

Consolidated Balance Sheet
Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of September 30, 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2021	March 31 2021	September 30 2021
ASSETS			
Current Assets:			
Cash and Cash Equivalents	¥ 18,326	¥ 20,406	\$ 163,699
Lease Receivables and Investments in Lease (Note 4)	1,133,095	1,174,068	10,121,443
Receivables (Note 4):			
Notes and Accounts	517	767	4,618
Lease	3,774	3,913	33,718
Installment Sales	119,310	127,051	1,065,749
Loans	352,068	329,059	3,144,871
Factoring	169,203	171,614	1,511,418
Total Receivables	644,873	632,407	5,760,374
Operational Investment Securities (Note 4)	246,616	220,959	2,202,917
Prepaid Expenses and Other	29,679	39,461	265,117
Allowance for Doubtful Receivables	(1,763)	(2,238)	(15,749)
Total Current Assets	2,070,828	2,085,064	18,497,801
Property and Equipment:			
Leased Assets (Note 4)	306,750	302,127	2,740,064
Advances for Purchases of Leased Assets	5	13	52
Own-used Assets	3,623	3,616	32,367
Total Property and Equipment	310,379	305,757	2,772,483
Investments and Other Assets:			
Investment Securities	18,445	24,246	164,768
Investments in Unconsolidated Subsidiaries and Associated Companies	184,105	147,744	1,644,536
Long-term Receivables	20,368	11,477	181,945
Goodwill	11	29	104
Intangible Leased Assets (Note 4)	128	135	1,149
Deferred Tax Assets	4,761	4,076	42,535
Asset for Employees' Retirement Benefits	670	703	5,989
Other	25,242	24,481	225,478
Allowance for Doubtful Receivables	(477)	(526)	(4,269)
Total Investments and Other Assets	253,257	212,369	2,262,235
Total Assets	¥ 2,634,465	¥ 2,603,190	\$ 23,532,519

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheet

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of September 30, 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2021	March 31 2021	September 30 2021
LIABILITIES and EQUITY			
Current Liabilities:			
Short-term Borrowings (Note 5)	¥ 1,153,925	¥ 1,133,341	\$ 10,307,508
Current Portion of Long-term Debt (Note 5)	258,495	268,426	2,309,029
Lease Payable	8,658	8,958	77,340
Accounts Payable - trade	24,637	35,157	220,079
Accrued Expenses	3,314	4,156	29,609
Income Taxes Payable	3,970	5,865	35,462
Deferred Profit on Installment Sales (Note 4)	2,848	2,618	25,442
Reserve for Management Board Benefit Trust - current	-	28	-
Accruals for Debt Guarantees	13	13	116
Other	38,213	34,285	341,344
Total Current Liabilities	1,494,076	1,492,850	13,345,929
Long-term Liabilities:			
Long-term Debt (Note 5)	871,501	853,619	7,784,735
Deposits Received	32,119	33,730	286,905
Liability for Employees' Retirement Benefits	2,151	2,332	19,214
Reserve for Management Board Benefit Trust	489	489	4,374
Other	10,563	9,315	94,358
Total Long-term Liabilities	916,824	899,486	8,189,586
Contingent Liabilities (Note 6)			
Equity: (Note 9)			
Common Stock	26,088	26,088	233,033
Authorized, 140,000,000 Shares; Issued, 49,004,000 Shares as of September 30 and March 31, 2021			
Capital Surplus	23,941	23,941	213,859
Retained Earnings	156,089	149,148	1,394,277
Treasury Stock - at cost	(1,709)	(1,725)	(15,271)
626,799 shares as of September 30 and 632,727 shares as of March 31, 2021			
Accumulated Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	6,744	6,509	60,242
Deferred Loss on Derivatives under Hedge Accounting	(1,478)	(1,227)	(13,211)
Foreign Currency Translation Adjustments	2,452	(2,771)	21,909
Defined Retirement Benefit Plans	608	652	5,435
Total	212,735	200,614	1,900,273
Non-controlling Interests	10,829	10,237	96,731
Total Equity	223,564	210,852	1,997,004
Total Liabilities and Equity	¥ 2,634,465	¥ 2,603,190	\$ 23,532,519

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the six-month period ended September 30, 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2021	September 30 2020	September 30 2021
Net Income	¥ 9,863	¥ 13,315	\$ 88,111
Other Comprehensive Income (Loss):			
Unrealized Gain (Loss) on Available-for-sale Securities	120	(2,416)	1,080
Deferred (Loss) Gain on Derivatives under Hedge Accounting	(263)	241	(2,355)
Foreign Currency Translation Adjustments	5,055	(855)	45,157
Defined Retirement Benefit Plans	(12)	19	(110)
Share of Other Comprehensive Income in Associated Companies	572	253	5,114
Total Other Comprehensive Income (Loss)	5,472	(2,757)	48,886
Comprehensive Income	¥ 15,336	¥ 10,557	\$ 136,997
Total Comprehensive Income attributable to:			
Owners of the Parent	¥ 14,657	¥ 10,240	\$ 130,925
Non-controlling Interests	679	317	6,072

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows

 Mizuho Leasing Company, Limited and Consolidated Subsidiaries
 For the six-month period ended September 30, 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)
	September 30 2021	September 30 2020	September 30 2021
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 13,786	¥ 18,638	\$ 123,150
Adjustments for:			
Income Taxes Paid	(6,061)	(4,537)	(54,145)
Depreciation and Disposal of Fixed Assets	8,460	7,767	75,573
Equity in Earnings of Associated Companies	(656)	(4,072)	(5,864)
(Profit) Loss from Investments	(83)	340	(749)
(Decrease) Increase in Allowance for Doubtful Receivables	(597)	657	(5,342)
Decrease in Accruals for Debt Guarantees	(0)	(6)	(0)
Gain on Sales of Marketable and Investment Securities	(20)	(3,810)	(180)
Gain on liquidation of subsidiaries and associated companies	-	(230)	-
Loss on Devaluation of Investment Securities	9	32	85
Change in assets and liabilities:			
Decrease (Increase) in Lease Receivables and Investments in Lease	42,676	(79,065)	381,212
Increase in Receivables	(10,390)	(46,788)	(92,812)
Increase in Operational Investment Securities	(25,408)	(7,252)	(226,959)
Decrease in Accounts Payable — trade	(10,535)	(12,458)	(94,107)
Purchases of Leased Assets	(61,280)	(89,213)	(547,388)
Proceeds from Sales of Leased Assets	52,514	29,637	469,091
Decrease in Interest Payable	(30)	(164)	(271)
Other — net	2,407	15,475	21,508
Total Adjustments	(8,994)	(193,689)	(80,348)
Net Cash Used in Operating Activities	4,791	(175,051)	42,802
Cash Flows from Investing Activities:			
Purchases of Own-used Assets	(1,351)	(1,468)	(12,068)
Purchases of Marketable and Investment Securities	(28,471)	(48,756)	(254,326)
Proceeds from Sales and Redemption of Marketable and Investment Securities	2,166	5,793	19,355
Other — net	(726)	361	(6,492)
Net Cash Used in Investing Activities	(28,382)	(44,070)	(253,531)
Cash Flows from Financing Activities:			
Net Increase in Short-term Borrowings	16,798	210,955	150,055
Proceeds from Long-term Debt	162,871	123,247	1,454,864
Repayments of Long-term Debt	(155,713)	(118,729)	(1,390,924)
Cash Dividends Paid	(2,548)	(2,058)	(22,762)
Other — net	(112)	(102)	(1,007)
Net Cash Provided by Financing Activities	21,295	213,312	190,226
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	214	(131)	1,919
Net Decrease in Cash and Cash Equivalents	(2,080)	(5,940)	(18,584)
Cash and Cash Equivalents at Beginning of the Period	20,406	22,299	182,283
Cash and Cash Equivalents at End of the Period	¥ 18,326	¥ 16,358	\$ 163,699

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Mizuho Leasing Company, Limited (“the Company”) and its consolidated subsidiaries (together with the Company, “the Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the company’s financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2020 consolidated financial statements to conform to the classifications used in 2021. The accompanying consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and related notes for the year ended March 31, 2021.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥111.95 to US\$1.00, the approximate rate of exchange at September 30, 2021. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. The amounts indicated in millions of yen are rounded down by truncating the figures below one million. As a result, totals may not add up exactly.

2. Scope of Consolidation

The consolidated financial statements include the accounts of the Group, which include Mizuho-TOSHIBA Leasing Company, Limited, Dai-ichi Leasing Co., Ltd., Mizuho Auto Lease Company, Limited, ML Estate Company, Limited, Mizuho Leasing (China) Ltd., PT. VERENA MULTI FINANCE Tbk, Mizuho Leasing (Singapore) Pte. Ltd.. The number of the consolidated subsidiaries as of September 30, 2021 was 32.

The number of associated companies accounted for under the equity method as of September 30, 2021 was 9. Investments in associated companies include Mizuho Marubeni Leasing Corporation, RICOH LEASING COMPANY, LTD., NIPPON STEEL KOWA REAL ESTATE CO.,LTD., PLM Fleet, LLC, Krung Thai IBJ Leasing Co., Ltd., PNB-Mizuho Leasing and Finance Corporation, Aircastle Limited and Vietnam International Leasing Co., Ltd.. NIPPON STEEL KOWA REAL ESTATE CO.,LTD. was newly included in the associated companies accounted for under the equity method from the second quarter of the current fiscal year, as the Company purchased these shares.

3. Summary of Significant Accounting Policies

The accounting policies are the same as those applied in the Consolidated Financial Statements as of and for the year ended March 31, 2021, except for the change mentioned below.

Changes in accounting policies

Application of the Accounting Standard for Revenue Recognition, etc.

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc. from the beginning of the first quarter ended June 30, 2021. It recognizes revenue in the amount expected to be received in exchange for promised goods or services when the control of these goods or services is transferred to the customer.

The impact of this change on the consolidated financial statement for the first half was immaterial.

Application of the Accounting Standard for Fair Value Measurement, etc.

The Group has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019, hereinafter referred to as “Accounting Standard for Fair Value Measurement”), etc. from the beginning of the first quarter ended June 30, 2021. It decided to prospectively apply the new accounting policies in accordance with the transitional measures permitted by Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019).

The impact of this change on the consolidated financial statement for the first half was immaterial.

4. Operating Assets

(1) Operating Assets as of September 30 and March 31, 2021 consisted of the following:

	(Millions of yen)		(Thousands of U.S. dollars)
	September 30, 2021	March 31, 2021	September 30, 2021
Leasing and Installment Sales:			
Finance Lease	¥1,133,095	¥1,174,068	\$10,121,443
Operating Lease	306,878	302,262	2,741,213
Installment Sales (*1)	116,462	124,433	1,040,307
Leasing and Installment Sales total	1,556,436	1,600,764	13,902,963
Finance	767,888	721,634	6,859,206
Total Operating Assets	¥2,324,324	¥2,322,398	\$20,762,169

(*1) The amount of Installment Sales represents "Installment Sales Receivables" less "Deferred Profit on Installment Sales".

(2) The total amounts of new contracts during the periods ended September 30, 2021 and 2020 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2021	2020	2021
Leasing and Installment Sales:			
Finance Lease	¥135,221	¥234,350	\$1,207,870
Operating Lease	61,287	89,865	547,454
Installment Sales	17,666	20,913	157,810
Leasing and Installment Sales total	214,175	345,129	1,913,134
Finance	375,850	339,880	3,357,311
Total	¥590,026	¥685,009	\$5,270,445

5. Short-term Borrowings and Long-term Debt

(1) "Short-term Borrowings" as of September 30 and March 31, 2021 was as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	September 30, 2021	March 31, 2021	September 30, 2021
Short-term Borrowings			
Short-term Borrowings from banks and other financial institutions	¥333,659	¥317,783	\$2,980,429
Commercial Paper	716,100	714,100	6,396,606
Payables under securitized lease receivables	104,166	101,458	930,473
Total	¥1,153,925	¥1,133,341	\$10,307,508
Current Portion of Long-term Debt			
Bonds payable	¥20,000	¥40,000	\$178,651
Long-term Debt from banks and other financial institutions	238,495	228,426	2,130,378
Total	¥258,495	¥268,426	\$2,309,029

(2) "Long-term Debt" as of September 30 and March 31, 2021 was as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	September 30, 2021	March 31, 2021	September 30, 2021
Long-term Debt			
Bonds payable	¥195,485	¥170,425	\$1,746,186
Long-term Debt from banks and other financial institutions	645,027	649,933	5,761,747
Payables under securitized lease receivables	30,987	33,261	276,802
Total	¥871,501	¥853,619	\$7,784,735

6. Contingent Liabilities

Contingent Liabilities as of September 30, 2021 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2021	2021
Guarantee Obligations with respect to operating activities	¥12,348	\$110,308
Other Guarantee Obligations	14,410	128,720
Accruals for Debt Guarantees	(13)	(116)
Total	¥26,746	\$238,912

(*1) The amount includes loans and trade receivables provided by Unipres Corporation and others, which are guaranteed by the Company.

7. Segment Information

(1) Information about sales and profit

For the six-month period ended September 30, 2021

	(Millions of yen)					
	2021					
	Reportable segment				Total	Reconciliations (*1)
Leasing and Installment Sales	Finance	Other				
Sales:						
Sales to external customers	¥251,320	¥8,256	¥386	¥259,963	¥-	¥259,963
Intersegment sales and transfers	99	434	78	613	(613)	-
Total	251,420	8,690	465	260,576	(613)	259,963
Operating Expenses	240,485	3,282	346	244,114	2,568	246,683
Segment Profit	¥10,934	¥5,408	¥118	¥16,461	¥(3,181)	¥13,280

For the six-month period ended September 30, 2020

(Millions of yen)

	2020					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1)	Consolidated (*2)
Sales:						
Sales to external customers	¥221,600	¥6,749	¥368	¥228,719	¥-	¥228,719
Intersegment sales and transfers	130	422	73	626	(626)	-
Total	221,731	7,172	441	229,345	(626)	228,719
Operating Expenses	211,529	3,564	378	215,472	1,998	217,470
Segment Profit	¥10,201	¥3,608	¥63	¥13,873	¥(2,624)	¥11,248

For the six-month period ended September 30, 2021

(Thousands of U.S. dollars)

	2021					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1)	Consolidated (*2)
Sales:						
Sales to external customers	\$2,244,937	\$73,748	\$3,453	\$2,322,138	\$-	\$2,322,138
Intersegment sales and transfers	890	3,884	704	5,478	(5,478)	-
Total	2,245,827	77,632	4,157	2,327,616	(5,478)	2,322,138
Operating Expenses	2,148,153	29,321	3,097	2,180,571	22,942	2,203,513
Segment Profit	\$97,674	\$48,311	\$1,060	\$147,045	\$(28,420)	\$118,625

(*1) The details of Reconciliations to Segment Profit for the periods ended September 30, 2021 and 2020 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2021	2020	2021
Elimination of intersegment transactions	¥304	¥279	\$2,724
Administrative expenses not allocated to the reportable segments	(3,486)	(2,904)	(31,144)
Total	¥(3,181)	¥(2,624)	\$(28,420)

(*2) Segment Profits are reconciled to Operating Income in the Consolidated Statement of Income.

(2) Impairment loss of long-lived assets or goodwill per reportable segment:

Not applicable

8. Per Share Information

Details of basic net income attributable to owners of the parent per share (“EPS”) for the periods ended September 30, 2021 and 2020 were as follows:

	(Millions of yen)	(Thousands of shares)	(Yen)	(U.S. dollars)
Net income attributable to owners of the parent		Weighted-average shares		EPS
For the period ended September 30, 2021:				
Basic EPS				
Net income available to common shareholders	¥9,493	48,373	¥196.25	\$1.75
For the period ended September 30, 2020:				
Basic EPS				
Net income available to common shareholders	¥12,991	48,366	¥268.61	\$2.39

9. Subsequent Events

Appropriation of Retained Earnings

On November 9, 2021, the Board of Directors of the Company resolved to approve the payment of the interim cash dividends to its shareholders registered as of September 30, 2021 as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Interim cash dividends, ¥55.00 (\$0.49) per share	¥2,695	\$24,075