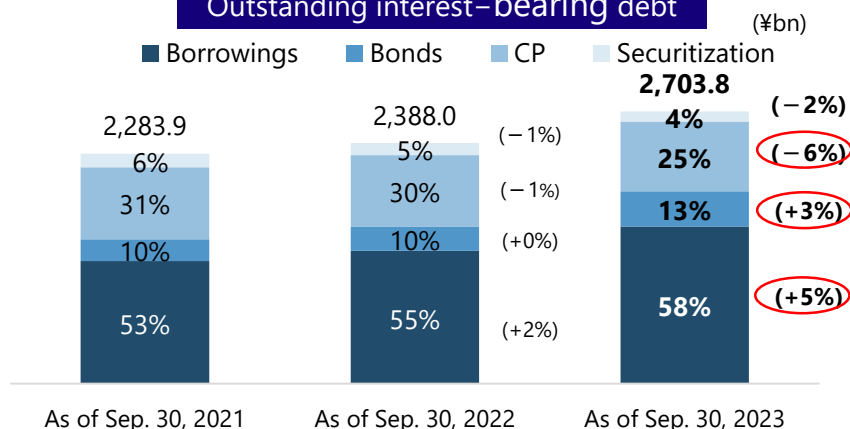
(US\$mn)

	FY22 H1 (Mar.-Aug.)	FY23 H1 (Mar.-Aug.)	YoY change
Revenue	349	386	+37
Impairment	-38	-2	+36
Net income	-1	28	+29

* Source: Information disclosed by Aircastle

- Interest-bearing debt increased mainly through long-term borrowings and corporate bonds (issued twice in the H1, totaling ¥60 bn) against the backdrop of accumulated operating assets.
- Funding costs increased YoY due to impact of interest rate hikes in foreign currencies. However, excluding the impact of Rent Alpha Pvt. Ltd., the upward trend is now subsiding.
- JCR upgraded the long-term issuer rating and the short-term rating on Mizuho Leasing from A+ to AA- and from J-1 to J-1+, respectively, in October 2023

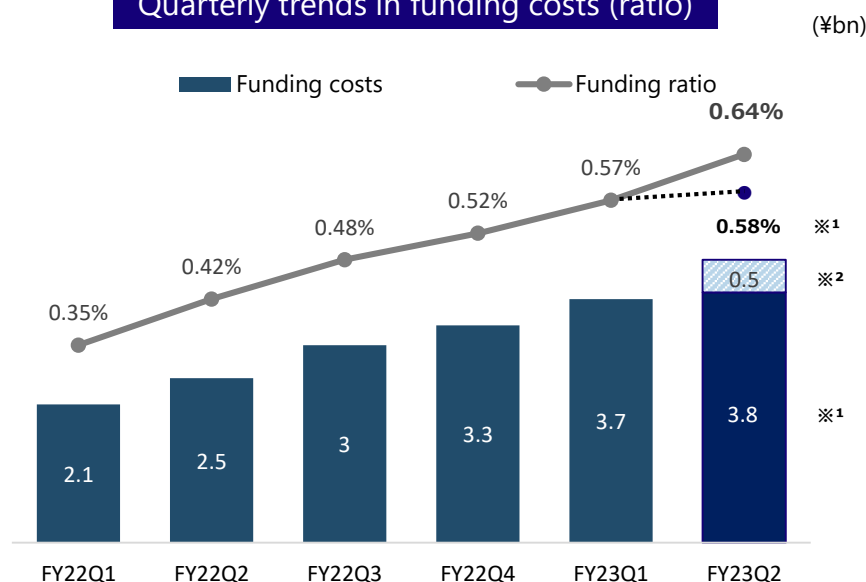
Outstanding interest-bearing debt



* Percentages indicate the composition ratio

* Figures in parentheses represent changes from September 30, 2021

Quarterly trends in funding costs (ratio)



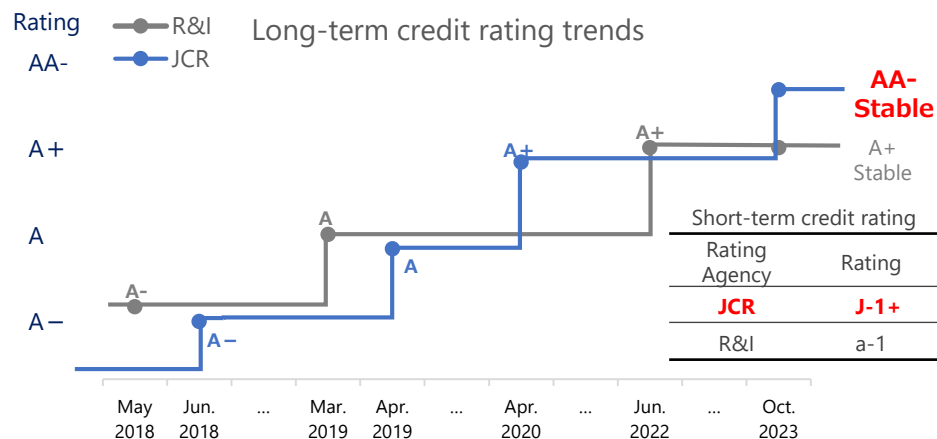
* Funding cost ratio = Funding costs / Operating assets

(average of the beginning and ending balances)

※¹ Funding cost (ratio) excluding the impact of Rent Alpha Pvt. Ltd.

※² The figure is the funding costs due to the impact of Rent Alpha Pvt. Ltd.

Credit ratings



2. Medium-term Management Plan 2025

(Excerpts from the Medium-term Management Plan released on May 12, 2023)

Keywords

Challenge

Change

Grow

The current plan will be a three-year challenge of changing towards growth and leaping further into the future

Transform and sophisticate business portfolio management

Implement business portfolio management with different growth horizons

Multi-layered business portfolio

Core

Underlying revenue sources supporting “Change” and “Challenge.” Achieve steady and continuous growth

- Areas with mature markets with adequate market presence
- Aggressively accumulate quality assets, overcome market contraction trends, and achieve continuous growth

Domestic leasing ...

Growth

From a medium-to long term perspective, make further leaps toward creating the next revenue pillar after Core

- Growth areas that have already emerged. Results of some investments will materialize during the current Plan.
- Actively invest managerial resources toward medium-to long-term growth

Global

Aircraft

Strategic investment

Environment and energy ...

Frontier

Areas where significant growth is anticipated from a long term perspective and helps lead to the realization of our company’s ambitions

- Areas where markets are expected to form and grow dramatically over the long term
- Start establishing business bases and invest managerial resources proactively to reap benefits as a pioneer

Circular Economy

XaaS ...

Alliance strategy

Mizuho alliance

Use Mizuho client base
Qualitative transformation of alliance

Marubeni alliance

Businesses

Startups

DX players

Inorganic strategy

Promote sustainability management

Use business to tackle material issues

Co-create circular economy

Contribute to realizing a sustainable society

Strengthen and further sophisticate corporate systems to support growth

Actively invest management resources in anticipation of future growth and expansion of businesses

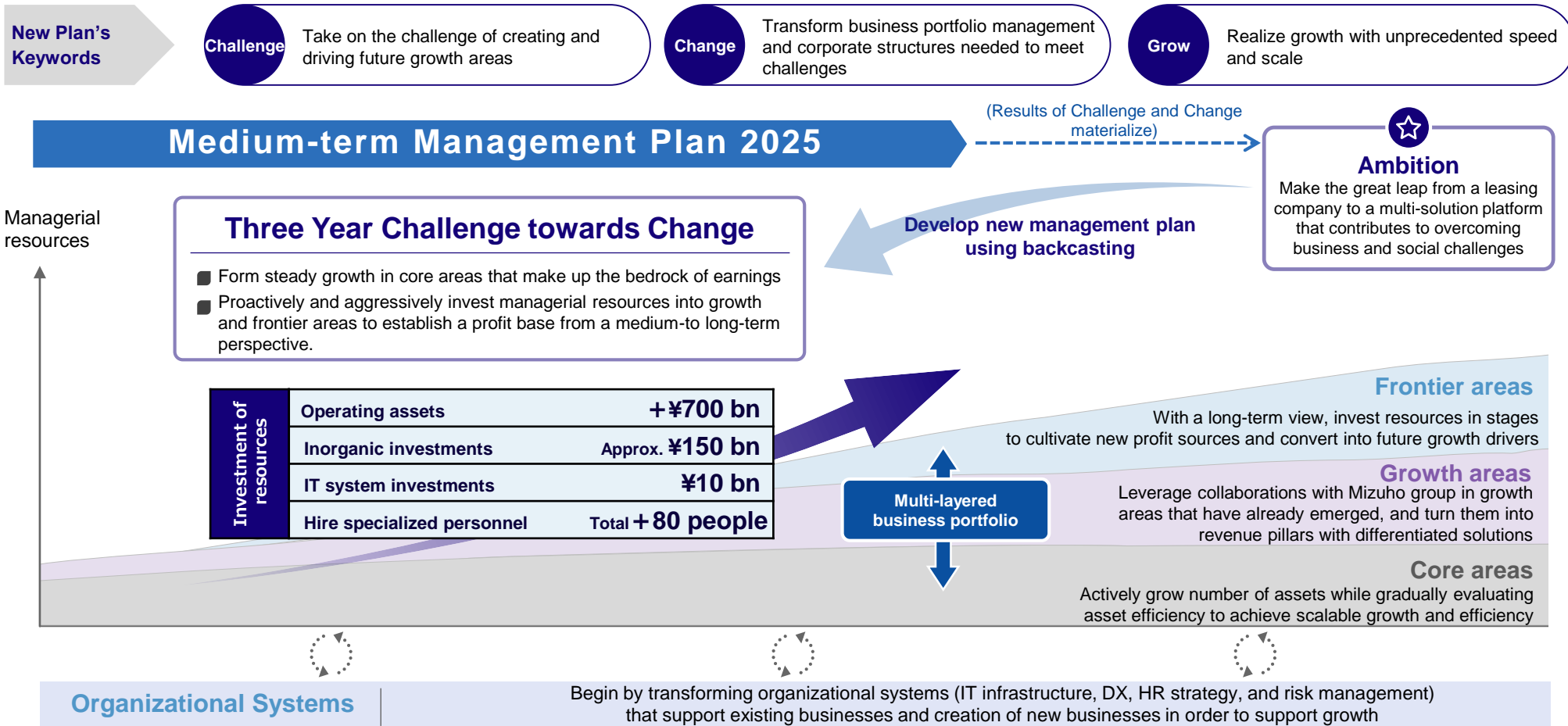
Develop IT infrastructure
Accelerate DX

Enhance human capital strategy and transform corporate culture

Enhance corporate governance and risk management

(Excerpts from the Medium-term Management Plan released on May 12, 2023)

- We position this Plan as a period of aggressive investment of managerial resources into both business and management infrastructure, in order to make great strides towards the realization of our ambitions.
 - Balance and promote both growth investment and stable profit. For areas that require longer periods of time before investment returns emerge, we will strengthen the foundations of our business with a medium-to long-term profitability perspective in mind.



(Excerpts from the Medium-term Management Plan released on May 12, 2023)

Financial Targets

Net income



Focus on increasing total stable profit while investing in growth to make greater strides toward the future

ROA*



Improve ROA by actively accumulating operating assets and continuing initiatives that emphasize profitability

*ROA: Ordinary income/Total assets

ROE



Aim for further increases through profit growth

Non-Financial Targets

Carbon Neutral
Realizing a decarbonized society



Secure renewable power generation capacity

1 GW (FY2025)

Reduce CO₂ emissions* in Scope 1 & 2*

* Non-consolidated and 7 domestic consolidated subsidiaries

Zero emissions (FY2030)

Circular Economy
Realizing the circular economy



Chemical/material resource recycling rate

85% or more (FY2027)

Human Capital
Human capital management as a cornerstone



Hire more specialized business professionals

+80 people or more (FY2025)

Investment amount for developing personnel

3x or more (FY2025; compared with FY2022)

Develop digital IT personnel

200 people or more (FY2025)

Ratio of paid annual leave taken

80% or more (FY2025)

Management positions filled by women

15% (FY2025)

Ratio of childcare leave taken by male employees

100% (Every year)

- FY2023 first-half summary of the Medium-term Management Plan 2025

- i . Transform and sophisticate business portfolio management
- ii . Alliance and inorganic strategies
- iii . Promote sustainability management
- iv . Strengthen and further sophisticate corporate systems to support growth

- Deployed diverse businesses in the Core, Growth, and Frontier areas, steadily accumulated operating assets, and increased profits at each income level.
- With the aim of achieving a decarbonized and circular society, we proposed solutions to address social issues and promoted sustainability management.
- In addition to the development of IT infrastructure and digital transformation (“DX”), we made steady investments in human capital to strengthen and upgrade the corporate systems that supports our businesses.

Transform and sophisticate business portfolio management

Core

Achieve steady growth primarily in real estate and vendor financing

- Topics**
- Promote vendor financing for frozen food vending machines to help reduce food waste

Growth

Achieve growth in global business through consolidation of Rent Alpha Pvt. Ltd., and expand the use of renewable energy

- Topics**
- Invest and participate in a project for two operating power plants in Mie and Kumamoto Prefectures
 - Promote procurement of renewable energy through low-voltage, distributed solar power generation using the self-consignment method

Frontier

Promote a circular economy and subscription businesses

- Topics**
- Acquire equity stake in TRE HOLDINGS CORPORATION as a cooperative partner
 - Form a business partnership with Prodrone Co., Ltd. to develop drone subscription services

Alliance strategy

Capital increase in Aircastle Limited

- Accelerate expansion of the aircraft business to ultimately contribute to its sustainable growth

Inorganic strategy

Equity support to Rent Alpha Pvt. Ltd.,

- Expand the fields of business by acquiring a base in India, a region poised for high growth.

Promotion of sustainability management

Renewable power generation capacity

- Increase the capacity by 145 MW from the previous fiscal year end to reach 500 MW.

Realizing the circular economy

- Join in industry-government-academia partnerships focused on circular economy.

Utilizing sustainable finance

- Develop a framework for funding in accordance with international principles.

Strengthen and further sophisticate of corporate systems

Develop IT infrastructure, Accelerate DX

- Support the promotion of investments in green transformation (“GX”) by introducing “Subsidy Cloud.”
- Improve productivity through use of ChatGPT.

Invest in human capital

- Certified as one of the 2023 Health & Productivity Management Outstanding Organizations under the large enterprise category.
- Develop personnel with digital skills
- Support work-life balance to empower women

H1 Results

- In the Core areas, high-quality operating assets, mainly real estate, increased, and underlying profit remained strong.
- Collaborative sales activities centered on value co-creation with clients were deepened through concluding business agreements with partners for vendor financing.

Vendor financing

- Diversified the sales methods for new products in line with changes in consumer lifestyles, contributed to a circular economy, and established a vendor financing scheme for frozen food vending machines.

Business agreement

Concluded a business agreement with FUJI ELECTRIC CO., LTD. regarding the sales method of its frozen food vending machines.



- Addressed the “usage needs” in addition to addressing “ownership needs,” and diversified product sales expansion methods.
- Also contributed to reducing food waste and establishing a circular economy by reusing returned products.
- Will implement a CRM tool to expedite contract signing in the near future.

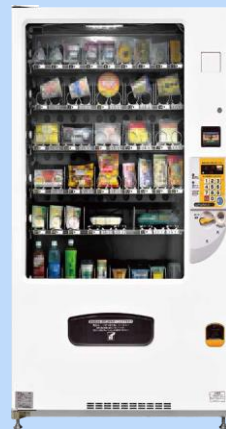
Models available for lease



FROZEN STATION II
Frozen food vending machine



MULTI KUN
Compact all-purpose
vending machine

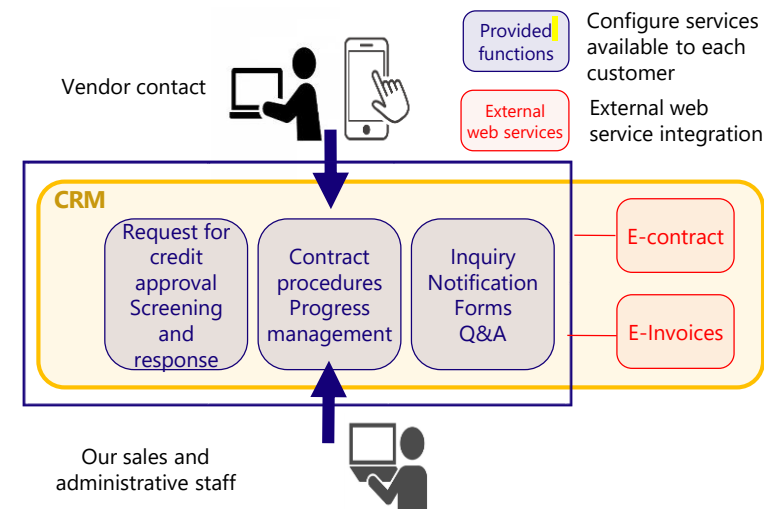


All-purpose food
vending machine
(indoor use only)

Customer relation management (CRM) conceptual diagram

What is CRM?

It is a tool that enables customers to submit credit requests, complete contract procedures, and make inquiries or other interactions through the web.



H1 Results

- Growth areas: Global businesses led growth as the inorganic strategy progressed. Aircraft leasing also performed well.
- Environment and energy business: Engaged in the renewable energy business with the aim of achieving medium- to long-term growth. Progress in establishing a management system for power generation, transmission, storage, and utilization, enables us to meet the needs for procuring renewable energy-derived power.

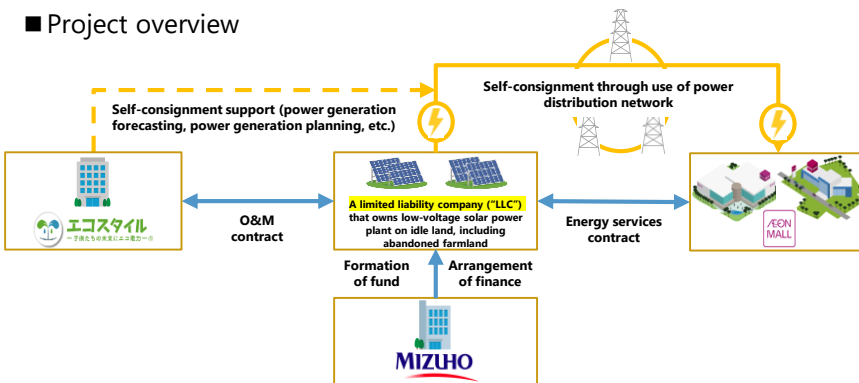
Environment and energy

Low-voltage, distributed solar power generation using the self-consignment method

Fall 2023

In the second phase, operations will successively begin. (approx. 650 locations nationwide with a generation capacity of 55 MW)

Project overview



Second phase

Continuous efforts to further expand the use of renewable energy

First phase

Extra-high voltage solar power plant project

September 2023

Invested in and became a part of two operating power plant projects, one in Tsu City, Mie Prefecture, and the other in Kuma County, Kumamoto Prefecture. (Generation capacity: 36 MW)

Kuma Nishikimachi Solar Power Plant External View



September 2022

Achieved Japan's largest renewable energy procurement through low-voltage, distributed solar power generation using the self-consignment method. (approx. 740 locations nationwide with a generation capacity of 65 MW)

March 2023

Invested and participated in three extra-high voltage solar power plant projects in Japan through MIRAI POWER 1 LLC. (Generation capacity: 128 MW)

H1 Results

- Invested in collaborative partner companies and established a circular economy platform structure in anticipation of future rapid development.
- Entered into a business partnership for the purpose of developing a subscription business in the drone field, where we expected the market to develop and grow in the long term.

Circular economy

August 2023: Capital participation

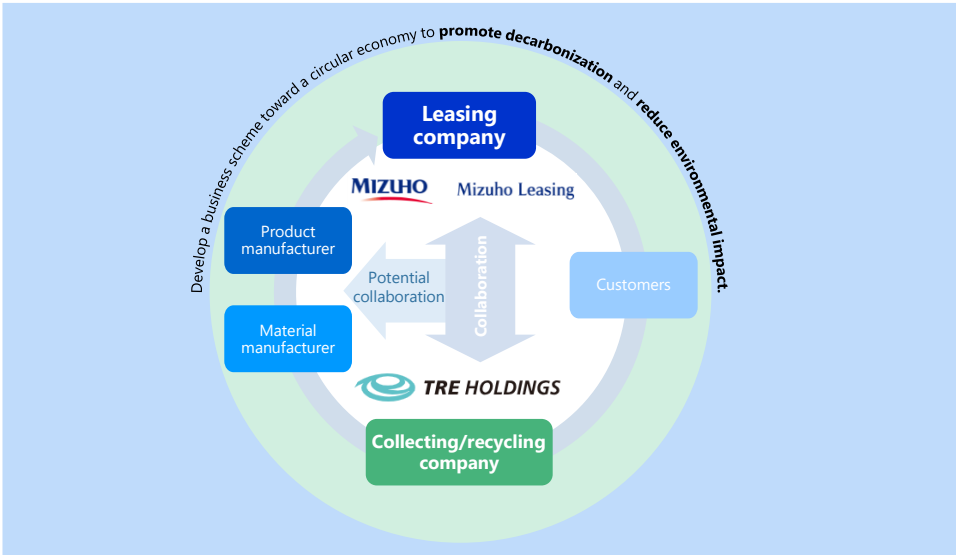
- Acquired equity stake in TRE HOLDINGS CORPORATION, a company that aims to achieve an advanced circular society and decarbonized society as a collaborative partner.
- Will build a resource recycling system that transcends industry boundaries in collaboration with TRE, a leader in collecting and recycling end-of-life products, as a promoter of XaaS (Product-as-a-service).

Subscription businesses

September 2023: Business partnership

- Entered into a business partnership with Prodrone Co., Ltd. to develop drone subscription services.
- Drones are expected to become essential infrastructure in mountainous regions and remote islands in the near future, offering a wide range of applications, such as logistics and surveying.
- Aim to tackle various social challenges and realize a sustainable society through drone subscription businesses, while enabling our customers to concentrate on their drone-related endeavors.

Diagram of Collaboration for Circular Economy



PD4B-M: A drone for mounting a compact laser surveying instrument (multi purpose)



ii . Alliance and inorganic strategies

H1 Results

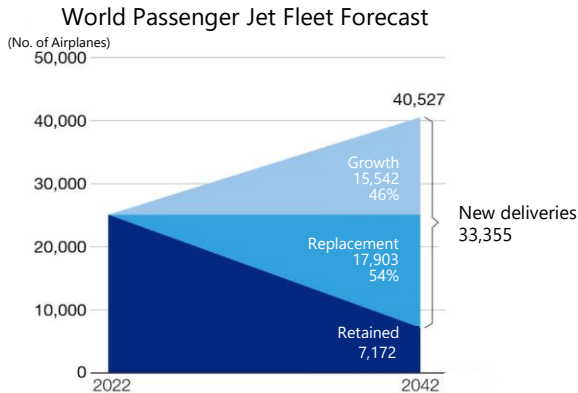
- Will push for initiatives that realize our business strategy through alliances with Mizuho Group, Marubeni Group, RICOH, RICOH LEASING, and other companies:
 - In July 2023, Mizuho Leasing and Marubeni concluded a definitive agreement to subscribe to additional common shares of Aircastle Limited.
- Target inorganic investment of ¥150 bn, with aims to expand the areas and the scale of existing businesses and growth areas, as well as create new businesses:
 - Mizuho Leasing purchased 51% of Rent Alpha’s shares in June 2023 and exclusively underwrote their capital increase of approx. ¥1.8 bn in October 2023.

Aircastle Limited

July 2023 Equity Support to Aircastle Limited

Mizuho Leasing and Marubeni concluded a definitive agreement to subscribe to additional common shares of Aircastle Limited, an equity method affiliate of both companies.

US\$200 mn out of the total US\$500 mn was executed.
Aircastle will use these funds for aircraft acquisition for business growth.



Source: Japan Aircraft Development Corporation

Rent Alpha Pvt. Ltd.

October 2023 Capital increase in Rent Alpha Pvt. Ltd.

Mizuho Leasing underwrote a capital increase for its consolidated subsidiary Rent Alpha Pvt. Ltd.



Rent Alpha Pvt. Ltd. in India



Overview of the capital increase

- Capital increase amount: 999,968,454.27 Indian rupees (approx. ¥1.8 bn)
- Shareholding ratio after the capital increase: 54.7%

June 2023

Mizuho Leasing acquired a 51% stake in Rent Alpha Pvt. Ltd.

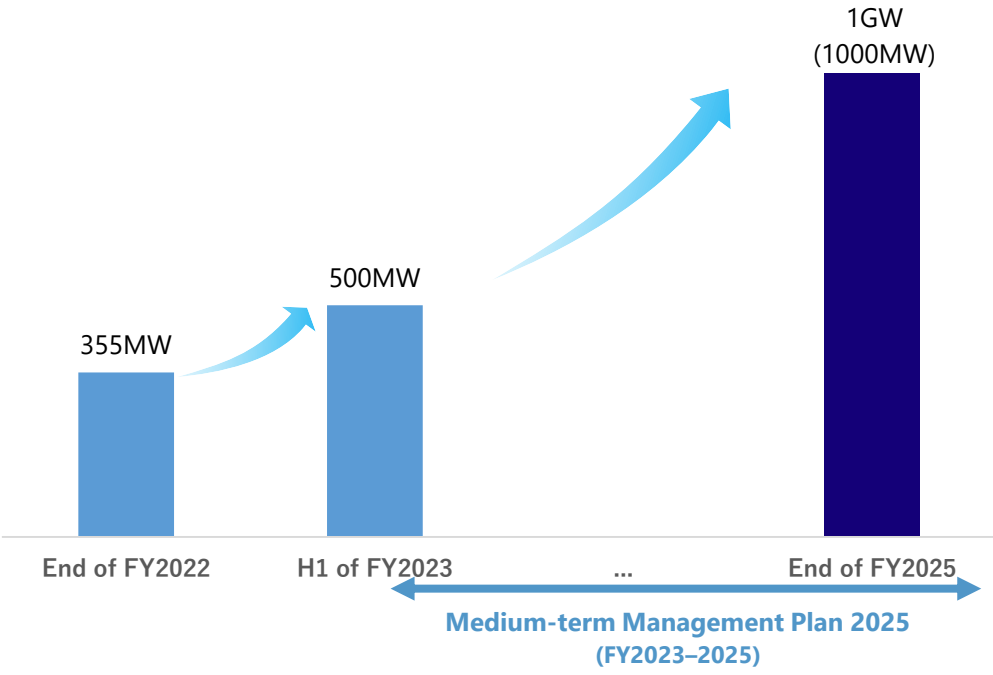
- Rent Alpha Pvt. Ltd. operates business across India and has the largest market share of the equipment leasing business in the country.
- Will collaborate with the Mizuho Group to incorporate growth in India that is projected to become the world’s most populous country.

H1 Results

- **Achieved 500 MW in H1**, steadily increasing the capacity to meet the final goal of 1 GW
- Now developing a foundation for utilizing renewable energy sources in focus areas. For this purpose, we have worked to add primarily large-scale contracts, which include investing and participating in two extra-high voltage solar power plant projects in Japan and signing the contract for the second self-consignment project with the Aeon Group and Eco-Style Co., Ltd.

Measures for non-financial targets

Renewable power generation capacity



Secure 1 GW of renewable energy power generation

Secure various power sources, including solar power

Solar power (FIT/NonFIT)	Corporate PPA, Inorganic, etc.
Wind power/biomass/hydro power	FIT (imported materials, domestic fuel materials), etc.
Grid-scale battery	Power plants equipped with storage batteries, etc.

↓ Renewable energy supply

Use renewable power sources in focus/new areas

- Environment and energy**
 - Supply renewable energy power to users, including Mizuho clients, through corporate PPA, etc.
- Circular economy**
 - Build platforms through cooperation with partner and supply renewable energy power to all stages in product life cycle
- Storage battery**
 - Promote a grid-scale battery-related business for stable and regulated power supply

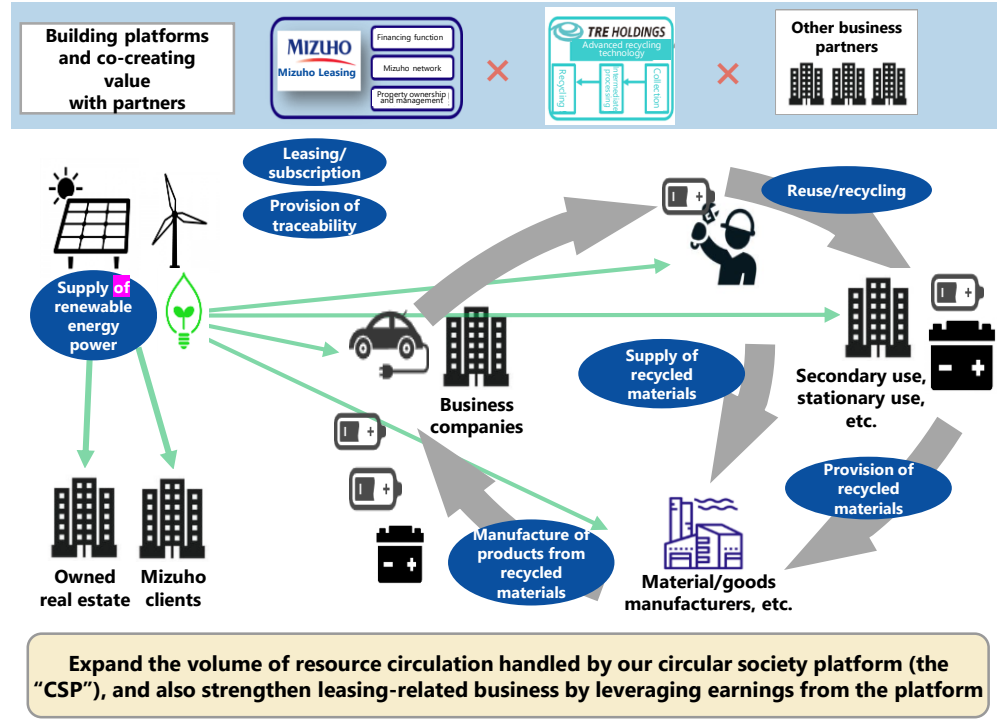
H1 Results

- Initiated networking with players in the arterial industry, such as materials and consumer goods manufacturers, through participation in industry-government-academia partnerships
- Invested in TRE HOLDINGS CORPORATION, a industrial waste treatment and recycling company, to secure a foothold for building a circular economy platform.

Participation in the Partnership of Industry, Government and Academia for Circular Economy

- Participated in the Partnership of Industry, Government and Academia for Circular Economy promoted by the METI in September 2023
- Actively involved in the transition to a circular economy through participation in this partnership. Promoted the creation of a resource circulation system, specifically by facilitating collaboration between companies in the arterial industry and companies in the venous industry
- Promoted the realization of a circular economy to achieve an advanced circular and a decarbonized society

Further expanding partnerships and building platforms for realizing a circular economy



H1 Results

- Developed a framework for financing in accordance with international principles (Sustainable Finance Framework) to raise funds for promoting solutions to social and environmental issues
- Published the Sustainable Finance Framework and R&I's second party opinion on our website on October 31, 2023
- Preparing to issue bonds by the end of the year

Summary of the framework

- **Selection of KPIs**
 - Renewable power generation capacity (consolidated basis)
- **Calibration of Sustainability Performance Targets (SPTs)**
 - Securing a renewable energy power generation capacity of 1 GW by FY2025
- **Uses of funds**
 - Financing or refinancing loans to or investments in qualified renewable energy or green building projects
- **Available financing**
 - Sustainability-Linked Bond (SLB)
 - Sustainability-Linked Loan (SLL)
 - Green Bond (GB)
 - Green Loan (GL)

Financial institutions and investors, etc.



Promote sustainability management

The grid contains six circular icons, each with a title and associated SDG icons:

- Contributing to a decarbonized society** (SDG 7: Affordable and Clean Energy, SDG 13: Climate Action)
- Leading toward a circular economy** (SDG 12: Responsible Consumption and Production, SDG 13: Climate Action)
- Contributing to a healthy and prosperous lifestyle** (SDG 3: Good Health and Well-being, SDG 11: Sustainable Cities and Communities)
- Creating new value through technology** (SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure)
- Contributing to the creation of social infrastructure that supports our lifestyle** (SDG 9: Industry, Innovation and Infrastructure, SDG 11: Sustainable Cities and Communities, SDG 13: Climate Action)
- Creating a society and workplace where everyone can thrive** (SDG 4: Quality Education, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities)

iv. Strengthen and further sophisticate corporate systems

H1 Results

- Strengthened and upgraded corporate systems to support the Medium-term Management Plan 2025
- **Reinforced IT infrastructure and accelerated DX** by introducing the "Subsidy Cloud" to support the promotion of GX investment (Case 1) and utilizing ChatGPT to improve productivity (Case 2)
- **Building a portfolio comprised of diverse human resources** by promoting health management (Case 3), developing human resources with digital skills (Case 4), and supporting work-life balance for women (Case 5)

Reinforce IT infrastructure and accelerate digital transformation

Case 1 Introducing the "Subsidy Cloud" to support the promotion of GX investment

- Introduced "Subsidy Cloud," a subsidy information search service provided by Stayway Inc., in order to provide information on subsidies and sophisticate the system to meticulously meet the subsidy utilization needs
- By collaborating with Stayway Inc., we aim to solve clients' issue of making effective use of subsidies in their GX investment by sophisticating our service system.



Invest in human capital

Case 3 Further promoting health management

- Certified as one of the 2023 Certified Health & Productivity Management Outstanding Organizations under the large enterprise category
- Promoting measures with employee health in mind
Introducing FemTech, services that use technology to address health issues unique to women, to support women's career development from a health perspective



Case 4 Developing human resources with digital skills Measure for non-financial targets

- Introducing e-learning with highly specialized online videos
- Launched new measures to support employees in obtaining qualifications such as IT Passport
- Also encouraged employees to acquire "JDLA Deep Learning for GENERAL" certification to improve AI literacy



Case 2 Utilizing ChatGPT to improve productivity

- Conducted a 500-person scale trial of ChatGPT to improve productivity through active use of generative AI



Case 5 Supporting work-life balance for women Measure for non-financial targets

- Held an e-learning course, "Balancing Work and Childcare for Career Design"
- "Work Engagement Program" to help women envision their own success at work
- "Round-table discussion on role models" with female managers

3. Earnings Forecasts and Shareholder Returns

Progress Toward Earnings Forecasts

- Profits at each income level progressed as planned in the first half of FY2023.
- Have kept the earnings forecast announced on May 12, 2023 unchanged taking into account increasing uncertainties both in Japan and abroad, current interest rate and foreign exchange market trends and other factors.

(¥bn)	FY2022 (Results)	FY2023		
		(Forecast)	FY23 H1 (Results)	Progress rate
Operating income	31.8	34.0	18.9	55%
Credit costs	1.0	3.0	0.4	15%
Ordinary income	40.1	45.0	25.7	57%
Equity in earnings and losses	9.7	11.0	4.9	45%
Net income attributable to owners of the parent	28.4	31.0	17.9	58%

Share Split

- By reducing the amount per investment unit of our shares, we aim to improve market liquidity and create a more accessible environment for individual investors against the backdrop of the new NISA system.

Share split ratio: 5-for-1

Record date: March 31, 2024

Effective date: April 1, 2024

Abolition of Shareholder Benefit Plan

- Regarding shareholder returns, we intend to pay dividends in line with our business performance while making efforts to improve earnings.
- After careful consideration of how to fairly return profits to shareholders, we decided to concentrate on returning profits through dividends, etc., and to abolish the shareholder benefit plan.

The shareholder benefit plan was abolished after the distribution to shareholders (holding 100 shares or more) on our shareholders' register with a record date of March 31, 2023, which has already been completed in late June 2023.

- Intend to pay dividends in line with our business performance while improving our earnings.
 - Interim dividend is expected to be 83 yen per share as initially forecasted
 - Raised the year-end dividend by 6 yen from the original forecast, taking into account that the full-year earnings forecast remains unchanged and that the abolition of the shareholder benefit plan has resulted in decreased expenses.
- Year-end dividend of 89 yen (+6 yen) / annual dividend of 172 yen (+6 yen)

Dividend Forecast for FY2023

	FY2022 (Results) (1)	FY2023 (Original forecast) (2)	YoY Change (2)-(1)		FY2023 (Updated) (3)	Compared with the original forecast (3)-(2)
Annual dividend	¥147	¥166	¥19	➔	<u>¥172</u>	<u>¥6</u>
Interim dividend	¥65	¥83	¥18		¥83	—
Year-end dividend	¥82	¥83	¥1		(Forecast) <u>¥89</u>	<u>¥6</u>

- We posted a record-high net income of 17.9 billion yen in the first half of FY2023. This was due to the growth in underlying profit, driven by an increase in operating assets, as well as the performance contribution of Rent Alpha Pvt. Ltd., resulting in steady growth. However, considering the growing uncertainties posed primarily by geopolitical risks and trends in the financial markets, we have decided to leave our initial full-year earnings forecasts unchanged.
- Although we announced a share split and the abolition of the shareholder benefit plan, we consider both individuals and corporations to be equally important to us as shareholders. The share split is designed to create a more investor-friendly environment for individual investors and improve market liquidity. After careful consideration of how to fairly return profits to shareholders, we have decided to concentrate on returning profits to shareholders through dividends. We intend to increase returns to shareholders by increasing profits through growth investments and enhancing our corporate value.
- On the sustainability front, we have intensified our renewable energy initiatives. We reached 500 MW in the first half of FY2023 against our non-financial target of the Medium-term Management Plan 2025, to secure 1 GW of renewable power generation. At the same time, we are expanding our network with the aim to build a circular economy platform and will continue our efforts to contribute to the realization of a circular economy.
- Under our Medium-term Management Plan 2025, we have initiated a variety of measures to take on challenges and enact change. We are implementing transformations concurrently in both our business portfolio and corporate systems. Particular emphasis is being placed on strengthening human capital such as the transformation of corporate culture. We are committed not only to our performance for this fiscal year but also to growth over the medium to long term.

4. Appendix

	Date	Contents	
1Q	Apr. 28, 2023	Concluded one of the Largest Virtual PPAs in Japan with Kao Corporation Switched power used at Kao's Sumida Office to additional renewable energy sources	Environment and energy
	June 13, 2023	Concluded a Business Agreement with Social Interior Inc. Collaboration with a furniture subscription service company for corporate customers	Subscription
	June 16, 2023	Signed MoU with Motion Inc. to Establish EV-related Services MoU to collaborate on EV-related services with Motion Inc., a company with superior statistical analysis technology	EVs/Storage battery
	June 30, 2023	Acquired Rent Alpha Pvt. Ltd. by Mizuho Leasing Co., Ltd. Completed acquisition of Rent Alpha, a company with a leading market share in equipment leasing in India	Global
2Q	July 3, 2023	Introduced "Subsidy Cloud," a Subsidy Information Search Service Provided by Stayway Inc. Introduced Stayway's green investment subsidy support service to strengthen subsidy support system for our customers	DX
	July 6, 2023	Mizuho Leasing and Marubeni Provided Equity Support to Aircastle Limited Jointly subscribed with Marubeni to additional common shares of US\$500 mn to fund the Aircastle's growth	Aircraft
	Aug. 10, 2023	Acquired Equity Stake in TRE HOLDINGS CORPORATION to Strengthen Ties Accelerated initiatives that cross industry boundaries to build an advanced system for resources recycling	Circular economy
	Aug. 23, 2023	Reached a Basic Agreement on "Procurement of Renewable Energy through Low-Voltage, Distributed Solar Power Generation Facilities Using the Self-Consignment Method" (Second Project) Together with the first project, provided renewable energy power from about 1,390 power plants to a cumulative total of 50 Aeon Malls	Environment and energy

	Date	Contents	
Q2	Sep. 22, 2023	<p>Participated in the Partnership of Industry, Government and Academia for Circular Economy</p> <p>METI has established an organization dedicated to pioneering ambitious circular economy initiatives and plans to study measures to realize the goal</p>	Circular economy
	Sep. 28, 2023	<p>Signed a business alliance agreement with Prodrone Co., Ltd. for drone subscription services</p> <p>Collaboration with Prodrone Co., Ltd., a manufacturer specializing in industrial drones, to launch a drone subscription service in fall 2023</p>	Subscription
	Sep. 28, 2023	<p>Invested in a Solar Power Plant Project in Japan (MIRAI POWER 1 Limited Liability Company, Second Project)</p> <p>Invested in two special high-voltage solar power plant projects in Japan with an output of 36 MW</p>	Environment and energy
	Sep. 29, 2023	<p>Signed MoU with TAKAOKA TOKO CO., LTD. and MintWave Co., Ltd. to establish "EV One-Stop Service"</p> <p>Collaboration to provide integrated services from proposal of EV and charging infrastructure installation to maintenance services</p>	EVs/Storage battery
Q3	Oct. 13, 2023	<p>Participated in the "30by30 Alliance for Biodiversity"</p> <p>Joined a voluntary coalition dedicated to conserving at least 30% of land and sea as healthy ecosystems</p>	Sustainability
	Oct. 30, 2023	<p>Provided Equity Support to Rent Alpha Pvt. Ltd.</p> <p>Solely subscribed to a capital increase of approx. ¥1.8 bn to fund growth and enhanced presence in the Indian financial market</p>	Global
	Oct. 31, 2023	<p>Established the Sustainable Finance Framework</p> <p>Established a framework for financing to support efforts to address environmental and social issues</p>	Sustainability
	Oct. 31, 2023	<p>Signed MoU with Norsepower Oy Ltd. and IINO KAIUN KAISHA, LTD. on a Joint Venture to Lease Wind Power Propulsion Auxiliary Equipment</p> <p>Started a feasibility study for leasing of the equipment, which will also reduce GHG emissions, to shipping companies</p>	Sustainability

Consolidated B/S (Assets)

(¥bn)	End-Mar. 2020	End-Mar. 2021	End-Mar. 2022	End-Mar. 2023 (1)	End-Sep. 2023 (2)	YoY Change (3) = (2)-(1)	YoY % Change (3) / (1)
Current assets	1,947.3	2,085.1	2,166.7	2,279.7	2,329.8	+ 50.1	+ 2%
Cash and deposits	22.8	21.1	25.3	34.0	35.8	+ 1.8	+ 5%
Investment in lease	1,082.1	1,174.1	1,172.6	1,122.2	1,093.9	- 28.3	- 3%
Installment sales receivable	141.8	127.1	109.4	98.5	105.4	+ 6.9	+ 7%
Operational loans	401.0	500.7	582.5	661.7	685.7	+ 24.0	+ 4%
Operational investment securities	221.9	221.0	239.8	322.7	356.0	+ 33.3	+ 10%
Operational investment securities	- 1.8	- 2.2	- 1.2	- 1.0	- 1.4	- 0.4	-
Property & equipment	401.1	518.1	582.1	675.0	852.8	+ 177.8	+ 26%
Leased assets	245.6	302.3	315.0	378.3	493.1	+ 114.8	+ 30%
Investment securities	119.1	172.0	203.7	240.6	276.6	+ 36.0	+ 15%
Doubtful operating receivables	5.4	11.5	32.7	25.8	28.6	+ 2.8	+ 11%
Allowance for doubtful receivables	- 0.5	- 0.5	- 8.5	- 5.1	- 5.1	+ 0.0	-
Total assets	2,348.4	2,603.2	2,748.8	2,954.6	3,182.6	+ 228.0	+ 8%
Total operating assets	2,090.3	2,322.4	2,416.6	2,580.1	2,743.9	+ 163.8	+ 6%

Consolidated B/S (Liabilities and Equity)

(¥bn)	End-Mar. 2020	End-Mar. 2021	End-Mar. 2022	End-Mar. 2023 (1)	End-Sep. 2023 (2)	YoY Change (3) = (2)-(1)	YoY % Change (3) / (1)
Current liabilities	1,314.1	1,492.9	1,548.4	1,573.5	1,674.5	+ 101.0	+ 6%
Short-term borrowings	256.7	317.8	380.3	418.4	510.0	+ 91.6	+ 22%
Current portion of corporate bonds	-	40.0	30.0	23.0	23.8	+ 0.8	+ 4%
Current portion of long-term debt	185.4	228.4	240.5	249.0	264.9	+ 15.9	+ 6%
Commercial paper	669.1	714.1	707.1	692.9	694.9	+ 2.0	+ 0%
Payables under securitized lease receivables	105.2	101.5	92.9	94.7	68.5	- 26.2	- 28%
Long-term liabilities	838.5	899.5	969.6	1,105.3	1,195.8	+ 90.5	+ 8%
Long-term debt	622.9	649.9	681.9	747.7	786.8	+ 39.1	+ 5%
Corporate bond	135.3	170.4	221.0	280.7	322.9	+ 42.2	+ 15%
Payables under securitized lease receivables	26.0	33.3	21.6	31.1	32.1	+ 1.0	+ 3%
Total liabilities	2,152.6	2,392.3	2,518.0	2,678.8	2,870.3	+ 191.5	+ 7%
Net assets	195.8	210.9	230.8	275.8	312.3	+ 36.5	+ 13%
Shareholders' equity	179.9	197.5	207.3	229.9	244.4	+ 14.5	+ 6%
Total liabilities and net assets	2,348.4	2,603.2	2,748.8	2,954.6	3,182.6	+ 228.0	+ 8%
Total interest-bearing debts	2,000.6	2,255.4	2,375.2	2,537.6	2,703.8	+ 166.2	+ 7%
Equity ratio	7.9%	7.7%	8.0%	8.9%	9.2%	+ 0.3pts	

(¥bn)	FY19 H1	FY20 H1	FY21 H1	FY22 H1(1)	FY23 H1(2)	YoY Change (3) = (2)-(1)	YoY % Change (3) / (1)
Revenues	254.9	228.7	260.0	228.8	271.8	+43.0	+19%
Gross profit before funding costs	28.9	28.4	29.7	36.1	42.6	+6.5	+18%
Funding costs	5.0	4.2	3.7	4.6	8.0	+3.4	+73%
Gross profit	24.0	24.2	26.0	31.5	34.6	+3.1	+10%
Selling, general and administrative expenses	11.4	12.9	12.7	14.1	15.7	+1.6	+12%
Personnel and property expenses	11.8	12.3	12.8	13.6	15.2	+1.6	+12%
Allowance for doubtful receivables	-0.5	0.6	-0.1	0.5	0.5	+0.0	+5%
Operating income	12.6	11.2	13.3	17.4	18.9	+1.5	+9%
Other income	0.8	4.4	1.2	5.5	8.4	+2.9	+52%
Other expenses	0.5	1.0	0.7	0.8	1.5	+0.7	+81%
Ordinary income	12.9	14.6	13.8	22.0	25.7	+3.7	+17%
Extraordinary income	0.3	4.0	0.0	0.1	0.1	+0.0	+25%
Extraordinary loss	0.2	0.0	0.0	0.4	0.0	-0.4	-98%
Income before taxes	13.1	18.6	13.8	21.8	25.8	+4.0	+19%
Total income taxes	4.0	5.3	3.9	5.5	7.0	+1.5	+27%
Net income attributable to owners of the parent	8.9	13.0	9.5	15.6	17.9	+2.3	+15%
Gross profit margin before funding costs	2.86%	2.60%	2.56%	2.98%	3.20%	+0.22pts	
Funding cost ratio	0.49%	0.38%	0.32%	0.38%	0.60%	+0.22pts	
ROE	10.0%	13.7%	9.2%	13.2%	12.9%	-0.3pts	

Consolidated Statements of Comprehensive Income

(¥bn)	FY19 H1	FY20 H1	FY21 H1	FY22 H1(1)	FY23 H1(2)	YoY Change (3) = (2) - (1)	YoY % Change (3) / (1)
Net income	9.1	13.3	9.9	16.2	18.8	+2.6	+16%
Unrealized gain on available-for-sale securities	1.6	-2.4	0.1	5.2	3.9	-1.3	-25%
Deferred gain/loss on derivatives under hedge accounting	0.0	0.2	-0.3	-2.2	-1.2	+1.0	-
Foreign currency translation adjustments	-0.9	-0.9	5.1	17.5	9.5	-8.0	-45%
Remeasurements of defined benefit plans	-0.0	0.0	-0.0	-0.0	-0.0	+0.0	-
Share of other comprehensive income of associated companies	-0.0	0.3	0.6	1.1	4.1	+3.0	+256%
Total other comprehensive income	0.6	-2.8	5.5	21.6	16.3	-5.3	-25%
Comprehensive income	9.7	10.6	15.3	37.8	35.1	-2.7	-7%

Gross Profit before Funding Costs by Business Area

(¥bn)	FY19 H1	FY20 H1	FY21 H1	FY22 H1(1)	FY23 H1(2)	YoY Change (3) = (2) - (1)	YoY % Change (3) / (1)
Revenues	254.9	228.7	260.0	228.8	271.8	+43.0	+19%
Leasing and installment sales	246.0	221.7	251.4	216.5	256.7	+40.2	+19%
Finance	8.4	7.2	8.7	12.4	15.9	+3.5	+28%
Other	1.1	0.4	0.5	0.7	0.6	-0.1	-8%
Elimination and Expenses not allocated to the segments	-0.7	-0.6	-0.6	-0.8	-1.4	-0.6	-
Cost of revenues	226.0	200.3	230.2	192.7	229.2	+36.5	+19%
Leasing and installment sales	225.4	200.1	230.0	192.4	228.8	+36.4	+19%
Finance	0.2	0.1	0.1	0.1	0.1	+0.0	+13%
Other	0.5	0.2	0.2	0.4	0.3	-0.1	-19%
Elimination and Expenses not allocated to the segments	-0.2	-0.1	-0.1	-0.1	-0.1	+0.0	-
Gross profit before funding costs	28.9	28.4	29.7	36.1	42.6	+6.5	+18%
Leasing and installment sales	20.6	21.6	21.4	24.1	27.9	+3.8	+16%
finance	8.3	7.1	8.6	12.3	15.8	+3.5	+28%
Other	0.6	0.2	0.3	0.3	0.3	+0.0	+3%
Elimination and Expenses not allocated to the segments	-0.5	-0.5	-0.5	-0.7	-1.4	-0.7	-

Newly Executed Contract Volume by Business Area

Leasing and Installment Sales Segment

(¥bn)	FY21 H1	FY22 H1(1)	FY23 H1(2)	YoY Change (3) = (2) - (1)	YoY % Change (3) / (1)
Information and communications	56.5	49.0	40.4	-8.6	-17%
Real estate	42.3	46.1	141.0	+94.9	+206%
Industry and factory	37.2	29.4	53.2	+23.8	+81%
Transport	17.9	29.3	15.8	-13.5	-46%
Construction	11.8	7.8	6.7	-1.1	-14%
Commerce and services	7.9	9.1	12.0	+2.9	+31%
Medical	5.0	5.6	5.5	-0.1	-2%
Other	35.5	16.3	25.3	+9.0	+56%
Total	214.2	192.6	300.0	+107.4	+56%

Financing Segment

(¥bn)	FY21 H1	FY22 H1(1)	FY23 H1(2)	YoY Change (3) = (2) - (1)	YoY % Change (3) / (1)
Commercial distribution finance/loan, etc.	294.0	318.3	253.1	-65.2	-20%
Real estate	79.4	54.9	73.1	+18.2	+33%
Ship	2.5	3.4	10.3	+6.9	+198%
Aircraft	-	0.6	4.7	+4.1	+679%
Total	375.9	377.3	341.2	-36.1	-10%



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