



# Medium-term Management Plan 2025

May 19, 2023

**Mizuho Leasing Company, Limited**

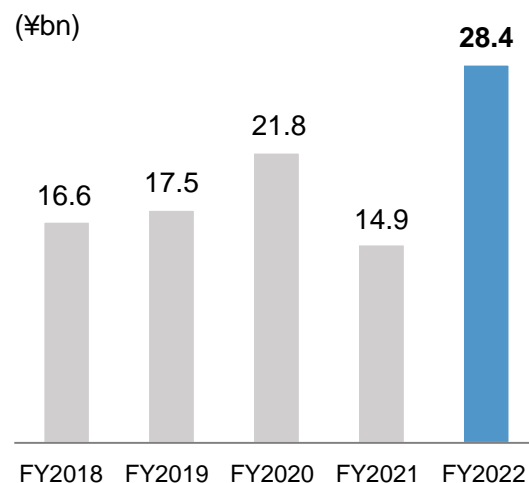
# **Summary of Previous Medium-term Management Plan (FY2019-FY2022)**

- This was our first medium-term management plan formulated as Mizuho Leasing Company Limited. All indicators have reached a level where they are generally expected to achieve their targets in the final year of the Plan (FY2023).

## Net Income

FY2023 Target  
**¥30.0bn**

FY2022 Result  
**¥28.4bn**



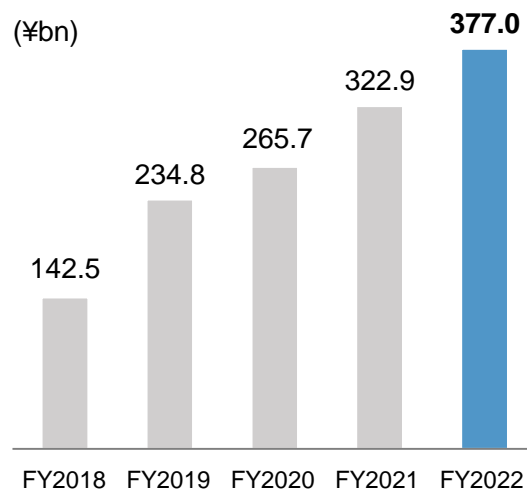
## Operating Assets in Global Area

FY2023 Target  
Compared with  
end of FY2018

**3 times**

FY2022 Result  
Compared with  
end of FY2018

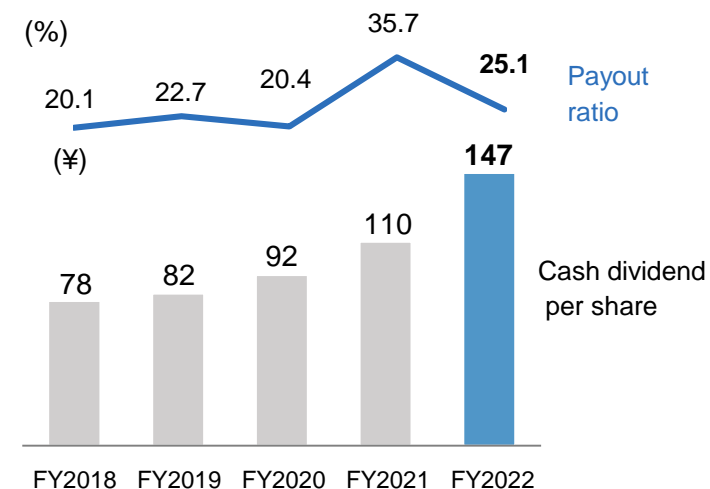
**2.7 times**



## Dividend Payout Ratio

FY2023 Target  
**25%**  
or higher

FY2022 Plan  
**25.1%**



- Dramatically expanded and diversified businesses through alliances with other companies, including Mizuho Group
- Engaged in initiatives to expand existing businesses and create new businesses in each industry we operate in

Formulated new management philosophy in May 2021

## Mission

Connect needs to create the future

## Vision

Be creators of a sustainable world

## Value

Challenge/Change/Create × Collaborate  
Through collaboration, we will take on challenges, enact change and accelerate creation

Alliance strategy	Mizuho Alliance	Marubeni Alliance	Other Alliances
Initiatives in focus areas	<p><b>Expanded presence in existing markets and promoted initiatives to create new businesses</b></p> <ul style="list-style-type: none"> <li>■ Created new businesses in various industries by engaging in real estate investment and development, and solar/hydro power generation, etc.</li> <li>■ Implemented new services, such as subscription schemes, through collaboration with alliance partners</li> <li>■ Promoted construction of circular economy platform to realize an advanced circular economy and a decarbonized society</li> </ul> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div data-bbox="332 1074 735 1144">Invested in funds to acquire massive scale real estate in Japan</div> <div data-bbox="750 1074 1153 1144">Engaged in solar/hydro power generation business</div> <div data-bbox="1168 1074 1571 1144">Built subscription schemes for logistics robots</div> <div data-bbox="1586 1074 1989 1144">Promoted construction of platform to realize circular economy</div> </div>		
Inorganic strategy	<p><b>Drove strong growth through proactive M&amp;A in areas such as real estate investment, global businesses, and aircraft leasing</b></p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: center;">Amount invested during the previous plan (FY2019-FY2022) <span style="float: right;">▶ <b>Approx. ¥150 bn</b></span></p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div data-bbox="332 1307 735 1381">Made NIPPON STEEL KOWA REAL ESTATE CO., LTD. an equity-method affiliate</div> <div data-bbox="750 1307 1153 1381">Made Mizuho Capital Co., Ltd. an equity-method affiliate</div> <div data-bbox="1168 1307 1571 1381">Made Aircastle an equity-method affiliate</div> <div data-bbox="1586 1307 1989 1381">Agreement reached to make Rent Alpha Pvt. Ltd. a consolidated subsidiary</div> </div> </div>		

- Through alliances with Mizuho Group, Marubeni Group, and other domestic and overseas corporations and startups, we expanded our businesses and accelerated initiatives in focus areas

### Acquired equity interest in RICOH LEASING COMPANY, LTD.

- Strengthened existing businesses, such as vendor finance
- Created new business opportunities through client collaboration

### Acquired equity interest in Aircraftle Ltd.

- Enhanced our presence in global aircraft leasing market

### Acquired equity interest in PLM Fleet, LLC

- Developed frozen and refrigerated transport market in the United States

Mar 2020

### Launched partnership with Marubeni Group

- Drove performance in the global area by turning overseas businesses into joint ventures in FY2020 and onwards

Mar 2019

### Launched partnership with Mizuho Group

- Became an equity-method affiliate of Mizuho Group
- Expanded business by leveraging one of the largest client bases in Japan and overseas (changed company name to Mizuho Leasing Company Limited in October 2019)

Mar 2019

2019 (Year)

2020

2021

2022

2023

## Medium-term Management Plan 2025

Mar 2023

### Invested in Eco Style Co., Ltd..

- Work to provide solar power energy schemes using self-consignment method and Corporate PPA

Jan 2023

### Agreement to make Rent Alpha Pvt. Ltd. a subsidiary

- Acquired Indian company with high growth potential and will work to expand to new markets

Jan 2022

### Acquired equity interest in Affordable Car Leasing Pty Ltd

- Entered auto-finance business in Australia

Apr 2022

### Invest in Rapyuta Robotics Co. Ltd.

- Built subscription scheme for logistics robots

Nov 2022

### Agreement with TRE HOLDINGS CORPORATION

- Promoted construction of circular economy platform, aimed at realization of an "advanced circular economy" and a "decarbonized society"

May 2021

### Acquired equity interest in Mizuho Capital Co., Ltd.

- Strengthened access to startups
- Leveraged investee companies' solutions to expand to new sectors

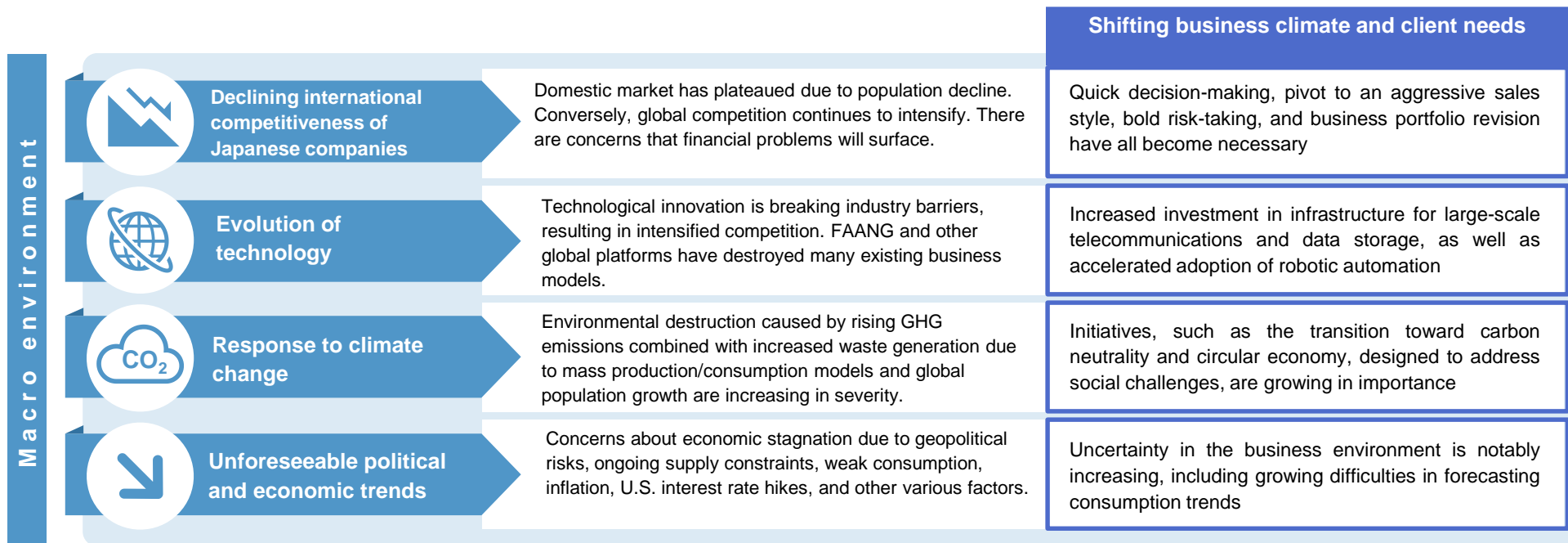
Aug 2021

### Acquired equity interest in NIPPON STEEL KOWA REAL ESTATE CO.,LTD.

- Leveraged general developer's insights in real estate development, property management, and asset management to expand presence in real estate

# Mizuho Leasing's Ambitions

- As the business environment surrounding our clients continues to rapidly change, the necessary solutions to adapt are also evolving
- To achieve growth, we must provide solutions that accurately meet these increasingly diverse and complex needs



## Providing solutions that accurately grasp changing client needs will be the key to growth



### Responses to disruptive trends

- ▶ Supply of risk money
- ▶ Business investment (equity interest acquisition)
- ▶ Business operations

### Responses to technological evolution

- ▶ RaaS\* business
- ▶ Subscription/sharing
- ▶ Data center development and ownership

\*RaaS : Robotics as a Service

### Responses to solving social issues

- ▶ Circular economy
- ▶ BaaS\* business
- ▶ Renewable energy supply

\*BaaS : Battery as a Service

## We make the great leap from a leasing company to a platform company that co-creates the future together with our clients



**Circular society platform company that addresses social challenges**

Provide integrated solutions, such as circular economy and decarbonization, for social issues that corporations need to solve



**Technology-driven leader pushing for structural business reform**

Anticipate shifting social structures and spread of new technologies, and provide a comprehensive range of solutions designed to meet those business challenges in response

Become a powerful XaaS (Anything as a Service) player



**Organization that fearlessly tackles challenges to create new value**

Each employee, and the company as a whole, will create new value beyond the traditional finance framework by being agile, focusing on speed, and taking on new challenges

**We evolve into a multi-solution platformer that enables clients to tackle their social and business challenges by providing solutions beyond traditional financing to co-create value as a partner**



- 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.

## New Plan's Keywords

### Challenge

Take on the challenge of creating and driving future growth areas

### Change

Transform business portfolio management and corporate structures needed to meet challenges

### Grow

Realize growth with unprecedented speed and scale

## Medium-term Management Plan 2025

(Results of Challenge and Change materialize)



### Ambition

Make the great leap from a leasing company to a multi-solution platform that contributes to overcoming business and social challenges

### Three Year Challenge towards Change

- Form steady growth in core areas that make up the bedrock of earnings
- Proactively and aggressively invest managerial resources into growth and frontier areas to establish a profit base from a medium-to long-term perspective.

Develop new management plan using backcasting

Managerial resources

Investment of resources	Operating assets	+¥700 bn
	Inorganic investments	Approx. ¥150 bn
	IT system investments	¥10 bn
	Hire specialized personnel	Total +80 people

Multi-layered business portfolio

### Frontier areas

With a long-term view, invest resources in stages to cultivate new profit sources and convert into future growth drivers

### Growth areas

Leverage collaborations with Mizuho group in growth areas that have already emerged, and turn them into revenue pillars with differentiated solutions

### Core areas

Actively grow number of assets while gradually evaluating asset efficiency to achieve scalable growth and efficiency

## Organizational Systems

Begin by transforming organizational systems (IT infrastructure, DX, HR strategy, and risk management) that support existing businesses and creation of new businesses in order to support growth

# Overview of Medium-term Management Plan 2025

## 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

Real estate

...

### 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

## Core Areas

**Domestic leasing**

Co-create value as a strategic business partner for clients

- Thoroughly implement a value co-creation and problem-solving sales style that contributes to solving clients' business issues
- Further expand client base through alliances with Mizuho
- Leverage digital technologies to improve user-friendliness and work productivity

**Real estate**

Simultaneously expand existing businesses and create new ones

- Expand stable profit bases, such as mezzanine loans and real estate leasing
- Acquire and jointly develop real estate with a mid-to long-term management perspective in mind
- Create new businesses through collaboration with alliance partners

## Growth Areas

**Global**

Expand businesses with inorganic investments

- Expand client base, focusing on major Japanese companies, non-Japanese companies, and retail
- Create revenue opportunities by providing solutions that rely on the value of goods
- Enter new growth markets through joint investments with Marubeni and independently-sourced M&A deals

**Aircraft**

Promote acquisitions through collaboration with alliance partners

- Capture revenue opportunities at group companies from each part of the aircraft business value chain, with Aircraftle at the core
- Strengthen asset turnover business, start JOLCO diversification and JOL business
- Strengthen operating lease business

**Strategic investment**

Create new investment opportunities and promote value co-creation investment

- Strengthen fund investment and direct investment in operating companies
- Selectively handle high-return mezzanine/equity projects
- Strengthen collaboration with startups through CVC funds and expand investment in value co-creation

**Environment and energy**

Secure renewable energy sources and create new business opportunities

- Establish a strong presence as a renewable energy power supplier by securing 1 GW of renewable energy power generation
- Establish a system to deliver renewable energy power generated from owned power sources to users
- Tackle new areas, such as grid-scale batteries

## Frontier Areas

**Circular economy**

Build platform to realize an advanced circular economy and decarbonized society

- Build circular economy platform through collaboration with alliance partners
- Create maximum added value with efficient use of resources

**XaaS**

Implement services to support client business restructuring

- Build platforms for RaaS (Robotics as a Service), which provide various solutions as a robot asset holder, and BaaS (Battery as a Service) which operates battery-focused businesses in the areas combining mobility and energy

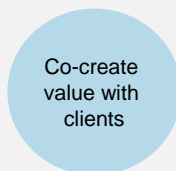
- Through alliances with Mizuho Group, Marubeni Group, RICOH, RICOH LEASING, and other companies, we will push for initiatives that will realize our business strategy

## Alliance with Mizuho Group

### Qualitative shift of alliance

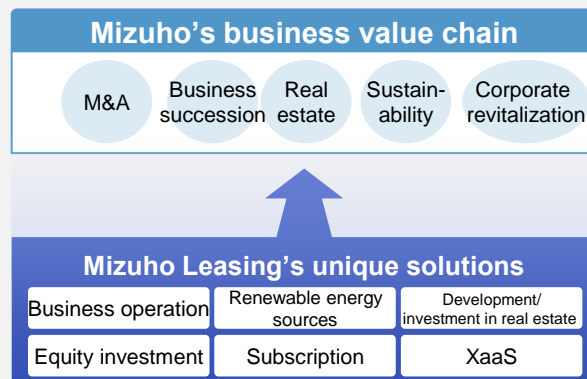
#### ■ Deepening alliance with Mizuho Group for further advancement

- Identify unrecognized customer needs and proactively propose solutions to business and social challenges in collaboration with Mizuho
- Contribute to improving corporate value of clients and enhance presence of entire Group by solving various issues



### Provide solutions unique to our Company

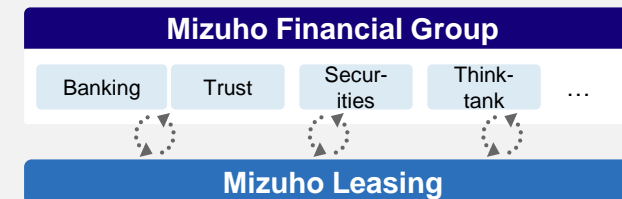
#### ■ Provide Mizuho clients with unique solutions, differing from the Bank Group



### Expand client base

#### ■ Capitalize on one of Japan's largest client bases to expand our own

- Focus on developing new clients through alliances with Mizuho Group companies. Further expand client base acquired during the previous Plan



## Alliance with Marubeni Group

- Promote joint business, especially in overseas markets
  - Increase synergistic revenue through business expansion of and alliances with existing JVs
  - Extend alliances and search for joint investment targets in new industries
- Delve into Marubeni's captive business through Mizuho Marubeni Leasing

## Alliance with RICOH/RICOH LEASING

- Drive business by leveraging RICOH LEASING's vendor finance expertise and credit decision criteria
- Promote product offerings from both companies to each other's clients based on their respective strengths. Consider new areas of collaboration



Build infrastructure to supply power/energy derived from renewable sources and provide solutions, such as the circular economy and low-carbon society, to pressing environmental issues

## Establish a strong presence as a supplier of renewable energy power

### 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.



### Use renewable power sources in focus/new areas



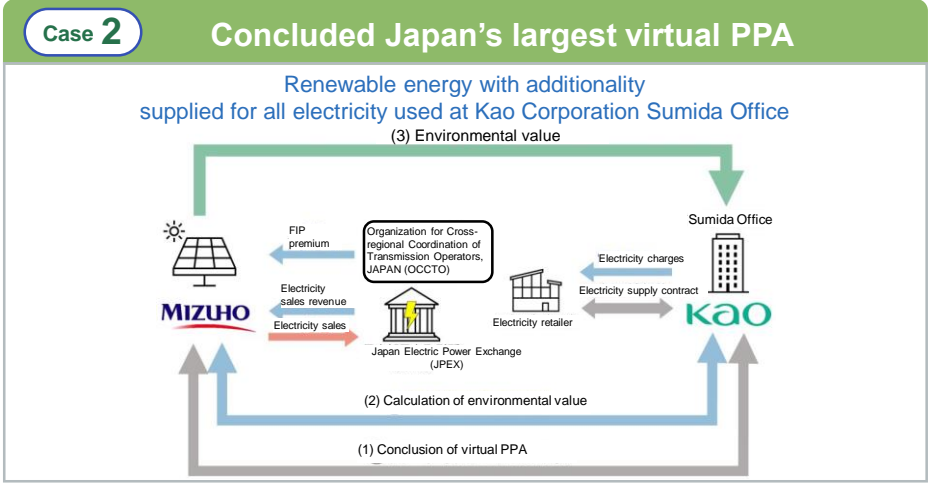
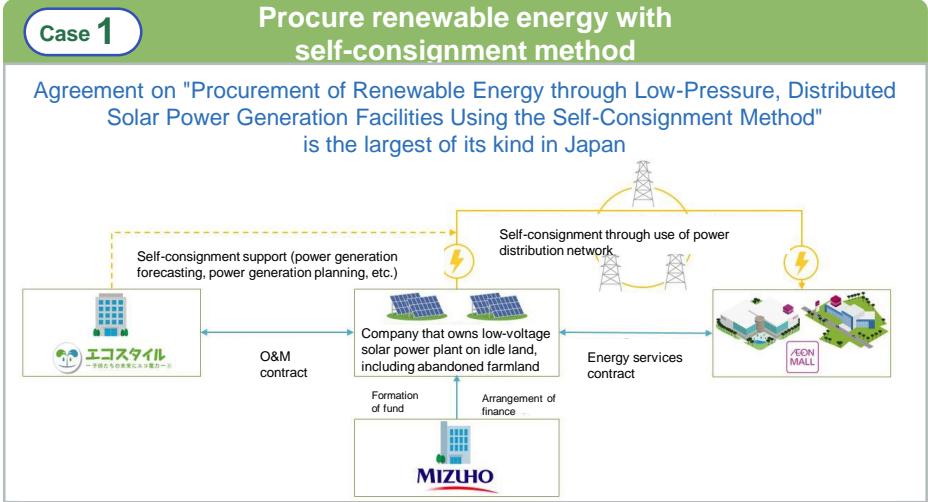
- Supply renewable energy power to users, including Mizuho clients, through corporate PPA, etc.



- Build platforms through cooperation with partner and supply renewable energy power to all stages in product life cycle



- Promote a grid-scale battery-related business for stable and regulated power supply





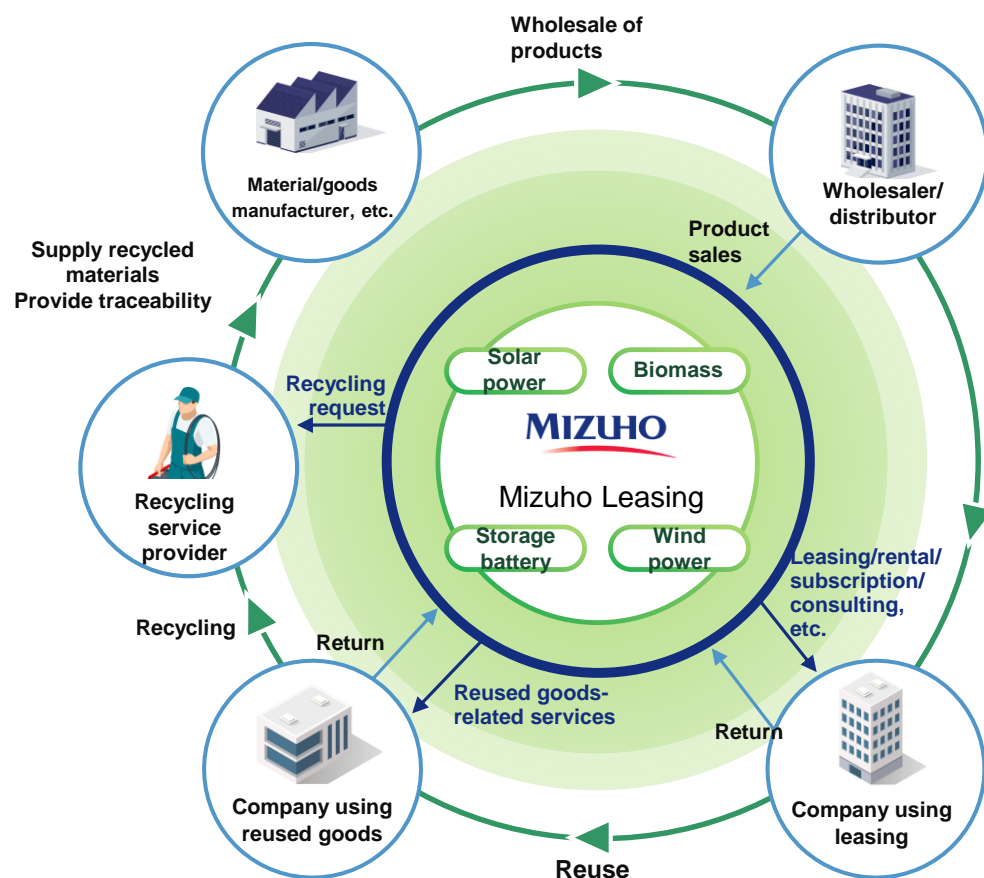
**Build a business platform through collaboration with partners**  
 As a circular society platform company, we will provide integrated solutions, such as the circular economy and decarbonization, that help to address social challenges

## Building a circular economy platform

Improve transparency in each stage of product life cycle

Build a platform that promotes optimized resource use

Supply renewable energy to all stages of the product life cycle



### Circular economy platform

Our Company Aims for

- Procurement of recycled materials  
**Create a resource cycle that leads to:**
- Production of products
  - Appropriate use (long-term/reuse)
  - Product recycling

**Collaborate with alliance partners to implement necessary features**

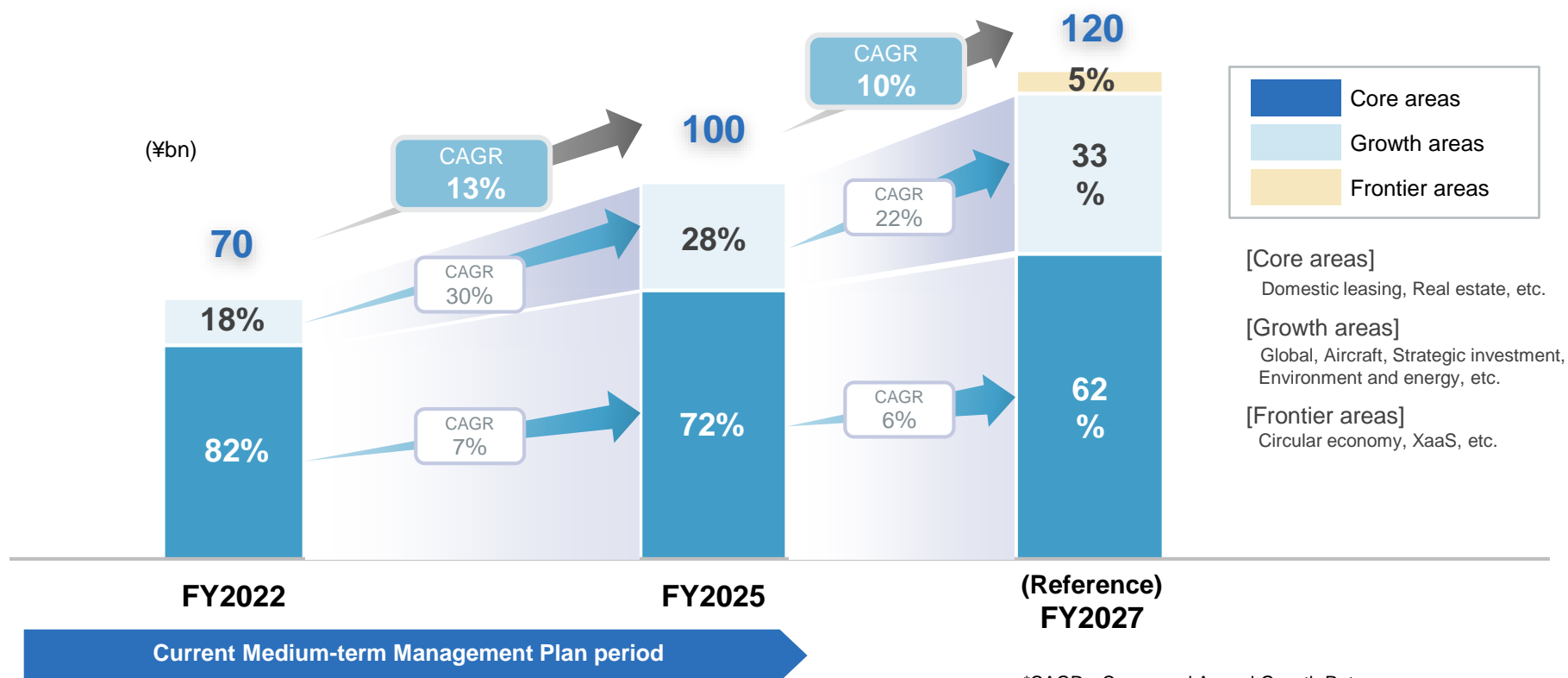
Basic Agreement	<b>Advanced recycling technology</b>
	<small>* In October 2022, we reached a basic agreement on building business scheme for a circular economy</small>

#### <Services provided through collaboration>

- Traceability
- Stable supply of recycled materials
- Product use model (subscription, etc.)

- Both core and growth areas will be drivers of growth during the current Medium-term Management Plan
  - Growth areas will grow to account for just under 30% of the portfolio in three years
  - Steady profit growth is expected in core areas, albeit at a declining rate

## Trends in gross profit + profit/loss on equity interest by business portfolio



\*CAGR : Compound Annual Growth Rate

\*Percentages indicate the composition ratio of each area to the total areas



- Target inorganic investment of ¥150 billion, with aims to expand and scale existing businesses and growth areas, as well as create new businesses

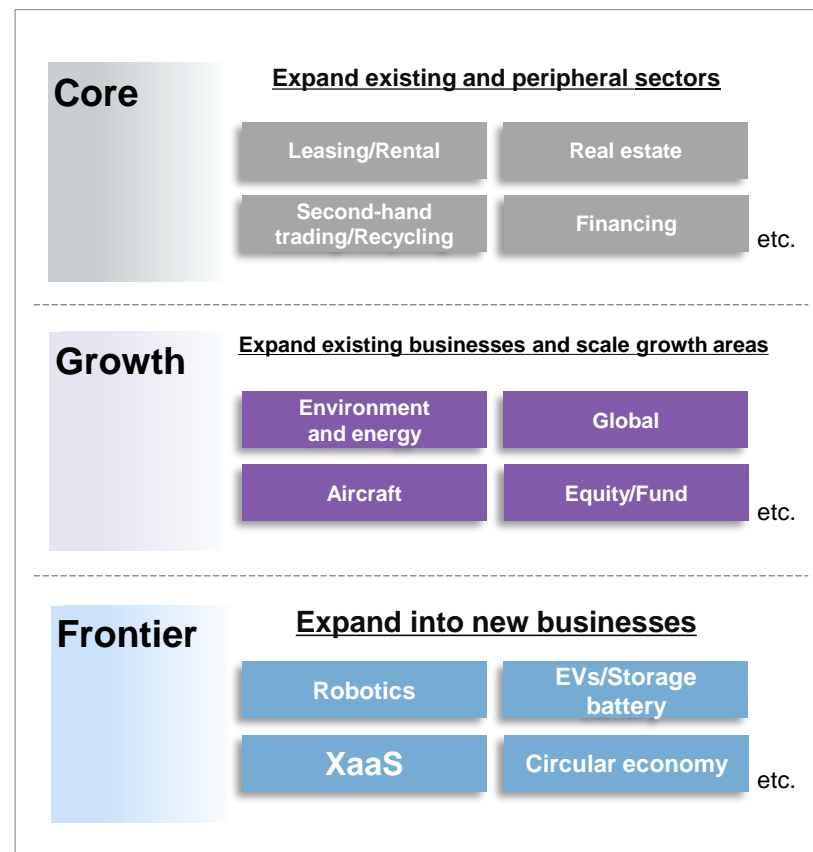
## Results of previous Medium-term Management Plan (FY2019-FY2022)

Made investments totaling more than **¥150bn** over 4 years

	Month/Year	Investee	Ownership
1	Mar 2020	<b>Aircastle</b> (United States, aircraft leasing)	25%
2	Mar 2020	<b>PLM Fleet</b> (United States, refrigerated trailers leasing)	50%
3	Apr 2020	<b>Vietnam International Leasing</b> (Vietnam, general leasing)	18.35%
4	Apr 2020	<b>RICOH LEASING</b> (General leasing)	20%
5	May 2021	<b>Mizuho Capital</b> (Venture capital)	15.01%
6	Aug 2021	<b>NIPPON STEEL KOWA REAL ESTATE</b> (Real estate)	22.24%
7	Jan 2022	<b>Affordable Car Leasing</b> (Australia, auto-finance)	50%
	Jan 2023 (Agreed)	<b>Rent Alpha</b> (India, equipment leasing)	51%

## Initiatives of current Medium-term Management Plan (FY2023-FY2025)

Make investments totaling approx. **¥150bn** over next 3 years



- As a creator of a sustainable society, using our materiality topics as a starting point, we will co-create the circular economy and contribute to realizing a sustainable society through relentless efforts and new ideas that stretch beyond the finance

## Promote sustainability management

**Contributing to a decarbonized society**

- Advance the renewable energy business by building management systems to cover power generation, transmission, storage, and use
- Enhance solutions for energy-saving and energy efficiency

Target: Secure 1 GW renewable energy power generation capacity (FY2025)

Target: Reduce CO2 emissions to zero in Scope 1 & 2 (FY2030)

**Contributing to a healthy and prosperous lifestyle**

- Provide comprehensive services such as maintenance, and data analysis, through alliances with medical device manufacturers
- Provide total solutions incorporating facilities, equipment, and devices

**Contributing to the creation of social infrastructure that supports our lifestyle**

- Focus on real estate that addresses strong social needs and properties with environmental certification
- Provide solutions for infrastructure development and widespread mobility adoption

## Resolve social issues and create unique businesses

**Leading toward a circular economy**

- Build a circular economy platform through collaboration with partners
- Provide solutions that maximize the use value of goods, such as subscription and sharing

Target: Chemical/material resources recycling rate: 85% or more (FY2027)

**Creating new value through technology**

- Provide big data/AI-based platforms
- Create new businesses through investment in startups

Target: Develop digital IT personnel: 200 or more (FY2025)

**Creating a society and workplace where everyone can thrive**

- Secure and retain diverse workforce through mid-career hiring and supporting careers of women
- Respect human and individual rights, accommodate diverse work styles

Target: Expand business professional workforce: +80 or more (FY2025)

Target: Investment amount for developing work force: At least 3x FY2022 (FY2025)

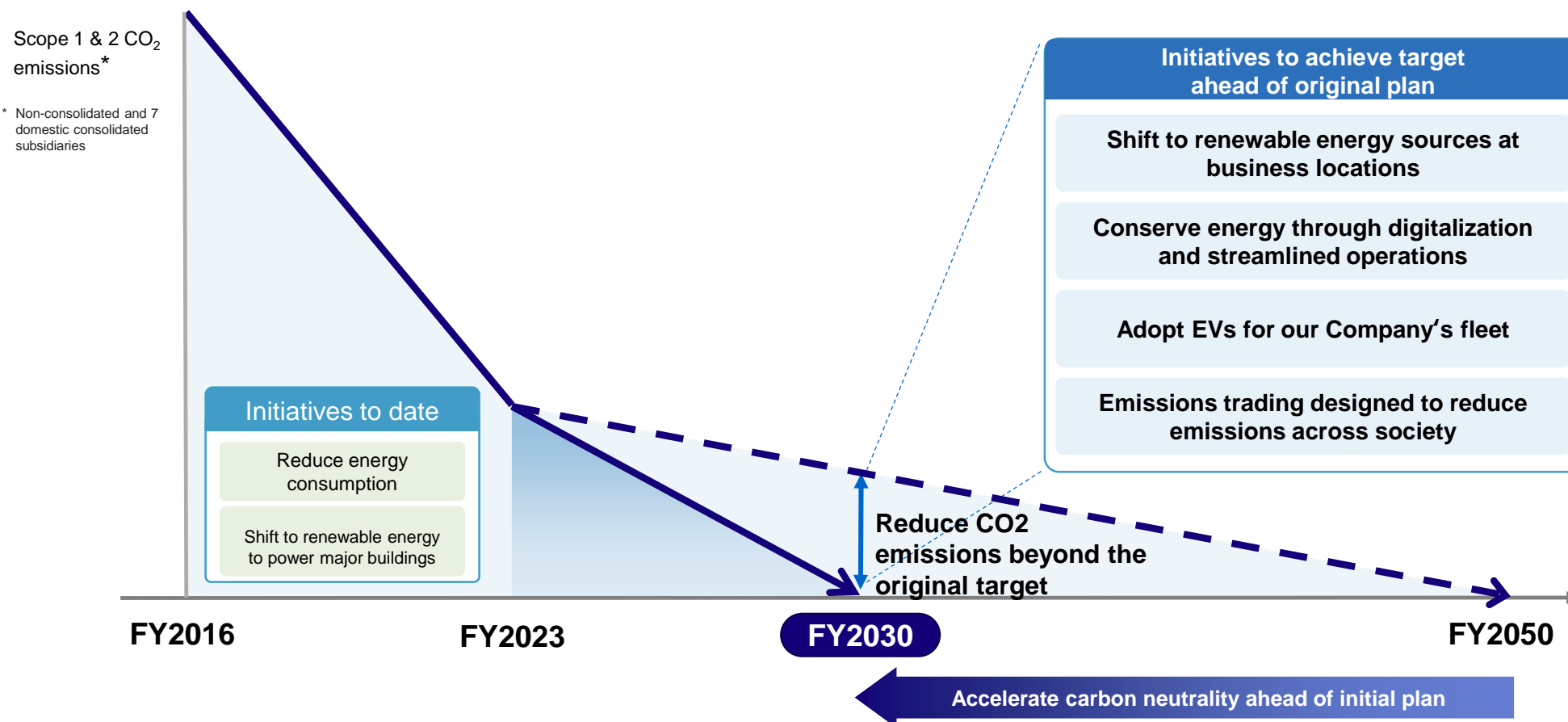
Target: Ratio of paid annual leave taken: 80% or more (FY2025)

Target: Management positions filled by women: 15% (FY2025)

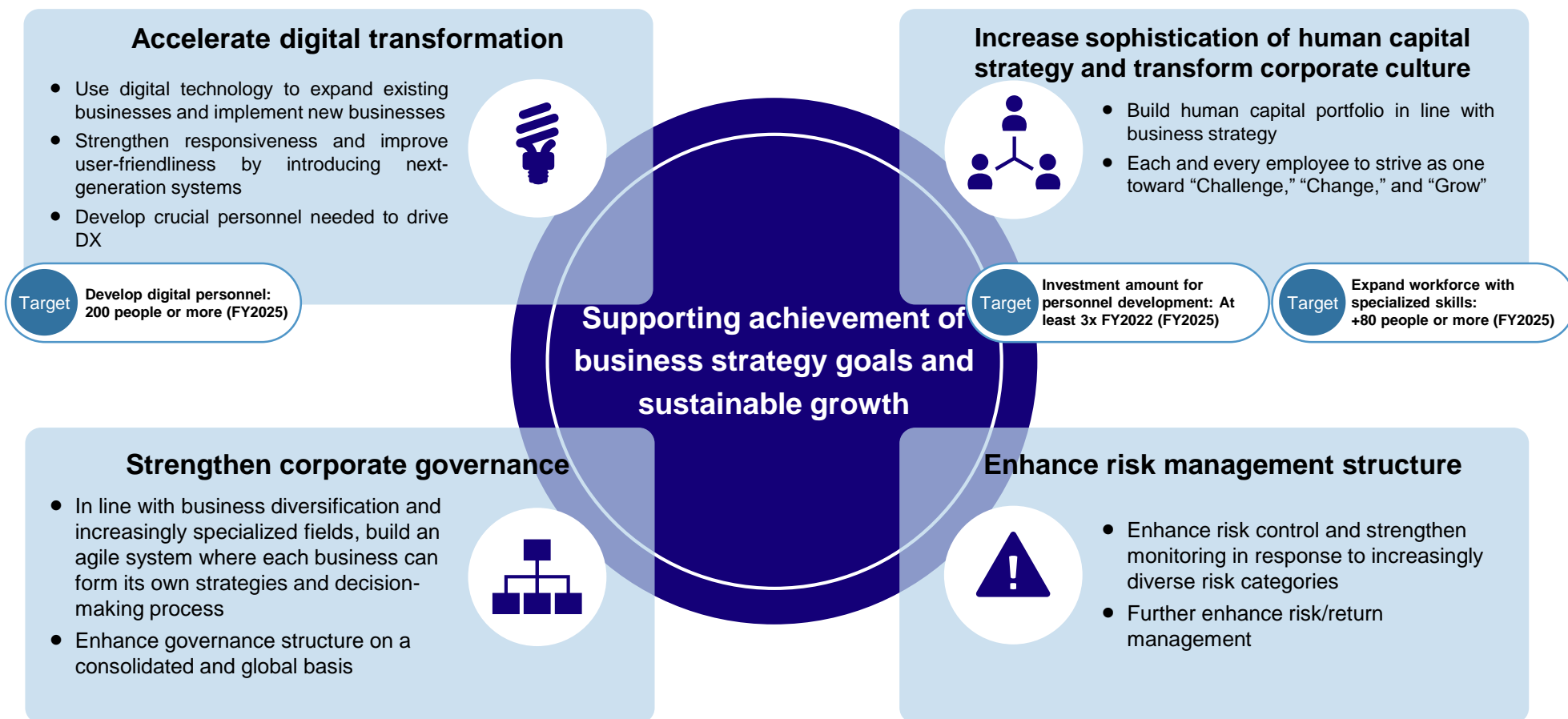
Target: Ratio of childcare leave taken by male employees 100% (every year)

- Aim to realize carbon neutrality in FY2030 by accelerating Scope 1 & 2 CO<sub>2</sub> emission reduction targets

## For Early Realization of Carbon Neutrality



- Proactively invest managerial resources to strengthen and enhance the organizational systems necessary to co-create value with our customers and make great strides toward realizing our ambitions



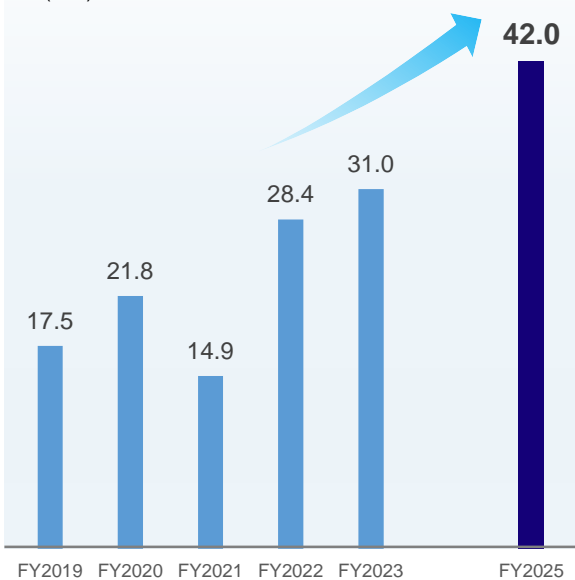
# Management Targets and Shareholder Return Policy

## Net income

FY2025  
¥42bn

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

(¥bn)



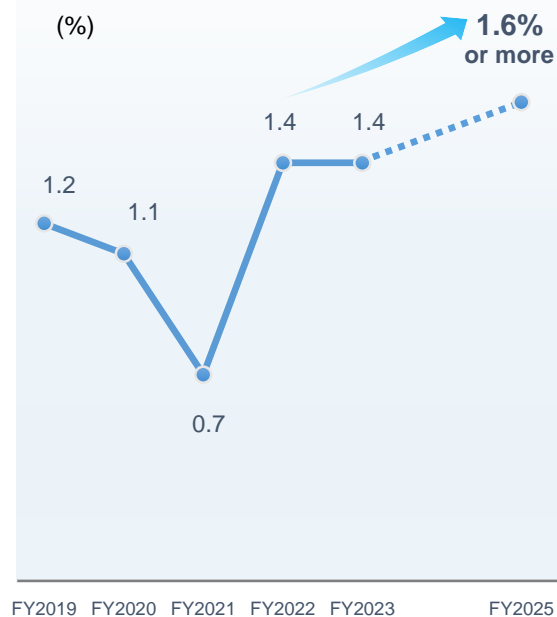
## ROA\*

FY2025  
1.6%

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

\*ROA: Ordinary income/Total assets

(%)

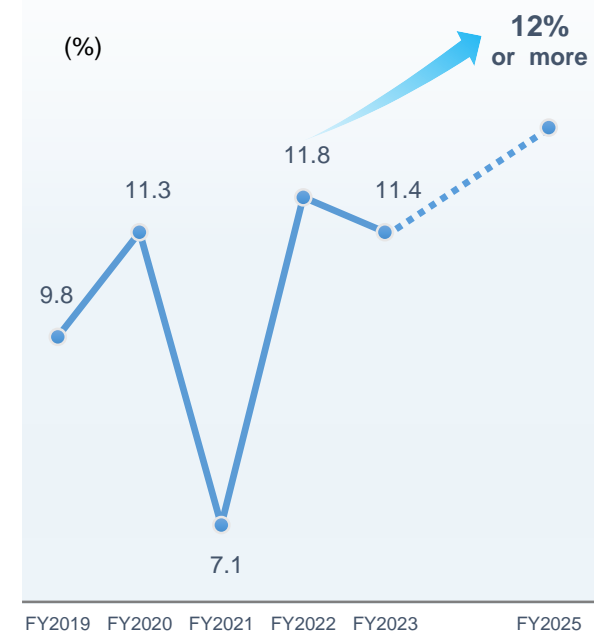


## ROE

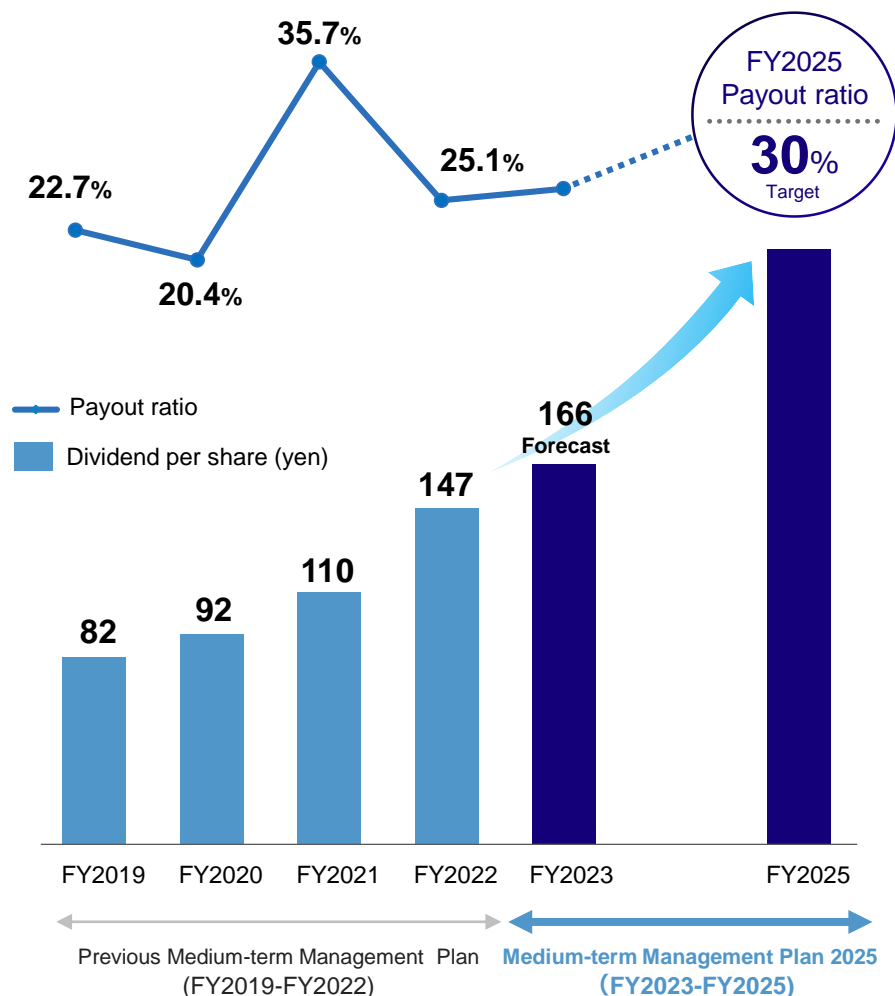
FY2025  
12%

Aim for further increases through profit growth

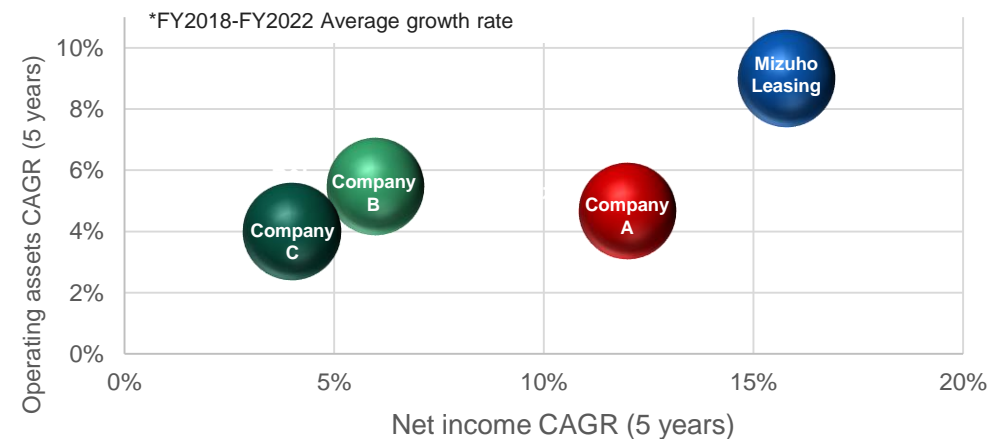
(%)



- Our growth ratios in operating assets and net income outperforms industry competitors
- Our Company's basic policy for shareholder return is to pay dividends commensurate with performance while improving profitability. Under this policy, in addition to gradually increasing the payout ratio to 30% during the current Plan, we will make effective use of retained earnings to strengthen business foundations and invest for growth, enhancing shareholder returns through profit growth.



Reference: Operating assets and net income 5-year average growth rate\*



Reference: Growth in dividend per share\*



- We have set targets in three categories, with a focus on contributing to solving pressing social issues, such as a decarbonized society and circular economy, and strengthening our workforce, especially increasing human capital

<b>Carbon Neutral</b> Realizing a decarbonized society 	Secure renewable power generation capacity	<b>1 GW (FY2025)</b>
	Reduce CO <sub>2</sub> emissions* in Scope 1 & 2* <small>* Non-consolidated and 7 domestic consolidated subsidiaries</small>	<b>Zero emissions (FY2030)</b>
<b>Circular Economy</b> Realizing the circular economy 	Chemical/material resource recycling rate	<b>85% or more (FY2027)</b>
<b>Human Capital</b> Human capital management as a cornerstone 	Hire more specialized business professionals	<b>+80 people or more (FY2025)</b>
	Investment amount for developing personnel	<b>3x or more (FY2025; compared with FY2022)</b>
	Develop digital IT personnel	<b>200 people or more (FY2025)</b>
	Ratio of paid annual leave taken	<b>80% or more (FY2025)</b>
	Management positions filled by women	<b>15% (FY2025)</b>
	Ratio of childcare leave taken by male employees	<b>100% (Every year)</b>





## Contact

Mizuho Leasing Company, Limited

Corporate Communications Department

TEL : +81-3-5253-6540

FAX : +81-3-5253-6539

This document contains forecasts and other forward-looking statements that are based on information available at the time of preparation of this document and subject to certain risks and uncertainties, and is not intended to guarantee that the company would achieve them.

Actual business results may differ materially from those expressed or implied by such forward-looking statements due to various factors.