

# Financial Results for FY2019 Presentation Materials

May 20, 2020

Mizuho Leasing Co., Ltd.

**MIZUHO**

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# Financial Results and Business Performance Overview

# Summary of Results for FY2019

- Net income attributable to owners of the parent exceeded the target for the first year of the Sixth Mid-term Management Plan, hitting a record-high for the 7th straight year.
  - Achieved record-high profits for each category of income.
- Plan to raise annual dividend for the 18th straight year (¥4 increase y-o-y, including a commemorative dividend of ¥2 for the 50th anniversary of establishment) to ¥82/share.

(¥bn)	FY17	FY18	FY19	Change	% Change	FY19 Forecast*	% achievement
<b>Revenues</b>	399.7	384.9	539.2	+154.3	+40%	450.0	120%
<b>Gross profit before write-offs and funding costs</b>	45.2	52.6	60.3	+7.7	+15%	-	-
<b>Operating income</b>	19.2	22.9	26.3	+3.4	+15%	24.2	109%
<b>Ordinary income</b>	20.0	24.2	26.7	+2.5	+10%	25.3	106%
<b>Net income attributable to owners of the parent</b>	13.6	16.6	17.5	+0.9	+6%	17.0	103%

\*Announced on May 14, 2019

# Overview of Financial Results

(¥bn)	FY17	FY18	FY19	Change	% Change	
<b>Revenues</b>	399.7	384.9	539.2	+154.3	+40%	Increased mainly due to sale of properties upon completion of real estate-related bridge scheme projects
<b>Gross profit before write-offs and funding costs</b>	45.2	52.6	60.3	+7.7	+15%	Mainly due to increase in lease revenue from initiatives in focus areas and cooperation with Mizuho Financial Group, and renewal of investment properties
Funding costs	(7.0)	(8.5)	(9.7)	+1.2	+15%	
<b>Gross profit</b>	38.2	44.1	50.5	+6.4	+14%	
Credit costs	-0.8	-0.2	-0.3	-0.1	-	Due to higher foreign currency borrowings following an increase in foreign currency assets
<b>Operating income</b>	19.2	22.9	26.3	+3.4	+15%	
Other income	1.2	2.4	1.5	-0.9	-38%	Reversal of allowance for credit costs continued
<b>Ordinary income</b>	20.0	24.2	26.7	+2.5	+10%	Removal of special factors in the previous fiscal year
<b>Net income attributable to owners of the parent</b>	13.6	16.6	17.5	+0.9	+6%	
<b>Gross profit margin before write-offs and funding costs</b>	2.74%	2.84%	2.93%	+0.09pt	-	Gross profit margin before write-offs and funding costs continued to rise

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

(¥bn)	End of Mar 2018	End of Mar 2019	End of Mar 2020	Change	% Change
<b>Operating assets</b>	1,683.0	2,021.4	2,090.3	+68.9	+3%
<b>Net assets</b>	154.6	182.2	195.8	+13.6	+7%
<b>Equity ratio</b>	8.2%	8.0%	7.9%	-	-

# Business Performance Overview

(¥bn)	FY17	FY18	FY19	Change	% Change
<b>Contract execution volume</b>	1,335.9	1,548.8	1,282.4	-266.4	-17%
Leasing and installment sales	430.5	549.4	692.4	+143.0	+26%
Financing	901.5	996.7	590.1	-406.6	-41%
Others	3.9	2.7	-	-2.7	-

- For leasing and installment sales, execution volume increased in areas such as industrial and factory, information and communications, and real estate.
- For financing, the primary factor is a decrease in short-term commercial distribution finance.

(¥bn)	End of Mar 2018	End of Mar 2019	End of Mar 2020	Change	% Change
<b>Operating assets</b>	1,683.0	2,021.4	2,090.3	+68.9	+3%
Leasing and installment sales	1,122.2	1,306.1	1,467.4	+161.3	+12%
Financing	556.9	709.0	622.9	-86.1	-12%
Others	3.9	6.3	-	-6.3	-

- Balance of leasing and installment sales at a high level in line with an increase in contract execution volume.
- For financing, in line with a decrease in balance of short-term commercial distribution finance.

# Contract Execution Volume / Leasing and Installment Sales

## Contract execution volume by equipment type

(¥bn)	FY17	FY18	FY19	Change	% Change	
<b>Industrial and factory</b>	61.5	114.1	<b>145.0</b>	+30.9	+27%	Captured large projects by capturing capital investment needs of large corporations
<b>Information and communications</b>	81.2	93.4	<b>152.9</b>	+59.5	+64%	Significantly increased by widely capturing capital investment needs of telecommunications carriers
<b>Transport</b>	54.1	71.3	76.2	+4.9	+7%	
<b>Construction</b>	47.6	44.7	40.1	-4.6	-10%	Restricted efforts in China
<b>Medical</b>	16.4	20.3	15.6	-4.7	-23%	Identified change in environment, and restricted efforts for overseas that increased in the previous fiscal year
<b>Commerce and services</b>	32.0	38.2	30.1	-8.1	-21%	Due to the lower contribution of large projects from the previous fiscal year
<b>Office equipment</b>	9.8	8.5	9.0	+0.5	+5%	
<b>Other</b>	127.8	158.9	223.4	+64.5	+41%	
Real estate	84.8	126.8	<b>180.6</b>	+53.8	+42%	Execution of bridge scheme projects targeting logistics facilities, etc., increased
<b>Total</b>	430.5	549.4	<b>692.4</b>	+143.0	+26%	

# Contract Execution Volume / Financing

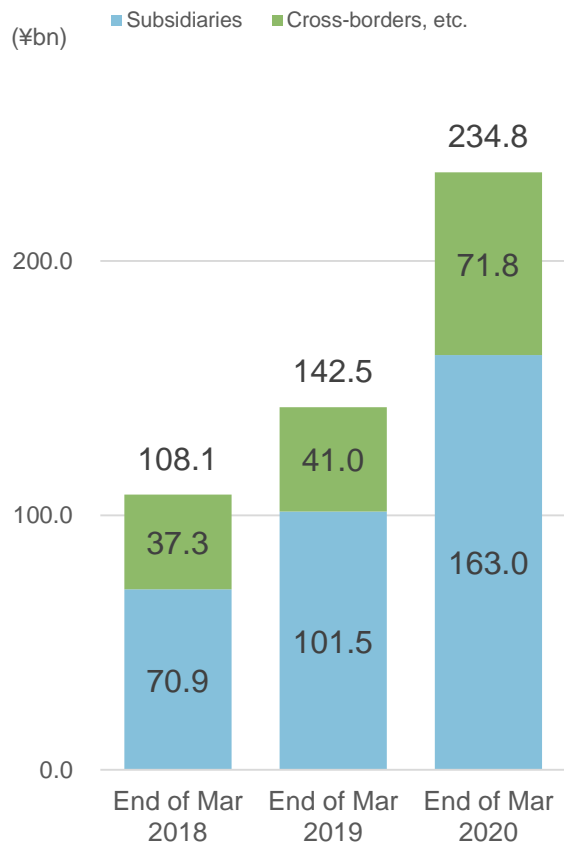
## Contract execution volume

(¥bn)	FY17	FY18	FY19	Change	% Change	
<b>Commercial Distribution Finance / Loan, etc.</b>	822.8	856.3	492.3	-364.0	-43%	Short-term commercial distribution finance decreased
<b>Aircraft</b>	31.3	22.8	20.0	-2.8	-12%	
<b>Real Estate</b>	39.4	97.0	57.8	-39.2	-40%	Acquired large-scale bridge scheme projects in the previous fiscal year
<b>Vessel</b>	8.0	20.6	20.0	-0.6	-3%	
<b>Total</b>	901.5	996.7	590.1	-406.6	-41%	



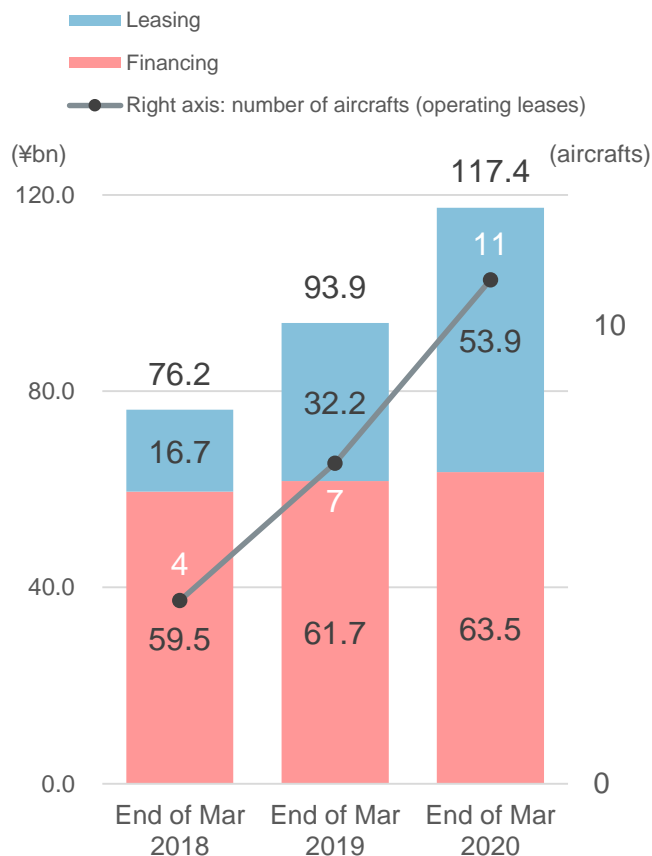
# Balance (Global / Aircraft / Real Estate)

## Global



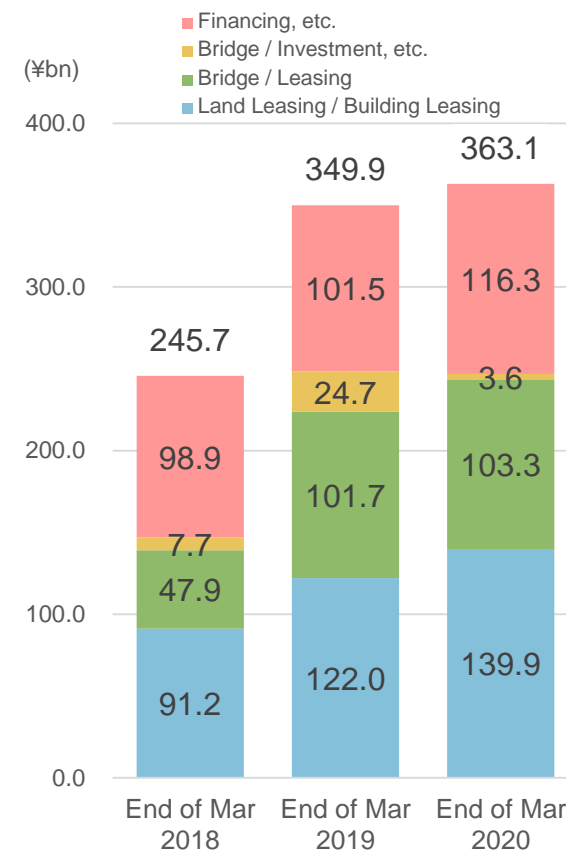
- Balances of both subsidiaries and cross-border projects increased by launching joint operations with Marubeni Corporation

## Aircraft



- Acquisition of aircrafts grew in aircraft operating leases

## Real estate

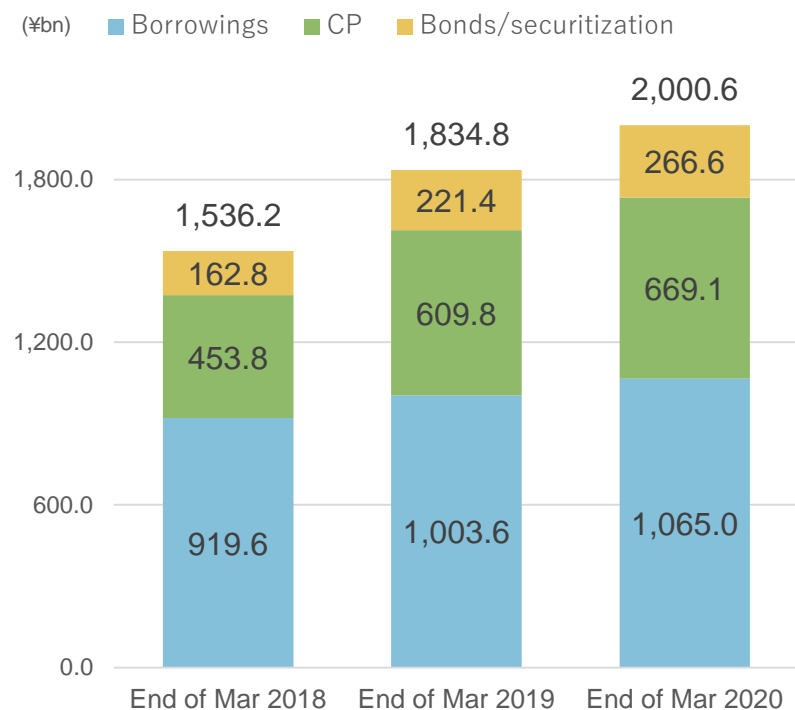


- Balances of land leasing / building leasing and financing, etc., increased although balance of bridge schemes decreased following the sale of expired properties

# Funding

- Interest-bearing debt increased due to an increase in operating assets and investment in overseas cooperative business operators.
- The increase in funding costs is mainly due to higher foreign currency borrowings following an increase in foreign currency assets.
- Funding costs ratio on a low level, similar to the previous fiscal year, due to flexible funding including utilization of market procurement.

## Interest-bearing debt



## Funding costs (ratio)

(¥bn)	FY17	FY18	FY19
<b>Funding costs</b>	7.0	8.5	9.7
<b>Funding costs ratio</b>	0.42%	0.46%	0.47%

Note) Funding costs ratio = Funding costs / 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	-

# Earnings Forecasts for FY2020

- In FY2020, the harsh economic situation due to the spread of COVID-19 is expected to continue for the first quarter. Although gradual recovery is expected subsequently, the impact will remain through the year.  
Under these circumstances, impacts are expected including postponement of accumulating operating assets and increases in credit costs and funding costs.
- Despite the harsh management environment, we will aim for ¥18.0 billion in net income attributable to owners of the parent by continuing to work on strategies listed in the Sixth Mid-term Management Plan.

(¥bn)	FY2018 (Results)	FY2019 (Results) (A)	FY2020 (Forecast) (B)	Change (B)-(A)	% Change (B)/(A)
Revenues	384.9	539.2	500.0	-39.2	-7%
Operating income	22.9	26.3	20.8	-5.5	-21%
Ordinary income	24.2	26.7	23.6	-3.1	-12%
Net income attributable to owners of the parent	16.6	17.5	18.0	+0.5	+3%

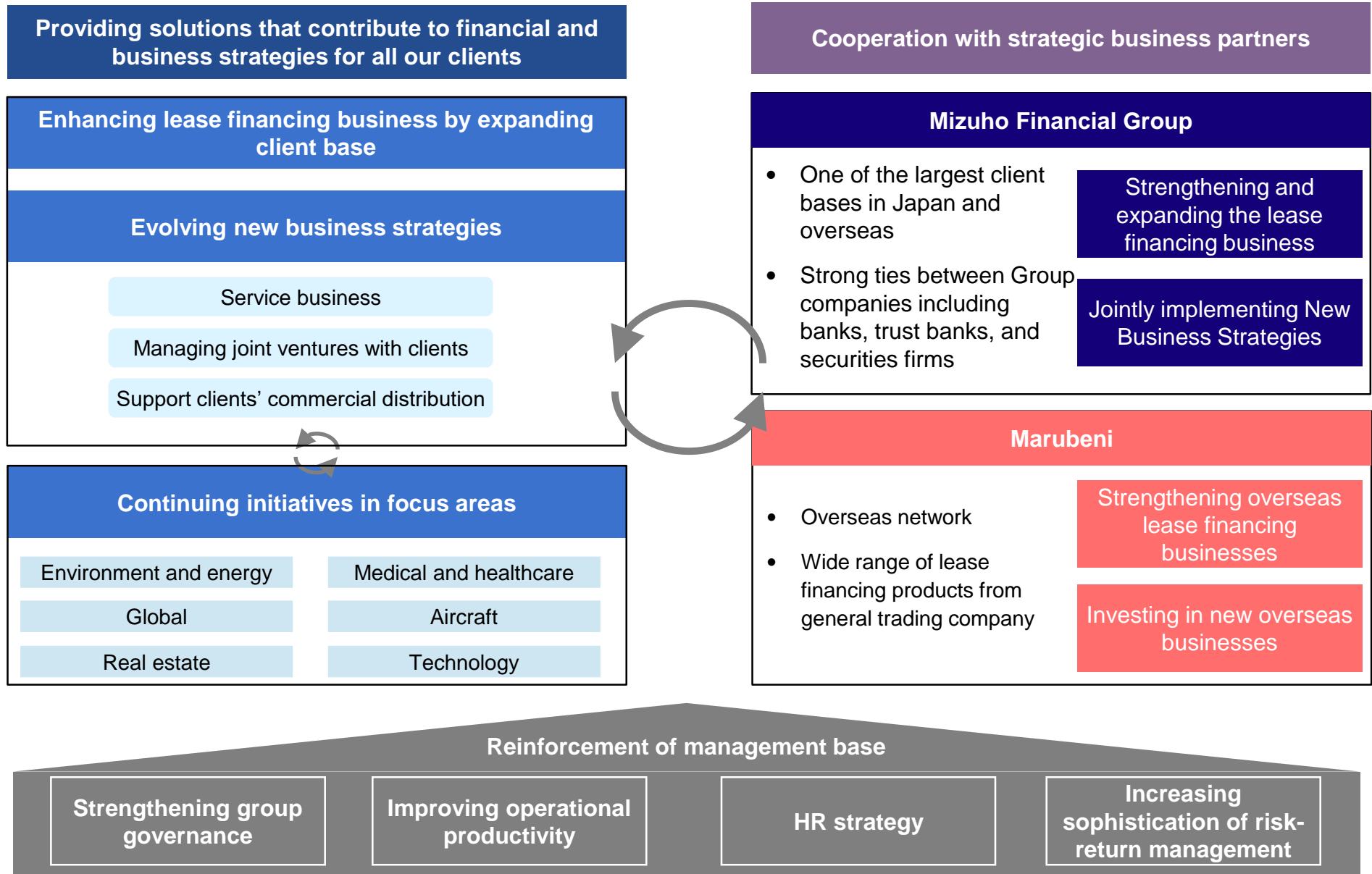
# Dividends

- Plan for a year-end dividend of ¥42/share for FY2019.
- Based on FY2020 earnings forecasts, plan to raise annual dividend for the 19<sup>th</sup> straight year to ¥84/share in FY2020, in consideration of balance between shareholder returns such as dividend payout ratio and accumulation of capital.

	FY2018 (Results)	FY2019 (Results) (A)	FY2020 (Forecast) (B)	Change (B)-(A)
Annual dividend	¥78	(planned) ¥82	¥84	+¥2
(excluding commemorative dividend)	(¥78)	(¥80)	(¥84)	+¥4
Interim dividend	¥38	¥38	¥40	+¥2
Commemorative dividend	-	¥2	-	-
Year-end dividend	¥40	(planned) ¥42	¥44	+¥2
Dividend payout ratio	20.1%	22.7%	22.6%	-0.1pt

# Status 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 billion**

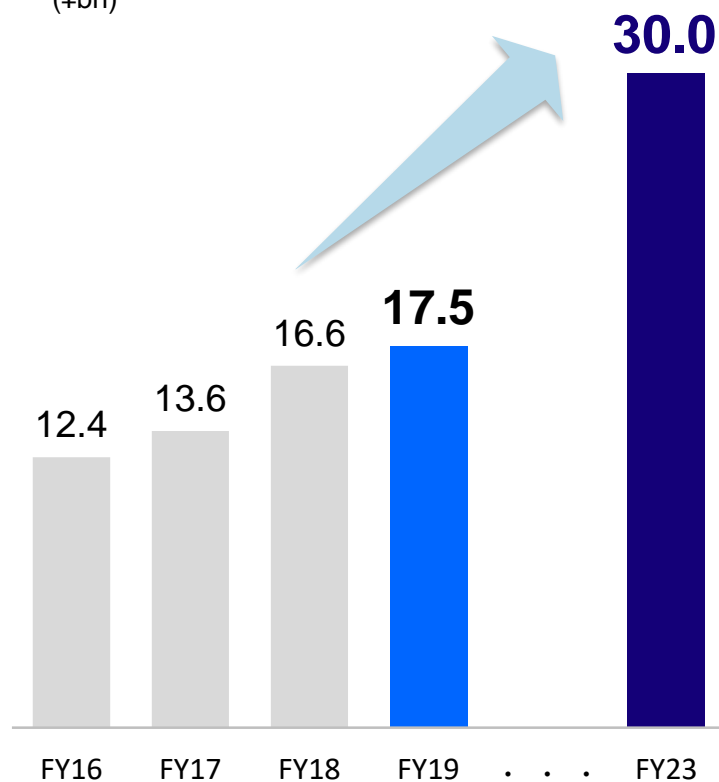
Balance in the global area

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

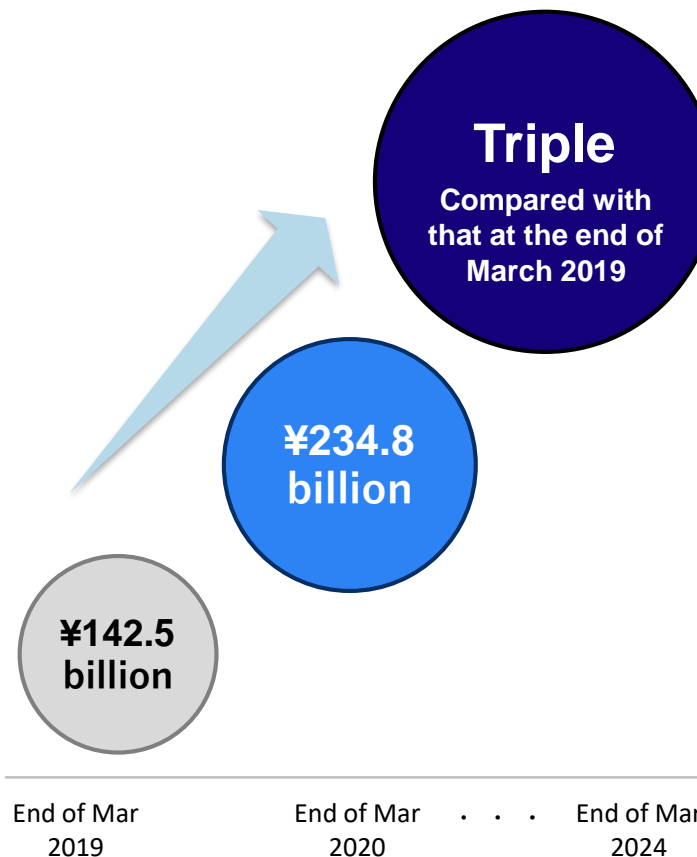
Dividend payout ratio

Aim for **25% or more**

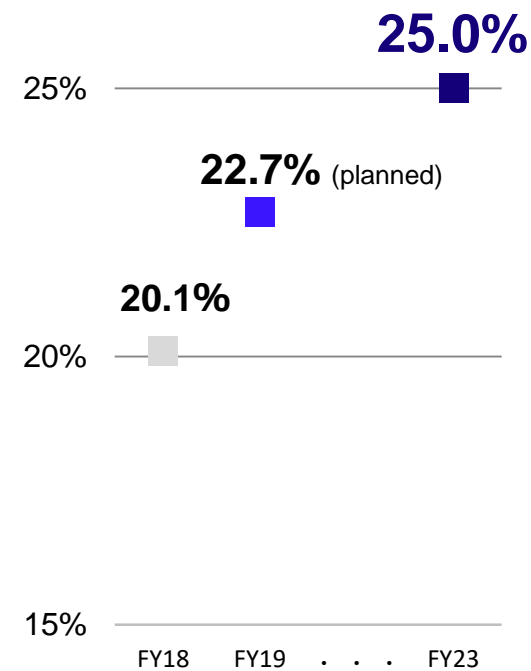
(¥bn)



**FY19 results ¥17.5 billion**



**Balance as of end of Mar 2020  
¥234.8 billion**



**FY19 dividend payout ratio  
22.7% (planned)**

# Overview of Sixth Mid-term Management Plan for FY2019

**Accelerate actions on strategies in each of the focus areas and focus on groundwork toward achieving targets for the final fiscal year**



## **Build a cooperative system with Mizuho Financial Group**

- Coordinated performances greatly increased

## **Start joint operation with Marubeni Corporation in the overseas asset financing business**

- In March 2020, we started joint operation of PLM, the largest U.S. refrigerated trailer leasing and rental company, and Aircastle, an industry-leading operator of the aircraft lease business

## **Promote negotiations for business alliances with Ricoh Company, Ltd. and RICOH LEASING COMPANY, LTD.**

- ➔ In April 2020, business alliances started with Ricoh and Ricoh leasing.



# Business Promotion Structure for FY2020

## –Toward Further Expansion of Business Fields –

### Points

Promote business utilizing one of the largest client bases in Japan and overseas.

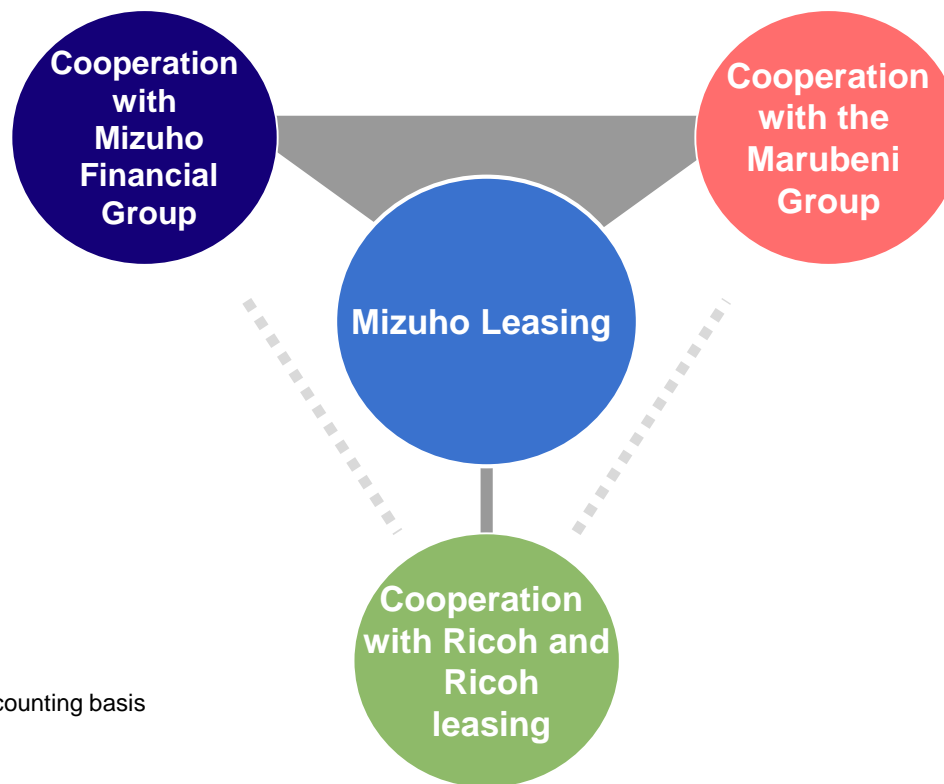
Expand business cooperation in prospective focus areas

Utilize strong ties between Group companies including banks, trust banks, and securities firms

Contract amount\* through cooperation increased JPY 300.0 billion y-o-y for FY2019.

\*Management accounting basis

**Accelerate cooperation further**



### Points

Develop the overseas lease finance businesses jointly

Acquire domestic and overseas lease transactions, etc. in the Marubeni Group

[Joint operating companies]

#### PLM

The largest U.S. refrigerated trailer leasing and rental company

#### Aircastle

The world leading aircraft operating leasing company

#### Mizuho Marubeni Leasing Corporation

Expand actions to lease transactions, etc. in the Marubeni Group (company name changed from MG Leasing Corporation on May 18)

### Points

Ricoh leasing is a comprehensive leasing company that provides various financial services including vendor finance, to approximately 400 thousand SMEs and other clients.

**Accelerate growth by utilizing expertise in vendor finance and retail financial services and by sharing infrastructure of Ricoh leasing.**

# Joint Operation through Acquisition of Equity Interest in PLM

- Acquired 50% equity interest in PLM operating a refrigerated trailer leasing and rental business in the U.S. from Marubeni.
- Expand the business foundation further through collaboration in asset finance in the North America by operating PLM jointly with Marubeni.

## Overview of PLM and joint business operation

### Company profile



Name	PLM Fleet, LLC (Former name: MAC Trailer Leasing, Inc.)	
Location	New Jersey, U.S.	
Year of Establishment	2000	
Total assets*1	USD 512 million	
Major shareholders*2 and shareholding ratio	Mizuho Leasing Co., Ltd.	(50%)
	Marubeni Corporation	(50%)

\*1 As of end of June 2019

\*2 Including indirect ownership



- **The largest company specialized in refrigerated trailer leasing and rental business in the U.S.**
  - Operates over 10,000 refrigerated trailers
- **Further business expansion is expected amid a solid trend in refrigerated goods transport volume due to continuing expansion of the U.S. food industry.**

- ◆ **MHLS Group acquired a 50% equity interest in PLM, the wholly owned subsidiary of the Marubeni Group (equity acquisition price: USD 145 million)**

- PLM became the affiliated company with equity method applied
- Aim to expand global business further

# Business Alliance with Ricoh and Ricoh leasing

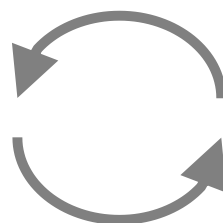
- Started a business alliance with Ricoh and Ricoh leasing in April 2020 through acquisition of Ricoh leasing shares.
  - Ricoh leasing became the affiliated company with equity method applied (holding ratio: 20%)
- The business alliance is highly complementary as the Company and Ricoh leasing have a small number of overlapping clients and business areas, therefore further growth is expected.

## RICOH LEASING

Client base mainly consists of SMEs  
Approx. 400 thousand clients (98% are SMEs)

Expertise in vendor finance gained through  
transactions with approx. 6,000 vendors

Operational structure which enables processing  
large volume of contracts with greater efficiency  
and quality, such as an operational  
process with IT



## Mizuho Leasing

Strong relationship with large- and  
medium-scale companies

Offering solutions to issues concerning  
clients' balance sheets and business  
strategies

Actions in focus areas as well as  
expanding business fields

**Strengthen existing business and create new business opportunities**

# New Business Strategy

- Promote new business strategy, respond to customers with higher business model, and facilitate joint business promotion

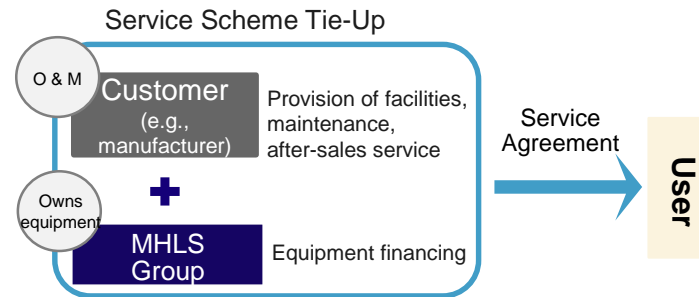
## Strategies

## One example of business model

## Action/Direction

### Service Business

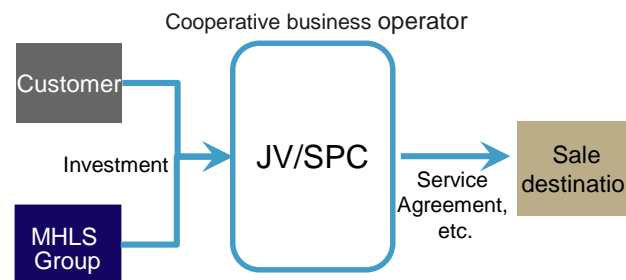
- Support customers with creation of new business models
- Handle support business, subscription models, sharing economy, meter-rate charging, etc.



Launch a meter-rate charging rental scheme for the first time for construction equipment under in-house management

### Joint Business Operation

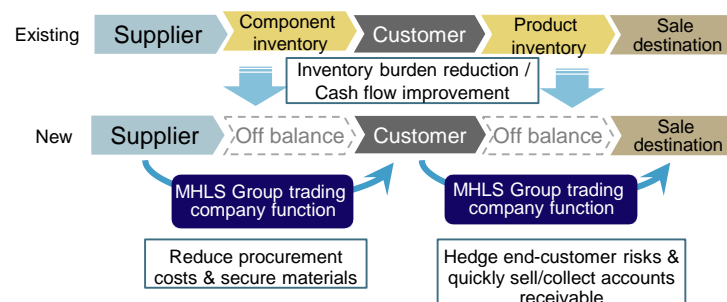
- Create investment opportunities through risk sharing as a business partner with customers



Start joint development of a complex which consists of nursery and care facilities, a medical mall, a food supermarket and others

### Commercial Distribution Support

- Reduce costs by expansion of commercial distribution support, manage production/sales
- Expand business opportunities by being positioned between upstream and downstream of commercial distribution



Support new business development of customers by entering commercial distribution to improve cash flow

# Environment and Energy: Strategies and Examples

- Cultivate business in renewable energy operations/energy-saving solutions
- Enter new business fields through cooperation with energy operators and development of energy technology

## Strategies

<p>Improve power system, promote business in response to the trends of local production for local consumption of electricity</p>	<ul style="list-style-type: none"> <li>• Cooperate with energy operators, etc. and utilize know-how by renewable energy operations/energy-saving solutions</li> <li>• Promote cooperation with overnment agencies and local governments</li> </ul>
<p>Engage in initiatives to invest in energy infrastructure</p>	<ul style="list-style-type: none"> <li>• Promote action from the perspective of the development/dissemination and expansion of new energy technology</li> </ul>
<p>Participate in renewable energy operations</p>	<ul style="list-style-type: none"> <li>• Expand business fields through action on business risk taking type business</li> </ul>
<p>Provision of energy-saving solutions</p>	<ul style="list-style-type: none"> <li>• Provision of products/services with high value, through application agency services for various subsidies, cooperation with manufacturers/engineering companies, or the like</li> <li>• Strengthen marketing for local governments</li> </ul>

## Examples of Actions

Service Business	Domestic consumption-type power supply service associated with energy operators	
Renewable Energy Operations	Operating lease of wind power generation facilities	Collaboration with Mizuho
	Equity investment in biomass power plants	Collaboration with Mizuho
Energy-Saving Solutions	Bridge finance for solar power generation plants	Collaboration with Mizuho
	Facility lease utilizing subsidies	
	LEDs for road lighting/Leasing of air conditioning equipment for educational institutions	

### Operating lease of wind power generation facilities

Executed large operating leasing of wind power generation facilities through collaboration with Mizuho Bank



# Medical and Healthcare: Strategies and Examples

- Expand service business in cooperation with prominent partners
- Promote nursing care, healthcare, and overseas businesses that are expecting high growth, in addition to domestic medicine

## Strategies

Collaborate with medical equipment manufacturers, such as Meter-rate Charging Service, etc.	<ul style="list-style-type: none"> <li>• Newly cooperate with domestic medicine/family care/healthcare equipment manufacturers</li> <li>• Business expansion for medical/care equipment sales services</li> </ul>
Respond to investment needs for medical/care services utilizing IoT, etc.	<ul style="list-style-type: none"> <li>• Promote business, capturing greater needs for efficiency of energy saving measures, management of hospitals/facilities, and use of related assets</li> </ul>
Take actions for overseas medical organizations	<ul style="list-style-type: none"> <li>• Respond to the needs in equipment at overseas medical organizations through collaboration with overseas subsidiaries of domestic manufacturers and overseas local vendors</li> </ul>
Participate in community development with clients to revitalize local economies.	<ul style="list-style-type: none"> <li>• Respond to rapidly aging societies with the declining birth rate, in cooperation with medical/care service operators, etc.</li> </ul>

## Examples of Actions

Medical/ Care Equipment	<p>Equipment lease relating to new construction/relocation of a hospital using a subsidy</p> <p>Lease of equipment and finance for care facilities</p>	Collaboration with Mizuho
Service Business	Rental service of monitoring support devices developed for care facilities in cooperation with manufacturers	
Care/ Healthcare	<p>Start of joint development of a complex including nursery and care facilities</p> <p>Finance for senior housing with services</p>	
Overseas	Vendor finance for local medical equipment distributors in Philippines	

### Start of joint development of a complex

Started joint development of a complex which consists of nursery and care facilities, a medical mall, a food supermarket and others



# Global: Strategies and Examples

- Expand both Japanese and non-Japanese client bases; respond to needs in equipment investment and business development
- Collaborate with Marubeni in overseas lease finance business

## Strategies

<p><b>Increase business with non-Japanese clients</b></p>	<ul style="list-style-type: none"> <li>• Strengthen business with non-Japanese clients through developing sales contacts at prominent local companies and Japanese vendors overseas</li> </ul>
<p><b>Meet needs of Japanese clients for capital investment and rolling out businesses overseas</b></p>	<ul style="list-style-type: none"> <li>• Vigorously expand client base through cooperation with Mizuho, etc.; Improve the ability to respond to Japanese clients' needs in equipment investment and business development overseas</li> </ul>
<p><b>Collaboration with Marubeni in overseas lease finance business (M&amp;A · Establishing new companies · Utilizing existing bases, etc.)</b></p>	<ul style="list-style-type: none"> <li>• Collaboration for new products and in new areas including asset finance</li> <li>• Acquire worldwide captive business through Mizuho Marubeni Leasing</li> </ul>

## Examples of Actions

<p>Non-Japanese</p>	<p><b>Expansion of lease transactions in Thailand through collaboration with a leasing company of a telecom equipment maker</b></p>	<p>Collaboration with Mizuho</p>
<p>Sales Finance</p>	<p><b>Leasing of construction equipment to a state-owned general contractor group in Indonesia</b></p>	
<p>Japanese</p>	<p><b>Supporting product sales of a Japanese construction machinery maker in Thailand</b></p>	<p>Collaboration with Mizuho</p>
<p>Lease Business Joint Development</p>	<p><b>Responding to needs for relocation of production bases of Japanese parts makers to Indonesia</b></p>	<p>Collaboration with Marubeni</p>
	<p><b>Joint operation of refrigerated trailer leasing and rental company with Marubeni</b></p>	

### Joint development of lease business

Launched a joint operation through acquisition of 50% of the equity interests in PLM, a wholly owned subsidiary of the Marubeni Group, and the largest U.S. refrigerated trailer leasing and rental business company



# Aircraft: Strategies and Examples

- Expand aircraft operating lease business, expecting mid- to long-term expansion of the aircraft market

## Strategies

<p>Drive forward aircraft operating lease business</p>	<ul style="list-style-type: none"> <li>There are needs for aircraft ownership by various means against a background of mid- to long-term expansion of the aircraft market</li> <li>Ascertaining needs of airlines will enable Mizuho Leasing to set up a wide range of operating leases</li> </ul>
<p>Accumulate aircraft-backed collateralized loans</p>	<ul style="list-style-type: none"> <li>Increase profitability by further improving ability to set up aircraft-backed collateralized loans</li> </ul>
<p>Enter business related to engines, parts, and other aircraft peripherals</p>	<ul style="list-style-type: none"> <li>Airlines' needs have increased for improving efficiency of replacing and maintaining engines and parts</li> <li>Acquire new source of revenue by entering business related to engines, parts, and other aircraft peripherals</li> </ul>
<p>Pursue fee income</p> <p>Set up and promote sales of JOLCO</p>	<ul style="list-style-type: none"> <li>Meet increasingly diversified investment needs of Mizuho Leasing/banks/security brokerage clients in the low-interest environment</li> <li>Set up/sell JOLCOs under a wider range of conditions</li> </ul>

## Examples of Actions

### Aircraft operating leases



Collaboration with Marubeni

Started a joint business operation with Marubeni through acquisition of 25% of the Aircastle shares

#### <Aircastle profile>

Name	Aircastle Limited
Location	Connecticut, USA
Business Description	Aircraft Lease Business
Year of Establishment	2004
Performance for FY2019	Sales: USD 918 million, net income: USD 157million, total assets: USD 8,202 million, net assets: USD 2,053 million, the number of aircrafts held: 278



# Real estate: Strategies and Examples

- Reinforce initiatives in responding to the real estate strategies of companies, in addition to areas with high societal needs such as logistics, childcare, and nursing care
- Drive forward constant acquisition of bridge schemes, investments in overseas investment funds, and joint investments in excellent properties

## Strategies

Reinforce real estate leasing in areas with high societal needs	<ul style="list-style-type: none"> <li>• Respond to increased societal needs, such as logistics that is one of important social infrastructures, and the needs for daycare and nursing resulting from an increase in dual-income households and developments like the aging society</li> <li>• Reinforce initiatives in responding to the real estate strategies of companies</li> </ul>
Enhance bridge functions for REITs in Japan	<ul style="list-style-type: none"> <li>• Expand opportunities to provide bridge functions in response to increase in needs to bridge gap between selling by original owner and acquisition by REIT that has resulted from diversification of REIT-owned properties</li> </ul>
Invest in overseas real estate funds	<ul style="list-style-type: none"> <li>• Investment in overseas real estate by major Japanese developers and trading companies has increased</li> <li>• Acquire relatively profitable assets by investing in overseas real estate funds</li> </ul>
Effect excellent joint investment with a major developer	<ul style="list-style-type: none"> <li>• Carefully select good properties that show potential for high rent and rising in value</li> <li>• Make joint investments in response to clients' property management needs</li> </ul>

## Examples of Actions

CRE	<b>Building lease of warehouses newly constructed by an automobile parts maker group</b>	Collaboration with Mizuho
	Equity investment in trunk rooms	
REIT	Large-scale finance project in acquiring REIT properties	Collaboration with Mizuho
Bridge Scheme	Bridge scheme for logistics facilities, office buildings, etc.	
Overseas	Investment in European and American real estates through prominent partners	
Joint Investment	Engagement in an office building development project in urban areas jointly with a major developer	Collaboration with Mizuho

**Building lease of warehouses newly constructed by an automobile parts maker group**

Execute building lease of dedicated warehouses for parts which are newly constructed as part of business strategies by an automobile parts maker group



# Appendix

# Company Profile

**Company Name** Mizuho Leasing Company, Limited

**Address** 1-2-6 Toranomom, Minato-ku, Tokyo 105-0001

**Representative** Hiroshi Motoyama, President and CEO

**Establishment** December 1, 1969

**Listing** Tokyo Stock Exchange, 1st Section (Code: 8425)

**Capital Stock** 26,088 million yen (Outstanding shares: 49,004,000)

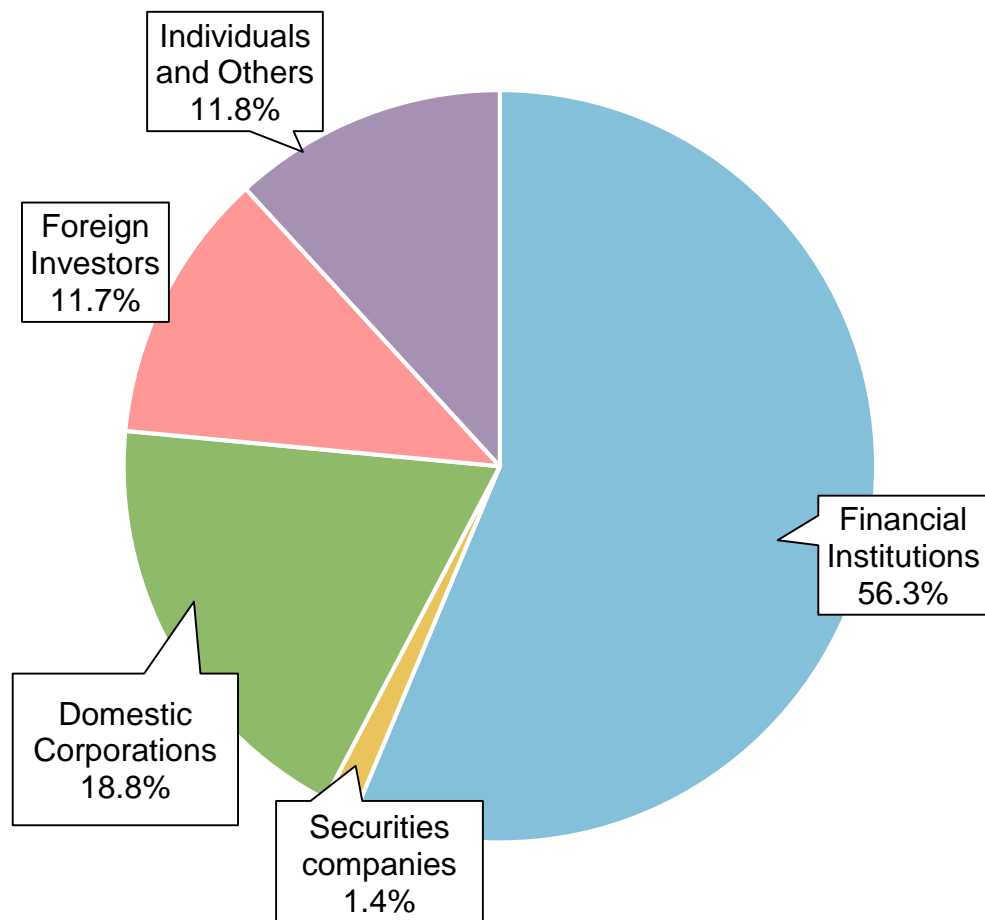
**Employees** 1,745 (consolidated, as of March 31, 2020)

**Business Sites** 14 in Japan (Tokyo, Osaka, Nagoya, others)  
6 overseas (5 in Asia, 1 in Europe)

**Key Group Companies** 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, IBJ Air Leasing Limited, (Overseas joint operating companies with Marubeni Corporation) PLM Fleet, LLC, Aircastle Limited

# Stock Status (As of March 31, 2020)

- Number of shares issued 49,004,000
- Number of shareholders 44,056
- Distribution of shareholders (shareholding ratio)



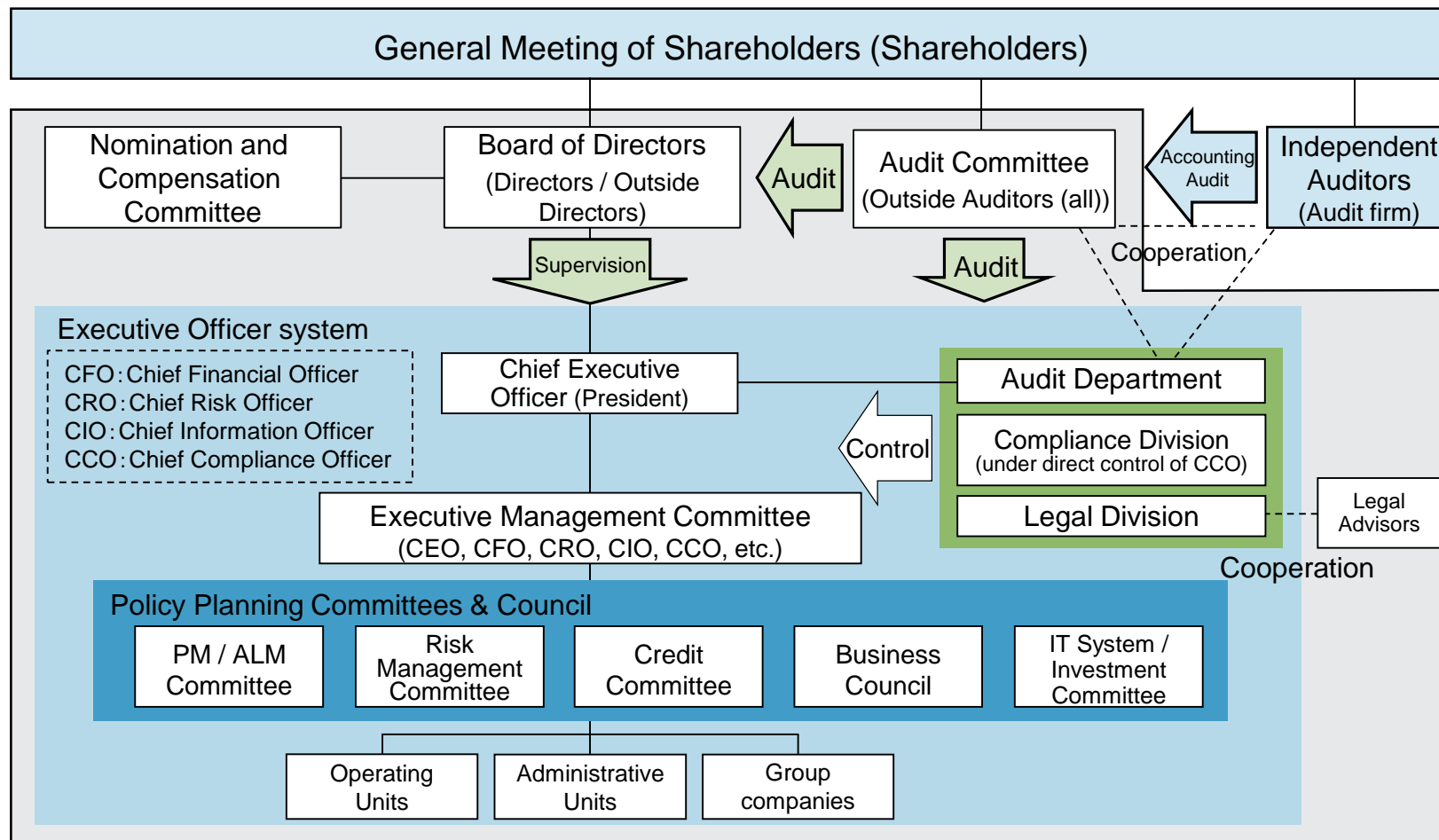
## Major Shareholders

Shareholders	Shares Held (1,000 shares)	Holding Ratio
Mizuho Bank, Ltd.	11,283	23.03%
The Dai-ichi Life Insurance Company, Limited	2,930	5.98%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,059	4.20%
NISSAN MOTOR CO., LTD. Retirement Benefit Trust Account Mizuho Trust & Banking Co., Ltd.	1,750	3.57%
UNIZO Holdings Company, Limited.	1,546	3.15%
Meiji Yasuda Life Insurance Company	1,251	2.55%
DOWA HOLDINGS CO., LTD.	1,120	2.29%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,098	2.24%
Japan Trustee Services Bank, Ltd. (TOSHIBA CORPORATION Retirement Benefit Trust Account)	900	1.84%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	843	1.72%

# 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: 10 directors (incl. 5 outside directors), 4 auditors (incl. 4 outside auditors)
  - Appoint 4 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 2016	End of Mar 2017	End of Mar 2018	End of Mar 2019 (A)	End of Mar 2020 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Current assets</b>	1,552.9	1,564.7	1,602.4	1,866.6	1,947.3	+80.7	+4.3%
Cash and deposits	49.4	42.3	30.3	25.9	22.8	-3.1	-12.0%
Investment in lease	842.0	809.3	823.4	930.3	1,082.1	+151.8	+16.3%
Installment sales receivable	147.8	138.1	138.9	148.0	141.8	-6.2	-4.2%
Operational loans	377.9	348.1	360.1	469.1	401.0	-68.1	-14.5%
Operational investment securities	97.3	172.5	196.9	239.8	221.9	-17.9	-7.5%
Marketable securities	0.1	0.0	0.5	-	-	-	-
Allowance for doubtful receivables	-0.9	-3.1	-2.3	-1.6	-1.8	-0.2	-
<b>Property &amp; equipment</b>	165.8	187.6	218.8	295.3	401.1	+105.8	+35.9%
Leased assets	116.4	141.0	160.2	229.9	245.6	+15.7	+6.8%
Investment securities	26.3	28.2	30.0	32.0	119.1	+87.1	+272.4%
Doubtful operating receivables	10.4	3.3	2.4	3.4	5.4	+2.0	+58.8%
Allowance for doubtful receivables	-3.4	-0.3	-0.2	-0.2	-0.5	-0.3	-
<b>Total assets</b>	1,718.7	1,752.3	1,821.3	2,161.9	2,348.4	+186.5	+8.6%
<b>Operating assets</b>	1,581.0	1,608.7	1,683.0	2,021.4	2,090.3	+68.9	+3.4%

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 2016 through the end of March 2018.

# Consolidated Balance Sheet (Liabilities and Equity)

(¥bn)	End of Mar 2016	End of Mar 2017	End of Mar 2018	End of Mar 2019 (A)	End of Mar 2020 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Current liabilities</b>	1,119.2	1,045.8	1,082.1	1,294.2	1,314.1	+19.9	+1.5%
Short-term borrowings	364.4	312.7	270.7	302.2	256.7	-45.5	-15.0%
Current portion of corporate bond	20.0	-	20.0	20.8	-	-20.8	-
Current portion of long-term debt	132.4	155.5	182.1	177.2	185.4	+8.2	+4.6%
Commercial paper	456.3	433.8	453.8	609.8	669.1	+59.3	+9.7%
Lease payable	8.9	7.3	7.3	8.0	8.8	+0.8	+9.5%
<b>Long-term liabilities</b>	466.7	564.8	584.5	685.5	838.5	+153.0	+22.3%
Long-term debt	397.6	455.3	466.8	524.2	622.9	+98.7	+18.8%
Corporate bond	40.0	58.0	38.0	85.0	135.3	+50.3	+59.2%
<b>Total liabilities</b>	1,585.9	1,610.5	1,666.6	1,979.7	2,152.6	+172.9	+8.7%
<b>Net assets</b>	132.8	141.8	154.6	182.2	195.8	+13.6	+7.5%
Shareholder's equity	118.5	128.3	139.1	167.8	179.9	+12.1	+7.2%
Accumulated other comprehensive income	8.6	8.3	9.9	5.8	5.3	-0.5	-8.0%
Non-controlling interests	5.8	5.2	5.7	8.5	10.6	+2.1	+24.2%
<b>Total liabilities and net assets</b>	1,718.7	1,752.3	1,821.3	2,161.9	2,348.4	+186.5	+8.6%
<b>Total interest-bearing debt</b>	1,465.6	1,492.4	1,536.2	1,834.8	2,000.6	+165.8	+9.0%
<b>Equity ratio</b>	7.4%	7.8%	8.2%	8.0%	7.9%	-0.1pt	

# Consolidated Statements of Income

(¥bn)	FY15	FY16	FY17	FY18 (A)	FY19 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Revenues</b>	364.2	429.4	399.7	384.9	539.2	+154.3	+40.1%
Gross profit before write-offs and funding costs	44.8	44.9	45.2	52.6	60.3	+7.7	+14.6%
Funding costs	6.4	5.7	7.0	8.5	9.7	+1.2	+15.1%
<b>Gross profit</b>	38.4	39.2	38.2	44.1	50.5	+6.4	+14.5%
SGA expenses	20.9	21.2	19.0	21.2	24.2	+3.0	+14.3%
Personnel and facilities costs	19.5	19.6	19.8	21.4	24.4	+3.0	+14.0%
Credit costs	1.3	1.5	-0.8	-0.2	-0.3	-0.1	-
<b>Operating income</b>	17.6	18.0	19.2	22.9	26.3	+3.4	+14.7%
Other income	1.4	1.2	1.2	2.4	1.5	-0.9	-38.3%
Other expenses	0.4	0.4	0.4	1.1	1.1	-0.0	-5.5%
<b>Ordinary income</b>	18.6	18.8	20.0	24.2	26.7	+2.5	+10.3%
Extraordinary income	0.4	0.3	0.6	1.0	0.5	-0.5	-49.3%
Extraordinary loss	0.1	0.2	0.0	0.1	0.7	+0.6	-
<b>Income before income taxes</b>	19.0	18.9	20.5	25.1	26.5	+1.4	+5.7%
Total income taxes	6.8	6.2	6.4	7.9	8.5	+0.6	+6.8%
<b>Net income attributable to owners of the parent</b>	11.6	12.4	13.6	16.6	17.5	+0.9	+5.5%
<b>ROE</b>	9.5%	9.4%	9.6%	10.3%	9.8%	-0.5pt	



# Consolidated Statement of Comprehensive Income

(¥bn)	FY15	FY16	FY17	FY18 (A)	FY19 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Net income</b>	12.1	12.6	14.2	17.2	18.1	+0.9	+5.1%
Unrealized gain on available-for-sale securities	1.6	0.1	1.0	-2.3	0.7	+3.0	-
Deferred gain/loss on derivatives under hedge accounting	-0.4	0.2	0.1	-0.6	-0.6	+0.0	-
Foreign currency translation adjustments	-0.5	-0.5	0.1	-1.2	-0.6	+0.6	-
Remeasurements of defined benefit plans, net of tax	-0.6	0.1	0.2	0.1	-0.2	-0.3	-
Share of other comprehensive income of associated companies	-0.2	-0.1	0.1	-0.0	0.1	+0.1	-
<b>Total other comprehensive income</b>	-0.1	-0.2	1.5	-4.1	-0.5	+3.6	-
<b>Total comprehensive income</b>	12.1	12.4	15.7	13.1	17.6	+4.5	+34.5%

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

(¥bn)	FY15	FY16	FY17	FY18 (A)	FY19 (B)	Change (B) – (A)	% Change (B) / (A)
<b>Revenues</b>	364.2	429.4	399.7	384.9	539.2	+154.3	+40.1%
Leasing and installment sales	352.1	417.0	386.4	366.4	512.1	+145.7	+39.7%
Finance	11.4	11.7	12.8	17.4	19.6	+2.2	+12.7%
Other	1.7	1.5	1.3	2.2	8.8	+6.6	-
Elimination / corporate	-0.9	-0.8	-0.8	-1.2	-1.2	-0.0	-
<b>Cost of revenues</b>	319.4	384.5	354.6	332.3	479.0	+146.7	+44.1%
Leasing and installment sales	318.6	383.8	353.9	331.0	471.1	+140.1	+42.3%
Finance	0.3	0.2	0.2	0.3	0.3	+0.0	+9.5%
Other	0.9	0.7	0.7	1.2	7.9	+6.7	-
Elimination / corporate	-0.4	-0.3	-0.3	-0.3	-0.3	-0.0	-
<b>Gross profit before write-offs and funding costs</b>	44.8	44.9	45.2	52.6	60.3	+7.7	+14.6%
Leasing and installment sales	33.5	33.2	32.5	35.4	41.0	+5.6	+15.8%
Finance	11.0	11.5	12.6	17.1	19.3	+2.2	+12.8%
Other	0.8	0.7	0.6	1.0	0.9	-0.1	-7.1%
Elimination / corporate	-0.5	-0.5	-0.5	-0.9	-1.0	-0.1	-

# Inquiries

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**MIZUHO**