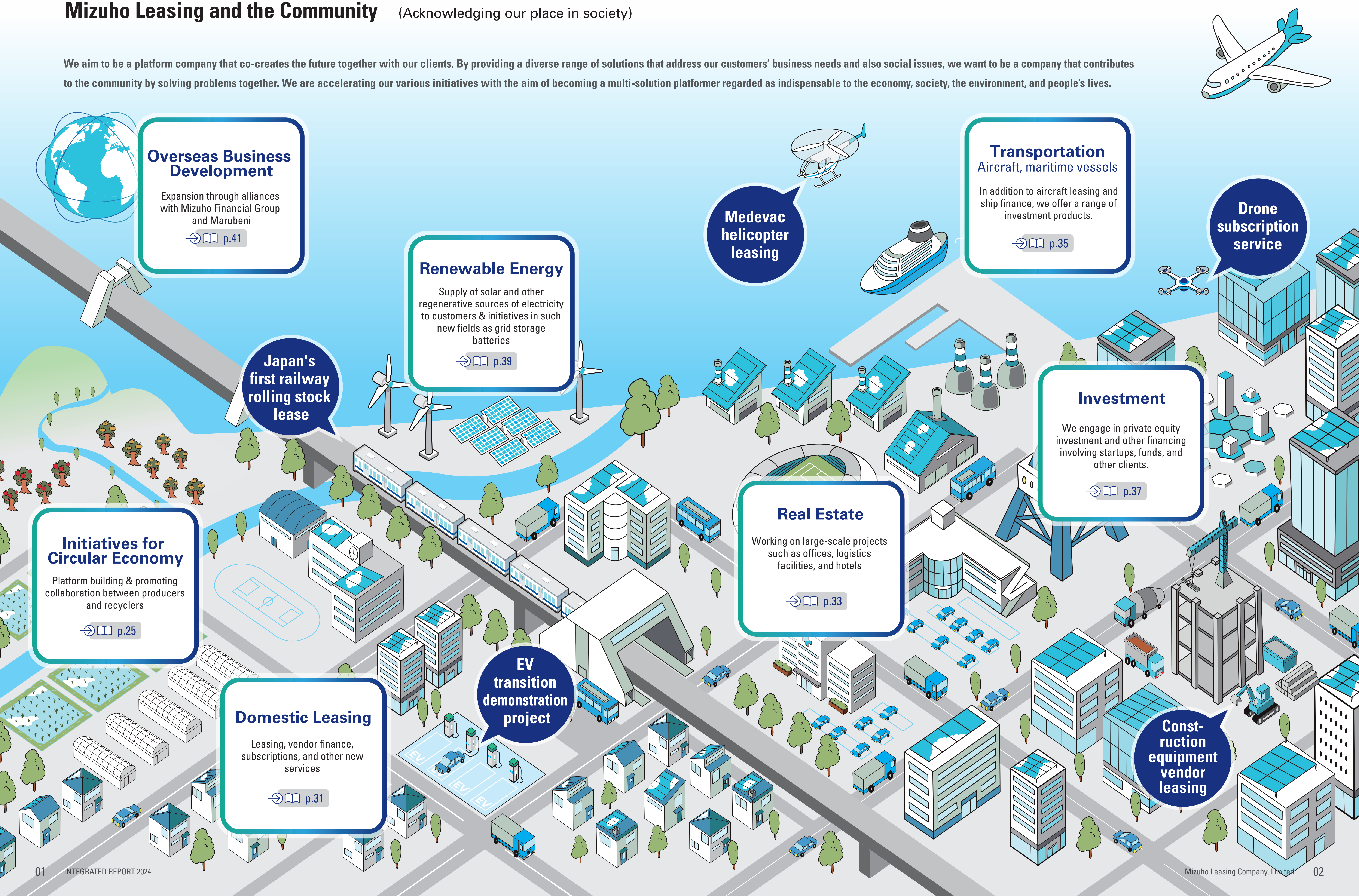
Innovating today. Transforming tomorrow.

Mizuho Leasing Company, Limited

Integrated Report 2024

Mizuho Leasing and the Community (Acknowledging our place in society)

We aim to be a platform company that co-creates the future together with our clients. By providing a diverse range of solutions that address our customers' business needs and also social issues, we want to be a company that contributes to the community by solving problems together. We are accelerating our various initiatives with the aim of becoming a multi-solution platformer regarded as indispensable to the economy, society, the environment, and people's lives.



Management Ideals

Connect Needs to Create the Future

— The Mizuho Leasing Mission —

We want to create a society that can be passed on to future generations, where stable economic growth is achieved, the global environment is protected, resources are optimized, and human rights and ethics are respected.

To create such a society, we continuously challenge ourselves to innovate and create while working hand-in-hand with our stakeholders.

We also aspire to be a company that benefits the community by meeting and integrating the requirements of customers and society while being ready to address yet unidentified needs.

This is the kind of company we strive to be.

— Management Ideals —

Connect needs to create the future

Propose new value by identifying and connecting the diverse needs of society. Co-create an abundant future providing various financial and business solutions.

Be a creator of a sustainable world

Become creators of a sustainable world through enjoying our mission.

Challenge Change Create ╳ Collaborate

Through collaboration, we will take on challenges, enact change and accelerate creation.

Mission

Alongside the financial services that are our group's strength, we work with our partners to offer new solutions that go beyond finance, applying new methods to unearth connections among the various needs of the community, and address these needs to create a better future.

Vision

As an organization that fulfills its role in society by creating commercial value and contributing to a sustainable society, we endeavor to forever be a company where every employee can work with pride.

Values

By intermeshing the concepts "Challenge", "Change", "Create" and "Collaborate", we will ignite a powerful creative reaction among the varied collaborative stakeholders within the company and without.

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Management Message

Management Commitment

Through alliances with such partners as the Mizuho Group and the Marubeni Group, we are evolving into a “multi-solution platformer” that transcends the boundaries of finance.

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Business Strategy

Feature 1 Transcending the boundaries of leasing

Circular Economy Words to encourage realization

The significance of employee enthusiasm to achieve a circular economy and of taking a systematic approach

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Employees’ Roundtable Discussion

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Supervising the company’s operations from an external perspective to ensure sustainable growth

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Editorial comments

To help stakeholders better understand the Mizuho Leasing Group’s business activities, this report includes financial and non-financial information, the latter covering management strategies, as well as our stance toward the environment, society, governance, and other topics. In preparing this report, we have referenced such guidelines such as the Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC), and have endeavored to provide a clear and concise explanation of the Group’s medium-to-long-term efforts to create value.

Period covered by the report

From April 2023 to March 2024 (Some activities will be discussed that extend outside this period.)

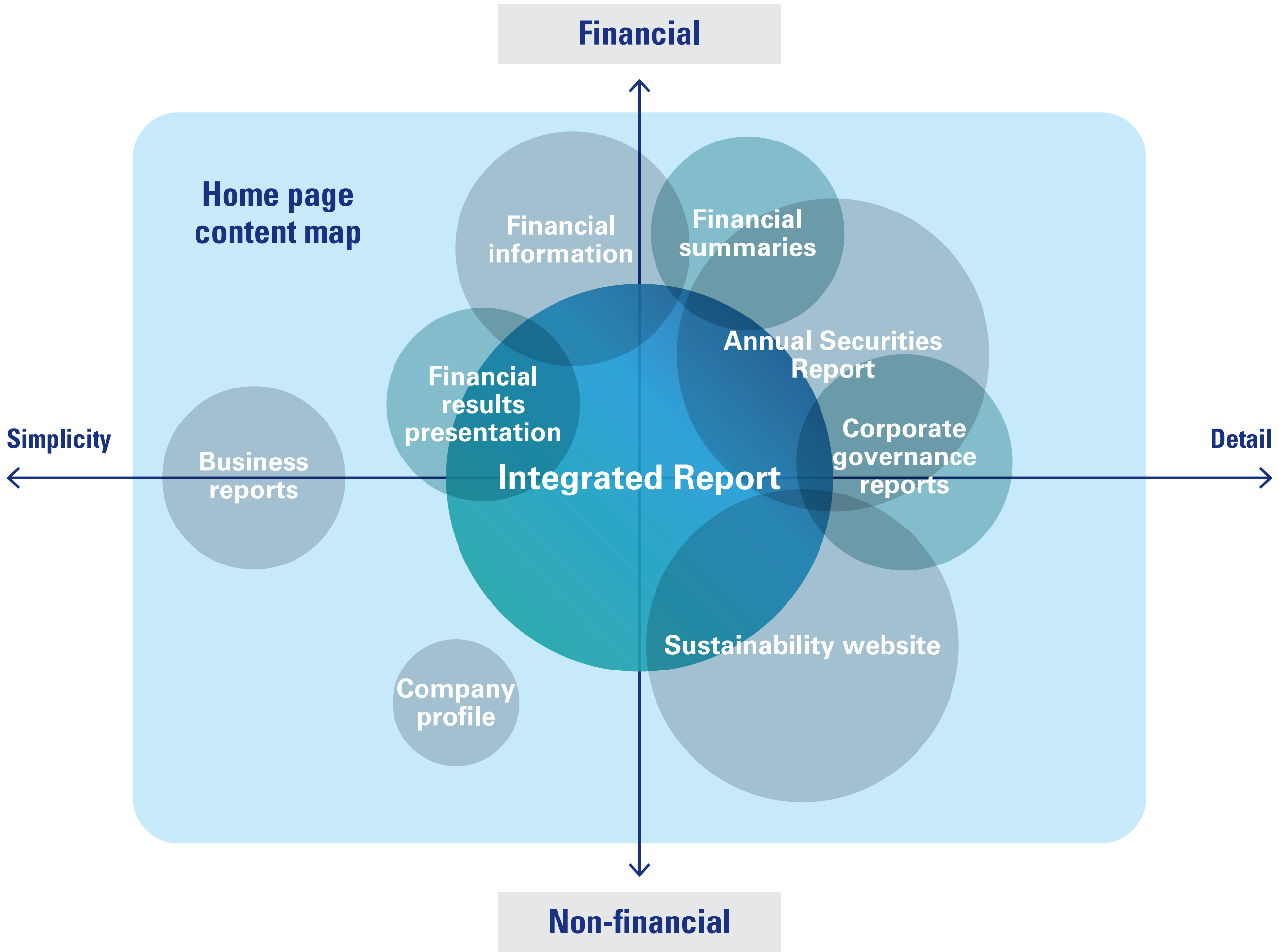
Scope of the report

This applies to the entire Mizuho Leasing Group.

Notes on forecasts

This report contains statements regarding management policies and future performance based on information available at the time of writing. These statements are subject to a certain degree of risk and uncertainty, and are not intended to guarantee their achievement. Please note that actual results may differ significantly from these statements depending on various factors.

Websites relevant to our 2024 Integrated Report



Sustainability

https://www.mizuho-ls.co.jp/en/sustainability.html

Main content elements

- Sustainability of Mizuho Leasing Group
- Message from the Chief Sustainability Officer
- Sustainability Initiatives
- Utilization of Sustainable Finance
- Relationship with the Environment and Society
- Society Relations
- Employee Relations

IR

https://www.mizuho-ls.co.jp/en/ir.html

Main content elements

- Top Message
- Finance / Performance / Rating
- Shareholder / Stock
- Disclosure and IR Policy
- IR Library

Service

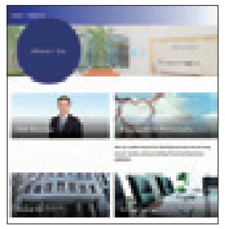
https://www.mizuho-ls.co.jp/en/service.html

Main content elements

- The Services We Provide to Our Client Businesses
- Subscription
- Business Partnership / Joint Investment
- Startup Collaboration
- Solutions through Group Companies
- Focus field

About Us

https://www.mizuho-ls.co.jp/en/company.html



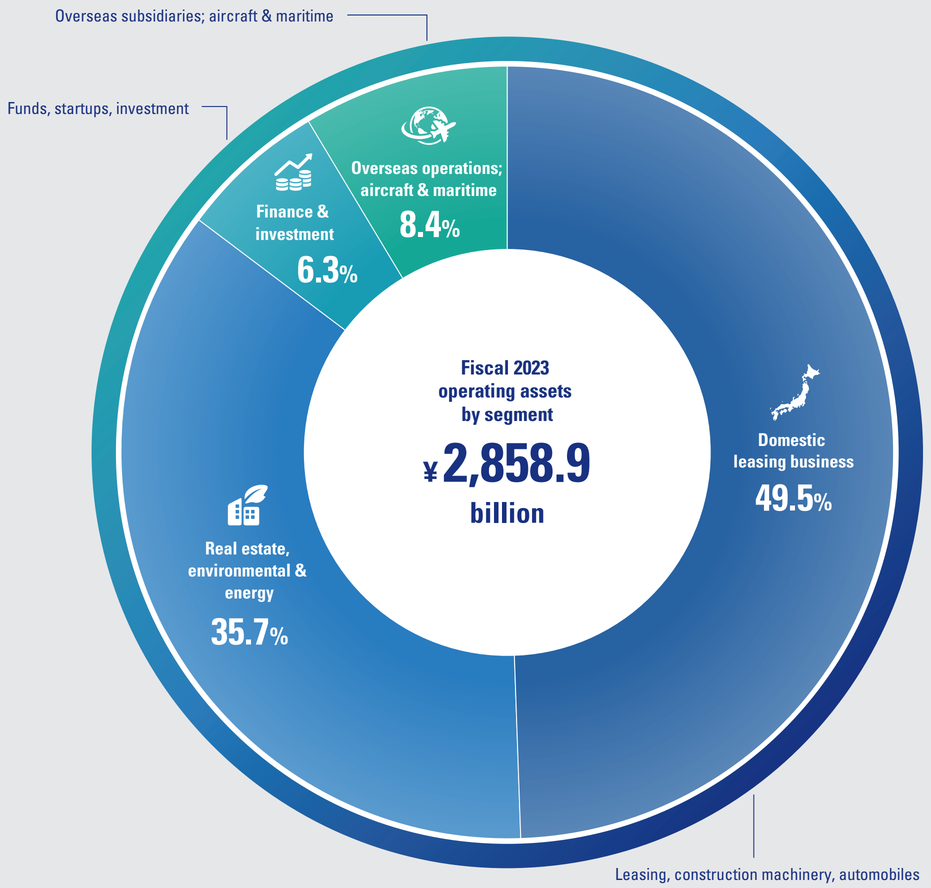
Main content elements

- CEO Message
- Management Philosophy
- About Us
- Governance
- Corporate Information
- Corporate History

Mizuho Leasing Group Business Portfolio

The Mizuho Leasing Group, centered on its agile domestic leasing operations, actively and flexibly develops businesses related to physical goods.
By applying our distinctive expertise in physical goods and commercial distribution and providing well-tailored solutions that meet customer needs, we continue to build a multilayered business portfolio in our core, growth, and frontier segments.

Segment breakdown



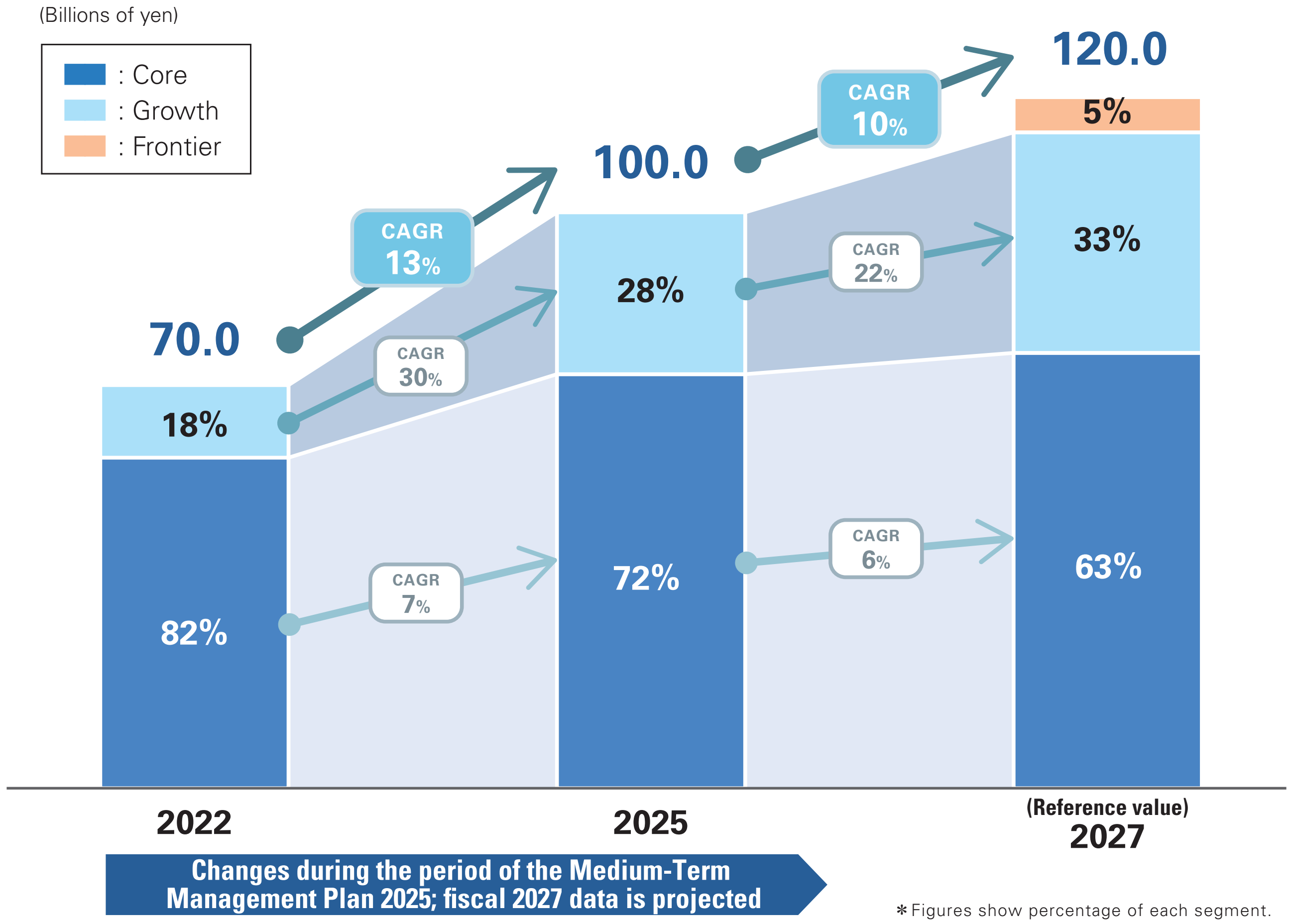
Main business activities

Business area	Summary of operations	Relevant headquarters
Domestic leasing, construction equipment, auto	We provide varied solutions, including financial leases that can be used for capital procurement and cost leveling and operating leases that can reduce total payments, to customers ranging from major domestic companies to small and midsize enterprises.	Business Promotion p.31
Real estate, environment, and energy	Our real estate, environmental, and energy businesses provide a variety of services in their functional areas. Our real estate leasing business offers financial services that support property transactions, including leasing models geared toward cases where direct acquisition is difficult. Our environmental and energy business utilizes our financial resources and business network to engage in the development of renewable energy projects, providing financial and operational solutions specific to the renewable energy business.	Real Estate, p.33 Circular Society Platform p.39
Finance and investment business funding, start-ups support	Via our financing business, we support startups in such areas as the funding of capital investment. Moreover, we collaborate with Mizuho Capital, the Mizuho Group's venture capital arm, to provide new enterprises with other financing options. We also provide financial services related to business succession and M&A.	Investment p.37
Overseas & Aviation Offshore subsidiaries; aircraft & ships	We offer cross-border financial services that link Japan with other markets, facilitate leasing among local subsidiaries, and support companies' establishment of overseas operations and later-stage sales growth. Since commencing aircraft finance in 1982, our aircraft business has been developing a range of aviation-related businesses, such as aircraft-backed loans and Japanese-style operating leases.	Global, p.41 Transportation p.35

Business Portfolio Management in Core, Growth, and Frontier Segments

■ The core and growth segments will drive the company's expansion during the period of our current medium-term management plan.
–The growth segment has expanded to account for nearly 30% of our portfolio revenue over the three-year period.
–Although the core segment's contribution will proportionally decline, steady profit growth is expected.

Projected gross profit and equity-method earnings trends by portfolio segment



*Figures show percentage of each segment.

Core	**Supports innovation and vigorous undertaking of challenges and provides a firm revenue base.** Businesses in this segment actively accumulate high-quality assets in mature markets and areas where we have a significant presence. This segment is expected to achieve continuous growth even amid shrinking markets.	Domestic leasing, real estate
Growth	**Growth businesses are slated to expand further over the medium to long term and become key revenue drivers alongside our core segment.** We actively invest management resources in this segment in pursuit of medium-to-long-term growth, with some results be seen during the term of the current medium-term plan.	Global / aircraft strategic investment / environment & energy
Frontier	**This segment comprises new businesses that we are developing over the long term as supplemental revenue sources that will also help us to achieve our nonfinancial goals.** As endeavors that are expected to create new markets and achieve rapid takeoff on the way to building out our business foundation, these businesses are the target of accelerated investment of management resources.	Circular economy, XaaS

Trajectory of the Mizuho Leasing Group

The Mizuho Leasing Group adds value by anticipating societal changes and flexibly developing businesses that meet the demands of the moment.
Our aim remains to be a multi-solution platformer that contributes to business progress as we partner with our customers to address their needs and engage in value co-creation that transcends the boundaries of finance.

Fiscal year ended March 2024

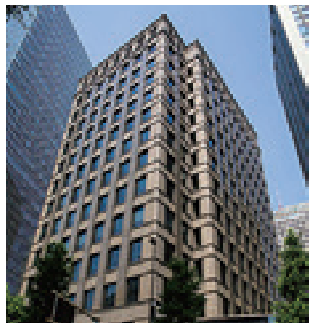
Revenues ¥656.1billion

Ordinary income ¥50.9billion

Net income ¥35.2billion

ROE 12.3%

Number of employees (consolidated) 2,176



December 1969
Establishes Pacific Lease Co., Ltd., as a general leasing company.

Formed as a general leasing company with the participation of 16 companies, including major Japanese industrial and life insurance companies, with the Industrial Bank of Japan (now Mizuho Bank) playing a central role.

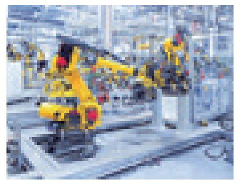
Project pioneered by Mizuho Leasing

Since our founding, our strength in financial solutions supporting capital investment has helped us build a strong track record in such areas as factory equipment leasing and structured finance. In the early days of Japan's leasing industry, Mizuho Leasing was among the first to offer leasing for ships and railway rolling stock. We also pioneered vendor financing programs for construction equipment and have consistently taken the lead in supporting customers' capital investment and sales promotion strategies.

January 1972
Begins vendor leasing of construction machinery

December 1972
Begins ship leasing overseas

October 1985
Undertakes Japan's railway rolling stock leasing



November 1998
Commences full-scale structured finance operations

November 1981
Changes trading name to IBJ Leasing Co., Ltd.

December 1982
Begins offering leveraged leases for aircraft

February 1992
Acquires equity stake in Krungthai Mizuho Leasing Co., Ltd., of Thailand

July 1993
Undertakes securitization of lease receivables via a trust scheme

April 1998
Establishes IBJ Auto Lease Co., Ltd.

November 1998
Launches full-fledged structured finance business

February 1999
Acquires shares of Nissan Leasing Co., Ltd.

June 2000
Acquires shares of Mizuho Auto Leasing Co., Ltd.

June 2001
Acquires shares of Universal Leasing Co., Ltd.

September 2005
Listed on First Section of the Tokyo Stock Exchange

March 2006
Acquires shares of Daiichi Leasing Co., Ltd.

August 2010
Establishes Indonesian subsidiary, PT. IBJ VERENA FINANCE

February 2012
Acquires shares of Mizuho-Toshiba Leasing Co., Ltd.

February 2016
Establishment of IBJ Air Leasing, Limited, with Aircastle Limited marks entry into aircraft operating lease business

February 2016
Becomes an equity-method affiliate of Mizuho Financial Group, Inc.

March 2019
Acquires shares in Mizuho Marubeni Leasing Corporation

July 2019
Merges Indonesian auto finance JV PT. IBJ VERENA FINANCE with PT. VERENA MULTI FINANCE Tbk, the latter being the surviving company.

March 2020
Acquires equity interests in PLM Fleet, LLC, and Aircastle Limited, thus launching joint overseas asset finance operations with Marubeni Corporation

April 2020
Acquires shares in Ricoh Leasing Co., Ltd., commencing a business alliance with Ricoh Leasing and its parent, Ricoh Co., Ltd.

April 2020
Acquires equity stake in Vietnamese finance leasing company Vietnam International Leasing Co., Ltd.

March 2021
Singapore subsidiary Mizuho Leasing (Singapore) Pte. Ltd. (100% owned) starts operation

May 2021
Acquires shares of Mizuho Capital Co., Ltd.

August 2021
Increases stake in Nippon Steel Kowa Real Estate Co., Ltd.

January 2022
Acquires shares in Affordable Car Leasing Pty, Ltd.

April 2022
Designated as a Tokyo Stock Exchange Prime Market issue

June 2023
Acquires shares of Indian leasing company Rent Alpha Pvt. Ltd.

October 2023
Issuer rating obtained from Japan Credit Rating Agency, Ltd. (JCR) is changed to AA-

January 2024
Issuer rating obtained from Rating and Investment Information, Inc. (R&I) is changed to AA-

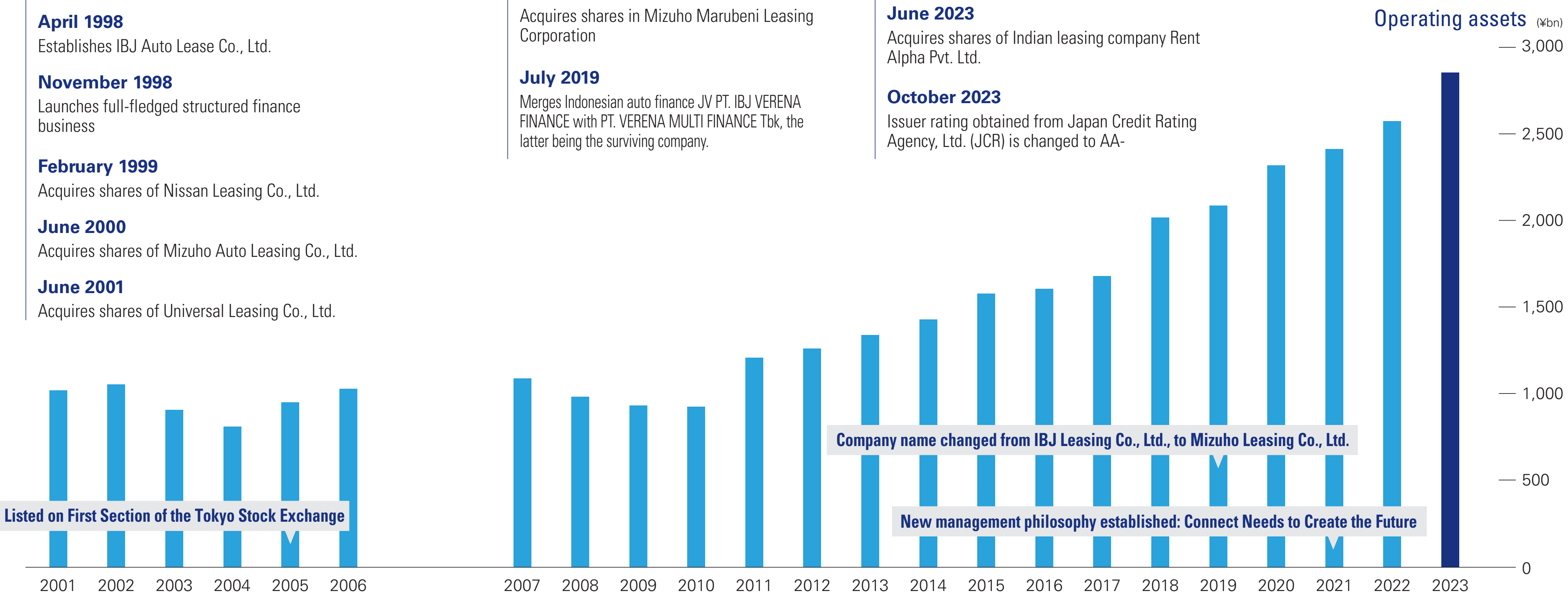
February 2024
Establishes Miraiz Capital Co., Ltd.

April 2024
ML Power Co., Ltd., begins operation

April 2024
Forms capital and business alliance with Gecoss Corporation

May 2024
Forms capital and business alliance with Marubeni Corporation

August 2024
Acquires additional shares in Indian leasing company Rent Alpha Pvt. Ltd.



1969 Initial founding

Strengthening alliances 2019 onward
Capital and business alliances with Mizuho Financial Group, Inc., (2019) and Marubeni Corporation (2024)

Mizuho Leasing Group's Business Activities and Strengths

Our company provides a wide range of financial and business services using our expertise in physical goods, our deep understanding of commercial distribution, and our advanced financial know-how.
Amid intensifying expectations on our group to accurately grasp the changing requirements of our customers as they respond to such social issues as technological evolution and climate change and decarbonization, we stand ready to provide effective solutions.
We have formulated our new Medium-term Management Plan 2025 to gauge the prevailing circumstances and realize our vision of sustainable growth for our group as we take our next big step.
We aim to make a major leap forward from leasing to become a platform company that co-creates the future with our customers. We intend to achieve this by developing new business strategies that mesh with customers' increasingly sophisticated business models, pursuing initiatives in the Group's key focus areas, and harmonizing our strategic directive through collaboration with alliance partners.

Connect Needs to Create the Future

Becoming a platform company that co-creates the future with customers

Alliances
Collaborative strategy initiatives

MIZUHO
Mizuho Leasing

Knowledge surrounding physical goods and deep understanding of commercial distribution
Wide-ranging services that leverage the Group's potential

Strength in solutions business
New businesses—including collaboration with startups—that align with customers' increasingly sophisticated business models

Business opportunities that leverage our strengths

- Responding in game-changing fields
  Business investment, provision of risk money, etc.
- Response to the deepening of technology
  Subscriptions, asset-sharing businesses, etc.
- Improving social conditions
  Circular economy, renewable energy, etc.

Co-creating new businesses

Strengthening the four pillars of our management foundation
Supporting the execution of business strategies and sustainable growth

- Hastening digital transformation
- Improving the sophistication of HR strategy, revolutionizing corporate culture
- Strengthening governance
- Enhancing our risk management posture

Six Materiality Themes
p.44-46

- Contributing to a decarbonized society
- Contributing to a healthy and prosperous lifestyle
- Contributing to the creation of social Infrastructure that supports our lifestyle
- CIRCULAR ECONOMY — Leading toward a circular economy
- Creating new value through technology
- Creating a society and workplace where everyone can thrive

Service provision policy

For our group, helping customers devise business strategies that enable them to respond to rapid social change is the most important theme and the focus of our energy. As an answer to the increasingly sophisticated, diverse, and complex financial requirements of our clients, we offer financial services that leverage the high degree of freedom available to us as a leasing company. These we combine with a range of other services that take advantage of our group's latent strengths to create new solutions and serve as a strategic business partner as we blaze a new trail of growth together.

Mizuho Leasing Group's Value Creation Process

Evolving external environment
- Japanese companies declining global competitiveness
- Technological advances
- Response to climate change
- Uncertain political and economic trends

Co-creating a recycling-oriented society and realizing sustainability

Resolving business and social challenges as a multi-solution platformer

INPUT

Intellectual capital
Expertise and extensive know-how in physical goods, distribution channels, and finance
- High-value-added services
- Ability to provide solutions that solve customers' problems

Human capital
Staff possessing advanced expertise who are sincerely committed to addressing issues
- Recruitment of accomplished specialists
  Number of employees (consolidated) 2,176
  (non-consolidated) 811

Social capital
Partnerships for co-creation
- Customer base concentrated among large and midsize companies
- Broad network
  Subsidiaries: 207 (161 domestic, 46 overseas)
  Affiliates: 15 (6 domestic, 9 overseas)

Financial capital
A solid funding base that fuels value creation
- Shareholding stake (percentage of total shares issued, as of end-June)
  Mizuho Financial Group: 23.50%
  Marubeni Corporation: 20.00%
- Stable financial base
  Net assets: ¥329.8 billion
- External credit rating (long-term): R&I: AA-, JCR: AA-

Manufacturing capital
Source of profit

Total operating assets:	¥2,858.9 billion
Domestic leasing:	¥1,416.3 billion
Finance and investment:	¥181.4 billion
Real estate, environmental & energy:	¥1,020.3 billion
Overseas and aircraft business:	¥240.9 billion

Natural capital
Efficient use of resources
- Renewable energy generation capacity 590MW
  Solar, wind, biomass, and hydroelectric power plants; grid-connected storage facilities

Management Strategy and Business Activities

New ideas and initiatives that go beyond finance
Adding value for customers through diverse solutions that meet business and financial strategy needs

Finance | Services | Business investment and management | Digital strategy

Transforming and enhancing business portfolio management
Improving social conditions and enhancing market value with diverse products and assets

Developmental business segments

Core	Growth	Frontier
Profitable businesses that underpin the company	Revenue driver second only to the core segment	Business specializations that lead to our desired state
Domestic leasing	Global	Circular economy
Real estate	Aircraft	XaaS
⋮	Strategic investment	⋮
	Environment and energy	
	⋮	

Collaboration with alliance partners
p.29-30

MIZUHO
- Largest domestic customer base

Marubeni
- Global network
- Strength in HR, business development

RICOH, TOSHIBA, NIPPON STEEL KOWA, GECOSS CORPORATION, TRE HOLDINGS

Strengthening the management base
- Fortifying governance p.73-77
- Enhancing risk management systems p.82-84
- Increasing the sophistication of HR strategies and transforming corporate culture p.51-62

Promoting sustainability management
- Contributing to a decarbonized society
- Contributing to a healthy and prosperous lifestyle
- Contributing to the creation of social Infrastructure that supports our lifestyle
- Leading toward a circular economy
- Creating new value through technology
- Creating a society and workplace where everyone can thrive

Management Philosophy Connect Needs to Create the Future p.03-04

OUTPUT

Activities of the 6 Headquarters
p.31-42

Business Promotion
- Qualitative shift to high-profit assets through collaboration within the Mizuho Group
- Growth in vendor, subscription, and business succession results

Real Estate
- Increase in large-scale bridge solutions and hotel deals
- Acquisition of properties for proprietary development and medium-to-long-term holding period

Transportation
- Further capital stake in Aircastle
- Development and sale of JOL-related products

Investment
- Accumulation of high-quality assets and new investment products, such as CLOs
- Startup investment via CVC funds

Circular Society Platform
- Establishment of renewable energy company ML Power
- Entry into such new business formats as virtual PPAs and grid storage batteries

Global
- Consolidating Rent Alpha and investing additional capital

OUTCOME

Enhanced social value
- Supplying renewable energy
- Building a platform for a highly recycling-centric society

Improved shareholder value
- Projecting improved earnings and distributing dividends in line with business performance
- Effectively employing internal reserves to strengthen our business foundation and invest in growth

Increasingly valued human capital
- Creating a healthy and rewarding workplace
- Autonomous, self-directed action

Medium-term Management Plan 2025 objectives

Financial targets

Net income:	ROA:	ROE:
42 billion yen	1.6 % or more	12 % or more

Nonfinancial targets

Secure renewable power generation capacity	1GW
Reduce CO_2 emissions* in Scope 1 & 2*	Zero
Chemical/material resource recycling rate	85% or more (FY2027)
Hire more specialized business professionals	+80 or more
Investment amount for developing personnel	3x or more (compared to FY2022)
Develop digital IT personnel	200 heads or more (achieved)
Management positions filled by women	15%
Ratio of paid annual leave taken	80 or more
Ratio of childcare leave taken by male employees	100% (each year)

*Non-consolidated and 7 domestic consolidated subsidiaries(FY2027)

President's Commitment

Through alliances with partners such as the broader Mizuho Group and the Marubeni Group, we will evolve into a "multi-solution platform" that pushes the boundaries of finance.

President and CEO
Akira Nakamura

Looking back on fiscal 2023

Reflecting on the business environment over the past year, please tell us about the initiatives in various business segments and factors behind the company's positive financial results.

Taking inspiration from our management precept, "Connecting Needs to Create the Future," we have formulated our "Medium-term Management Plan 2025," which covers the three-year period from fiscal 2023 through fiscal 2025. Accordingly, we are working to restructure our business portfolio and enhance our management platform to support ongoing transformative progress.

In fiscal 2023, we focused on providing varied solutions across our portfolio of business ventures. In addition to expanding our core earnings base by accumulating operating assets, Rent Alpha in India also contributed to earnings. As a result, net income attributable to parent company shareholders was ¥35.2 billion—greatly exceeding our initial target by ¥4.2 billion (14%) and pushing profits to a record high. Our alliances within the Mizuho Financial Group and with other companies are producing solid results, accelerating the expansion and diversification of our business domains. I feel that we are on the right track and have made a good start in the first year of our medium-term plan.

On the other hand, although earnings results have remained favorable, drastic changes in the business environment persist, and new issues are emerging that affect future development. These include specific questions such as: how we will undertake inorganic investment on the scale of ¥150 billion over three years as set out in the medium-term plan, how we will create new businesses that incorporate digital technology, how we will allocate our limited management resources across our core, growth, and frontier business segments, and how we will design an organization that offers both job satisfaction and a comfortable working environment.

As we aim to go beyond the traditional finance framework, we recognize the importance of expanding our business domain by combining our existing financing offerings, i.e. asset ownership-related investment activities, with services that leverage digital technologies.

Realizing the objectives of Medium-term Management Plan 2025 (1)

The view forward is complicated by such factors as rising domestic interest rates, but please tell us your medium-to-long-term outlook on the business environment.

I do not regard rising interest rates as a major negative factor, as I believe they will be adjusted gradually over time. It is also possible that the return to a world with positive interest rates will revive businesses that utilize debt.

Another important aspect to consider is whether business environment changes faced by customers are positive or negative factors for our business. For example, if new geopolitical risks materialize or global political conflicts intensify, customers would be forced to alter their supply chains. This would be damaging in the short term, but in the medium-to-long-term it would also necessitate the buildout of new supply chains, thereby providing opportunity for our company. We believe it is important to seize such opportunities as we create an organization that is resilient to change and capable of providing solutions to the increasingly diverse and complex needs of our customers.

President's Commitment

Please tell us what measures you are taking to make your organization resilient to change. Also, how do you feel about the results?

To make our organization stronger, we need to build a diverse team and bolster the quality of our employees through the "attract, develop, engage" talent management cycle. This cycle promotes the acquisition and development of human resources and employee engagement. At the same time, it is necessary to create an organization that allows individuals to demonstrate their strengths by reforming corporate culture and human resource platforms.
Based on this understanding, in fiscal 2023 we formulated behavioral guidelines with the goal of achieving a virtuous cycle of increased customer satisfaction, employee fulfillment, and corporate value by ensuring that each and every employee acts voluntarily and autonomously, strengthening each individual, and taking on the challenge of adding new value.
I believe that a strong organization is not one where direction comes from the top but one where everyone in each department is able to act spontaneously. I think that going beyond the boundaries of finance requires an organization where the people in departments having the closest contact with customers—people who understand their clients' needs from the customer perspective—are free to wonder, "Could we do this?", and get everyone else involved. The three essential prerequisites for this are: the behaviors I mentioned earlier, unity of the management team, and unity between management and employees.
In fiscal 2023, after COVID-19 had been reclassified as a Category 5 infectious disease, we worked to strengthen communication within the management team and between management and the employees. members of the management team hold weekly meetings where the directors exchange a wide range of opinions, discussing everything from strategy to news. Through these lively discussions, members are able to visualize management strategies and challenges, ensuring that they act together as one team.
Regarding communication between management and employees, the other directors and I have hosted town hall meetings where we have carefully explained business progress and policies to strengthen our organizational management, as described in the medium-term plan. We have also repeatedly emphasized our message for reforming our culture. Although there are still issues left to be addressed and continuous efforts are needed, some employee-led projects are already underway.
To give a short introduction, there is one initiative called the "Omoro [Interesting] Festival Project". Last year, as part of the "Medium-term Plan Task Force" program, three teams of seven to eight people were asked to imagine what the company should be like in 10 years' time. One team proposed to hold a contest to show off departments and individuals with interesting ideas for client-facing businesses and internal consulting. This year, a group of volunteers have come together to move forward with the Omoro Festival Project. I have also heard that people from various departments in the administrative division have come together to kick off initiatives to put their own new ideas into practice.
Although progress is gradual, the number of employees taking up challenges of their own volition is increasing. I believe that when employees experience fulfillment and unity within the organization, along with a sense of enjoyment in their work as they grow professionally, the company will become stronger and be able to move to the next stage.
In addition, we rank productivity improvement as an important objective of our medium-term plan. Last year, we exhaustively streamlined and removed unnecessary work as part of our DANSHARI (decluttering) project. This year, as part of the DANSHARI 2.0 project, we are working to radically improve productivity by promoting greater operational efficiency through digitization. Furthermore, we will also be upgrading our laptop computing infrastructure and introducing new tools, planning to accelerate our business model reform by applying digital technology to our sales activities.

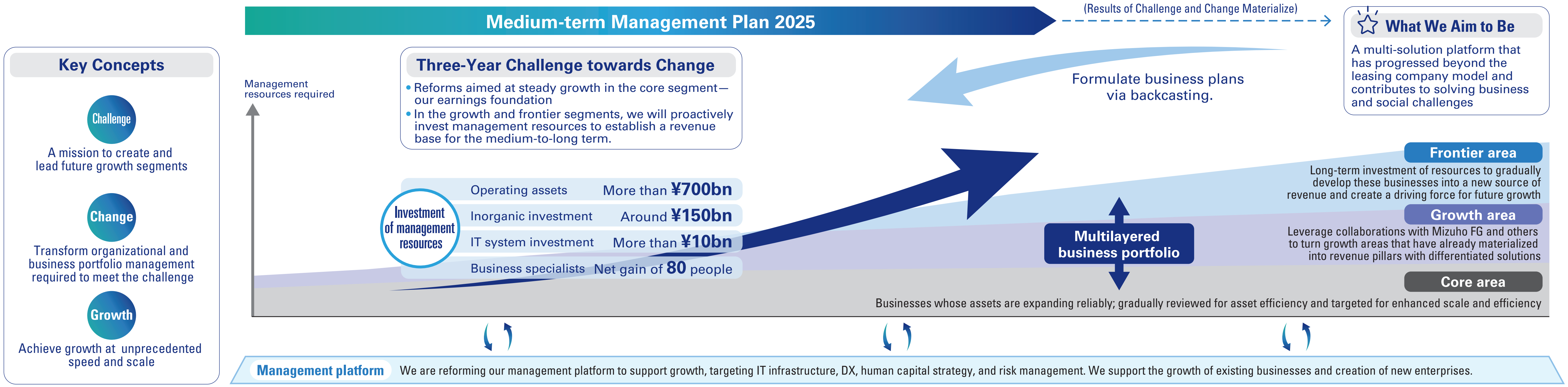
Realizing the objectives of our Medium-term Management Plan 2025 (2)

Please describe the highlights of this year's business plan that institutional investors should pay attention to. In particular, please explain the progress of key initiatives.

For the fiscal year ending March 2025, we forecast a profit increase at all levels owing to a buildup in operating assets primarily in the core and growth segments. We are targeting a net income attributable to parent company shareholders of ¥38 billion.
The five strategic focuses for the second year of the "Medium-term Management Plan 2025" are as follows:

Business Portfolio Transformation
We are steadily achieving results by promoting initiatives in the core, growth, and frontier fields, but we have not yet succeeded in building a second revenue pillar to complement domestic leasing and real estate. In the core segment, we are focusing on co-creating value with customers in domestic leasing. Simultaneously, in real estate, we are actively developing corporate real estate (CRE) strategies in collaboration with Nippon Steel Kowa Real Estate while promoting bridge finance transactions with partner ML Estate.

Positioning of the Medium-term Management Plan 2025



President’s Commitment

In the growth segment, which is expected to solidify into a key earning driver alongside the core segment, our range of activity is expanding. New initiatives include the grid storage battery business, which should help expand the implementation of renewable energy solutions and stabilize the supply and demand of electricity. We are also investing in six special high-voltage solar power generation projects in Japan. We aim to significantly develop the frontier segment over the long term by, for example, continuing to strengthen our collaboration with TRE Holdings in pursuit of circular economy objectives. Additionally, to work towards building a multi-company platform, we established the joint venture company, METREC. In the EV battery storage field, we have started a domestic proof-of-concept project with Maruwa Unyu Kikan Co., Ltd., aiming to shift to EVs for last-mile transportation. We have also signed a business agreement with Takaoka Toko Co., Ltd. and MintWave Co., Ltd. with the goal of establishing a one-stop EV service.

Alliance Strategy

We have entered a new stage of our alliance with the Marubeni Group, having concluded a capital and business alliance with them. In addition to the capital infusion, we hope to expand are our collaboration beyond geographical or business sector limitations through mutual personnel exchange.

Inorganic Strategy

Under its medium-term management plan, the company has announced that it will invest ¥150 billion in future growth opportunities. In line with this strategy, the company has acquired Rent Alpha, a leasing company in India, and increased its stake in Aircastle, a major aircraft leasing company in the United States. Regarding Rent Alpha, the post-merger integration (PMI) process is progressing smoothly. We have high expectations amid projected macro-level growth of the Indian economy.

I think the domestic business, as well as the real estate business, still has room for inorganic initiatives that uncover synergies between leasing and circular economy, and enhance the renewable energy value chain. The investment in JFE Group's Gecoss Corporation announced in April 2024, reflects this idea that there is still space to strengthen the foundations of domestic leasing and to realize synergies.

Sustainability Management

We are steadily making progress in securing a diverse range of power sources to achieve our nonfinancial target of accessing 1GW of renewable energy generation capacity. Our circular economy initiatives are also being rolled out successfully.

Strengthening Our Organization

As I mentioned earlier regarding our human capital strategy and cultural transformation, last autumn we established specific project teams dedicated to seven themes—corporate culture, work style and workplace, human capital strategy, digital transformation, sales, business portfolio, and risk management—into which we are actively investing management resources. Although there are some issues that remain to be addressed in the human capital strategy, digital transformation, and business portfolio categories, the medium-term plan has generally progressed smoothly in its first year.

Strategic Alliances

What results are you expecting from the capital alliance with Marubeni you mentioned earlier?

Our company concluded a capital and business alliance with Marubeni Corporation in May 2024. As part of this, Marubeni acquired a third-party allocation of newly issued Mizuho Leasing common stock, raising its ownership stake from 4.4% to approximately 20%, making our company an equity-method affiliate of Marubeni Corporation.

Since beginning our business alliance in 2019, we have collaborated in various areas, including: establishing Mizuho Marubeni Leasing (formerly MG Leasing) as a joint venture, jointly investing in aircraft leasing operations in the United States, founding a joint venture for refrigerated trailer leasing also in the United States, and establishing a joint venture in Australia dedicated to automobile sales finance.

In order to further strengthen this strategic synergy, the two companies have continued to work together to expand their opportunities to access each other's strengths and expertise, thereby, providing value to more customers in Japan and overseas. To this partnership, Marubeni Corporation brings a global alliance and customer network, human resources, and business development capabilities, while our company offers a broad customer base in Japan, product expertise, a deep understanding of commercial distribution, and proficiency in solutions requiring advanced financial acumen. Both parties are confident that our capital and business alliance will contribute to addressing social issues and enhancing corporate value.

We expect two major benefits from this capital alliance. First, we believe the infusion of capital will enable us to more rapidly achieve results in sectors we are working together in, such as environment and energy, real estate, aviation and shipping finance, information technology, logistics, and XaaS, leading to accelerated growth and higher profits for both companies.

Second, as we work with and welcome personnel with highly specialized trading company backgrounds from Marubeni into our company, I expect various “chemical reactions” to occur. A trading company and a leasing company have completely different ways of thinking and acting. I hope that by intermingling with each other and championing diversity, we will be able to provide new value to our customers beyond just the "Mizuho Leasing Way."

Moving the Head Office

Please tell us about the aim of the head office relocation of the thought process behind the concept.

We have decided to move our head office to the Toranomon Alcea Tower, a part of the Toranomon 2-Chome District Redevelopment Project, in spring 2026. The new head office will occupy three floors (total floor space: 10,457.58 m²) and be connected by internal staircases to enhance accessibility around the premises. Currently, the New Headquarters Preparatory Committee is leading the way in drawing up a detailed design, and discussing new workstyles or ways of capitalizing on an office space. The concept for the new office was adopted based on the employee-driven theme, “Action! It's my turn!”—an expression meant to summarize the idea of, “inspiring oneself, having the courage to take the first step, and making the new discoveries and new connections that subsequently arise”.

In traditional Japanese offices, each department has its own specific tasks to perform, and the main focus is on how to perform those tasks efficiently. However, in today's business world, customer issues are becoming increasingly complex and sophisticated, making it difficult for a single department to provide an optimal solution. We need to adopt a new work style in which people from multiple departments work together, meet, and exchange opinions to come up with the ideal solution.

For me, relocating the office is not just about moving house, but also about creating a nexus for various activities. One of our objectives is to change the way we do business through closer collaboration. By setting up a variety of workspaces, we can raise productivity and support self-driven employee initiatives that make it easier for everyone to come up with ideas for customer

solutions. In addition, by having more spaces dedicated to communication, we may be able to foster a greater sense of unity within the organization. By creating an office environment that ensures a sense of fulfillment and comfort in the workplace, we can also expect to see an improvement in employee engagement and greater success in recruiting new staff.

In closing

Finally, please offer a message to shareholders and other stakeholders.

As I have already mentioned, we are focusing on change in order to make a major leap forward in our transformation from a conventional leasing company to a platform company co-creating a promising future together with our customers. Our clients’ changing needs themselves represent a business opportunity for us. To capitalize on this opportunity, our organization must be resilient in the face of change. We aim to become a business that achieves sustainable growth by embracing continuous change. As we steadily implement the strategies set out in this medium-term plan, our executives and employees will all work together to achieve our goals. I would like to express my gratitude to our stakeholders for their ongoing support, and I ask for your continued assistance.

Message from the CFO

We are actively investing in growth initiatives that will bring us closer to our next leap forward. Simultaneously, to support growth, we are strengthening our organization through enhanced risk management and effective fundraising, transforming our business portfolio, and striving to improving corporate value.

Deputy President
Hiroshi Nagamine

1 Business portfolio evolution and recent earnings results

Under our Medium-term Management Plan 2025, we classify our portfolio of business into three areas—core, growth, and frontier—each defined by its particular growth horizon. By implementing management strategies tailored to each time frame, we are able to pursue short-term profit while also investing in long-term growth. Namely, we are strengthening our business foothold with the aim of increasing medium-to-long term profitability, even in segments where it will take time for investments to show gains.

Specifically, in the core area of domestic leasing and real estate, we are actively accumulating high-quality assets. In growth areas, we are proactively investing management resources into sectors such as global business and environment and energy, aiming to make this area the next revenue pillar after the core. We are also aggressively investing upfront in frontier areas, such as circular economy and XaaS, which are becoming new sources of revenue in the medium-to-long term.

In fiscal 2023, these initiatives bore fruit. In addition to growth in core earnings due to the accumulation of operating assets, our recent acquisition of Rent Alpha in India also contributed to earnings, as did such one-off non-operating factors as contract cancellation fees and gains on the sale of maritime vessels. Net income for the period amounted to ¥35.2 billion, greatly exceeding our initial budget and significantly surpassing the previous record.

It was an extremely successful start to the first year of the medium-term plan, and we achieved steady results in both business and management, including reaching the medium-term plan targets for ROA and ROE.

2 Capital funding

Amid all this, under the medium-term plan, we are steadily amassing high-quality operating assets, and we see funding to support this as one of our key issues.

We are actively working to diversify our financing methods to ensure a stable funding structure. For example, we have been actively expanding long-term funding for corporate bonds and loans by effectively utilizing sustainable finance methods, such as green loans, sustainability-linked bonds, and positive impact finance.

In addition, having maintained profit growth in line with business expansion, the company has been awarded issuer ratings of AA- by the Japan Credit Rating Agency (JCR) and Rating and Investment Information (R&I). Our solid creditworthiness has facilitated our access to a wealth of capital, including the issuance of a record-high amount of new corporate bonds.

In the external environment, interest rates on funding are trending upward, with foreign-denominated interest rates having risen and remained high, as well as the Bank of Japan raising their interest rates, abandoning the negative interest rate policy. Although the rise in interest rates should eventually lift yields on operating assets—with a slight delay in passing these increases onto lease payments—there is a risk that this will push up costs in the short term. Therefore, we are taking the utmost care with asset liability management.

3 Marubeni alliance

Since the business alliance was formed in February 2019, Marubeni Corporation and Mizuho Leasing have collaborated on joint investments in U.S. aircraft leasing business Aircastle and have converted Marubeni's U.S. refrigerated trailer leasing business, PLM Fleet, into a joint venture.

In an effort to strengthen our alliance strategy as per the medium-term plan, we have cemented a capital and business alliance with Marubeni Corporation, giving us access to its worldwide network of partners and customers, its human capital, and its business development capabilities. The agreement was reached on the understanding that, by providing value to more customers in Japan and overseas, we can contribute to addressing societal challenges while enhancing the value of both companies.

The concurrent third-party allotment of new shares to Marubeni and Mizuho Financial Group, netted the company ¥41.7 billion in fresh investment capital.

These funds are slated mainly for collaborative business with Marubeni Corporation and within the Mizuho Group, and the construction of a multi-solution platform. In addition to improving our profitability and corporate value, we believe that this will also contribute to improving our balance sheet through an increase in capital adequacy ratio. It will instrumental in stabilizing the foundations of our management and business and further strengthening our competitiveness.

4 Shareholder returns, medium-to-long-term growth, and increasing enterprise value

Our fundamental policy on shareholder returns is to distribute dividends in line with earnings performance while working to improve profitability. Under this policy, we aim to achieve the optimal balance between distributing profits via dividend payout ratio expansion and various other methods, and further improving profitability and enterprise value through growth investments and business enhancements.

We rank ROE, a measure of capital efficiency, as one of our key management indicators. In our medium-term plan we have set an ROE target of 12% or more by fiscal 2025. Although we had already achieved this target as of fiscal 2023, we will accelerate the development of strategies for medium-to-long-term growth and further improve ROE via means such as expanding the Mizuho alliance, achieving positive results with Marubeni earlier than anticipated, and utilizing inorganic growth strategies.

We will also strive to further improve our market valuation as measured by P/E by taking steps to strike a balance between shareholder returns and investment in growth, publishing timely and accurate disclosure and proactive IR activities, and by ensuring that the market has a correct understanding of our growth potential and other factors.

Fiscal 2023 Results (Billions of yen)

	FY2021	FY2022	FY2023
Revenues	554.8	529.7	656.1
Operating income	17.9	31.8	39.5
Ordinary income	20.1	40.1	50.9
Net income attributable to owners of the parent	14.9	28.4	35.2

Medium-term Management Plan 2025 Progress Update

Under our Medium-term Management Plan 2025, we are promoting four strategies with the keywords "Challenge", "Change", and "Grow". We aim to become a multi-solution platform provider offering diverse solutions extending beyond typical financial sector constraints and tailored to customers' business and social challenges.

Medium-term Management Plan 2025 Overview

Key themes Challenge | Change | Grow — A three-year transformational challenge designed to achieve growth during the current medium-term plan followed by further great strides.

1 Transforming and enhancing business portfolio management

Managing a business portfolio segmented by growth timeframe

Multitiered business portfolio

Core

A source of reliable revenue that fuels change and the meeting of challenges while recording steady and continuous growth

- A mature market or an area in which the company maintains a significant presence
- We will actively expand our high-quality asset base, prevail amid shrinking markets, and achieve continuous growth.

Domestic leasing | Real estate | • • •

Growth

Businesses that target rapid growth over the medium-to-long term, becoming a second mainstay of revenue after our core segment

- Businesses whose growth is already apparent, with some investment benefits arriving during the current medium-term plan
- Proactively investing management resources for medium-to-long-term growth

Global | Aircraft | Strategic investment | Environment & energy | • • •

Frontier

Businesses expected to flourish in the long term, including some that will help us achieve our nonfinancial objectives

- A segment in which new markets are expected to form and expand over the long term
- Investing management resources ahead of the competition to build business foundations now and exploit first-mover advantage

Circular economy | XaaS | • • •

2

Alliance strategy

- Qualitative transformation employing partner Mizuho Group customer base
- Marubeni alliance
- Operating companies
  - Startups
  - Digital transformation specialists

Inorganic strategy

3 Promotion of sustainability management

Initiatives for material outcomes through business

Co-creating a recycling-intensive | Contributing to a sustainable society

4 Solidifying and upgrading management platform to advance growth

With an eye on future growth and broadening of our business domain, we actively invest in management resources.

IT infrastructure development / DX acceleration | Advanced human resources strategy / corporate culture reform | Enhancing governance and risk management

1 Transforming and upgrading business portfolio management

[Core] segment
- Steady growth in core earnings centered on general leasing and real estate

[Growth] segment
- Increasing growth-oriented investment in global and environmental & energy businesses
- Implementing multilayer sourcing
- Aircraft business performing strongly in line with passenger demand recovery

[Frontier] segment
- Fortifying such businesses as electric vehicles and storage batteries
- Investing management resources in circular economy and XaaS to develop a multilayered business portfolio

p.07

2 Alliances & inorganic strategy

Alliances
- As we collaborate further within the Mizuho Group, we also seek to expand business opportunities through our capital and business alliance with Marubeni Corporation.

Inorganic strategy
- Implemented initiatives in the aircraft market and in India
- Undertook proactive investment in such targets as Gecoss Corporation, a provider of temporary construction materials and services

p.29

3 Promotion of sustainability management

- Secured 590MW of renewable energy generation capacity (target of 1GW by end-March 2026)
- Entered the grid storage battery business via tie-up with Tohoku Electric Power
- Commenced initiatives to support a circular economy; actively employed sustainable finance practices

p.43

4 Solidifying and upgrading management platform to advance growth

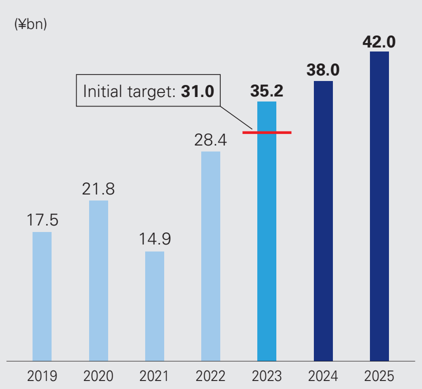
- We are strengthening support for the development of digital-savvy employees and for women's success in the workplace and are assembling a diverse workforce.
- We are working to transform our corporate culture to support new business creation by implementing such various measures as cross-departmental projects centered on midlevel and junior employees and off-site meetings for executives. We are also plotting a move to a new head office in spring 2026.

p.57

Regarding key performance indicators

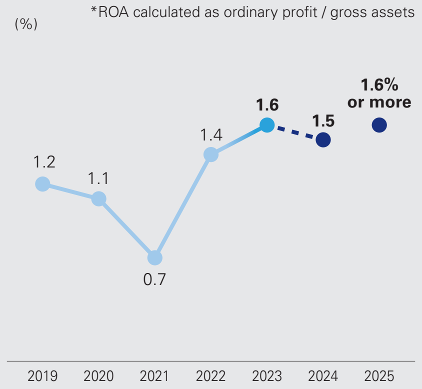
- Medium-term measures were taken in the core, growth, and frontier segments. Operating assets increased to ¥2,858.9 billion (up ¥278.8 billion year-on-year), while the real estate, environmental & energy, overseas, and aircraft businesses played leading roles in growing earnings.
- Growth in core earnings fueled by the continued accumulation of operating assets was augmented by a contribution to earnings from Rent Alpha and various one-off factors, propelling net income for the period to ¥35.2 billion—far exceeding our initial plan and setting a new record. We view this first year of the current medium-term plan as an extremely successful start, with ROA and ROE already having reached targets laid out in the plan.
- In the fiscal year ending March 2025, we expect core earnings to increase further, mainly in the core and growth areas, amid ongoing expansion of operating asset holdings. We look for profit at all levels to increase as we promote new initiatives that encompass the frontier segment and alliance and inorganic strategies, and we project net income to rise ¥2.8 billion, to ¥38 billion.
- Although we expect a temporary decline in ROA and ROE due to the buildup of operating assets and the procurement of funds via capital increases, we expect growth in the medium-to-long term owing to such measures as improving our risk appetite.

Net Profit

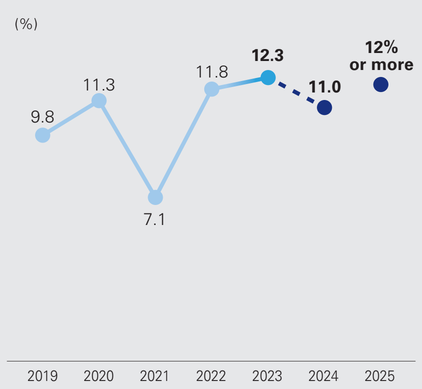


ROA*

*ROA calculated as ordinary profit / gross assets



ROE



*The target values for fiscal year ending in 2025 are those of Medium-term Management Plan 2025.

Going beyond leasing

Our thoughts on achieving a circular economy

Our Medium-term Management Plan 2025 expresses our vision to be a circular society platform company that overcomes societal challenges. To achieve this, we also identified materialities such as, "Contributing to a decarbonized society," and "Leading towards a circular economy." Through this roundtable discussion, we hope to convey the enthusiasm of our employees as they work to achieve a circular economy, alongside highlighting our systemic approach and unique capabilities.

— Why is Mizuho Leasing promoting initiatives to realize a circular economy?

Mr. Furukawa When striving to realize a circular economy, we face the reality that there are a lot of environmental and economic issues that need to be addressed. From an environmental perspective, Japan needs to cope well with resource limitation when the world population is increasing. From an economic perspective, we need to manage the increasing emissions associated with economic activity. The core purpose of leasing business is to provide financing when customers make capital investments. Until now, we have mainly focused on the economic aspects of this, but in order to achieve a sustainable society, we must also ensure that the value we provide takes into account social and environmental impacts. We believe that we must transform to a new business model that balances economic activity with reducing environmental impact.

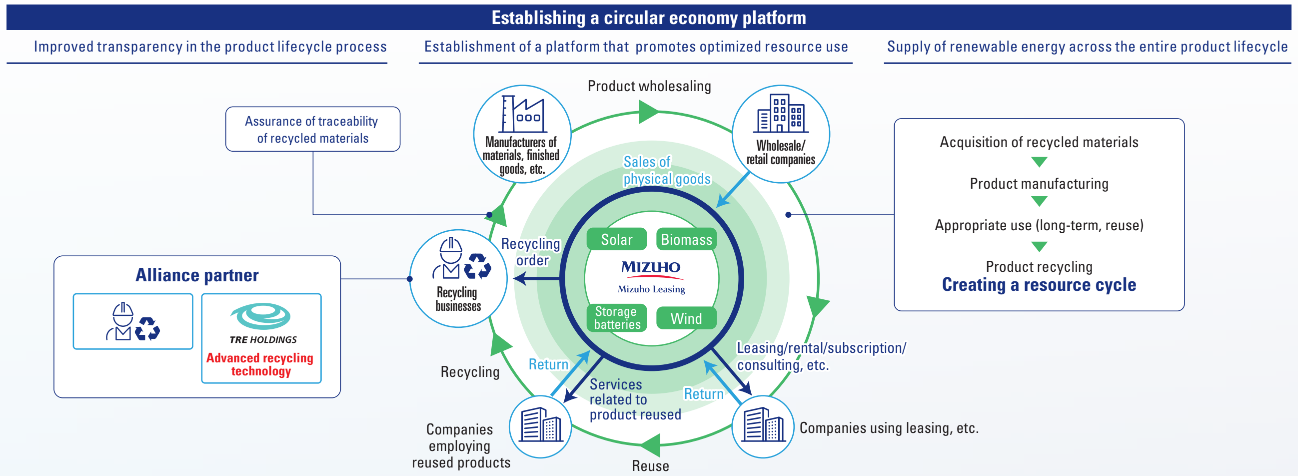
Mr. Hirano The linear economic model of mass production, mass consumption, and mass disposal continues to put global sustainability at risk. To prevent competition for global resources and keep the gap between rich and poor from widening, we must instill recycling and reusing resources as common business practices. In this sense, the initiatives we are tackling follow globally significant themes. At the end of the lease contract, we take the asset from our customers in the manufacturing industry and are able to extract new value from it by recycling or reusing it as materials or producer goods. This is done with appropriate traceability of each item. I think that partnering with the Mizuho Leasing Group and its network of customers and government agencies will promote leasing with guaranteed resource recycling and enable us to develop our own unique initiatives in support of a circular economy.

— How is each department approaching the circular economy?

Mr. Furukawa We want to help our customers transform their business models to support the circular economy. The realization of the circular economy cannot be achieved by procurement departments alone, nor by a single company. This task requires a comprehensive understanding of the entire value chain and cooperative problem-solving initiatives among businesses spanning multiple industries.

Of course, these are problems that Mizuho Leasing alone cannot solve, so we have partnered with TRE HOLDINGS CORPORATION, reaching a basic agreement with them in November 2022 on a business scheme aimed at promoting the circular economy. For over 20 years, our two companies have built a relationship of trust as we have together collected and recycled products at the lease expiration. We hope to continue to work together to create a resource recycling system that will help to realize a recycling-intensive and decarbonized society.

Vision



Ms. Shinsakaue In the Sales Department where I worked until last year, we conducted our sales activities from the perspective of finding the optimal solutions to the immediate issues faced by our customers. In my current department, called the Innovation Co-Creation Department, I feel that we are making tangible progress in transforming our business model to realize a circular economy together with our customers.

For example, in the medical field, instead of simply leasing AEDs, we have started to explore whether we can use rechargeable batteries instead of disposable ones in AEDs, and whether we can collect and reuse used batteries. In the circular economy, there are no definitive correct answers, but I believe that we will explore new possibilities in collaboration with our customers.

Mr. Hirano Although TRE HOLDINGS is still a young company established in 2021, it was created through the merger of two companies with a long history and good track record on the downstream side of consumption: TAKEEI and REVER. With the exception of some materials, such as iron and aluminum, most materials are subject to a process known as cascade recycling, in which quality degrades compared to the original product. High-grade reclamation processes are lacking.

One weakness of recycling companies is their small size relative to manufacturers and distributors, many of whom have annual sales of several trillion yen. We are approaching a new era that calls for the establishment of horizontal cycles, such as "car to car," where materials are repurposed to maintain their same quality from one vehicle to another. Working alone, the TRE Group is limited for the volume of recyclables it can handle, technology, and network. and the technology it can bring to bear. I therefore feel that it makes a lot of sense for us to join forces with Mizuho Leasing, which has a rich customer network and the strength of a large corporation, to work together on shifting society to a circular economy model. We are currently starting discussions on strengthening our collaboration in new areas.

Mr. Takei I think we live in an age where the strengths of leasing can be put to good use. The term "circular economy" is of particular interest to our customers—especially those at the management level—and we believe this presents opportunities to respond and create new businesses. Our DX Business Department is proposing collaborations with manufacturers that utilize

leasing and subscription-models, using a new circular economy approach. Manufacturers and other companies are showing strong interest in and understanding of the need for this approach as opposed to simple sales support proposals.
I think that, in the midst of fierce sales competition, there are many cases where manufacturers are considering new circular service models that make use of reused products. At present, we are focusing on robotics. In this field, manufacturers and other users are more focused on software and, in many cases, open to the reuse of hardware. As there are many users who want to try out the product for a short period of time, the hardware can be used in a cyclical manner through leasing or subscription.
As a recent example, we have established a system where companies subscribe to use new home appliances for a certain period of time, after which time they are either resold as second-hand goods or resubscribed to under a contract for individuals. This is an area where a leasing company can leverage its strengths, giving a product not just one life, but the ability to be circulated multiple times, while also providing traceability. Furthermore, I would like to ensure that services that contribute to carbon neutrality, such as EV leasing, are firmly in place. I think it is important keep in mind which businesses we want to run on our platform when selecting new services.

Mr. Inui The CE Promotion Department is mainly responsible for processing end-of-lease assets, the recycling and disposal of which we entrust to the TRE Group. Leasing companies handle a wide variety of assets, including those made from a combination of materials. Because the disposal of these items is governed by the Industrial Waste Disposal Law and other regulations, they must be processed in an appropriate manner. Furthermore, achieving a circular economy—the theme of today's talk—requires improvements to be made in waste recycling. In order to promote plastic waste recycling, we sign contracts with disposal companies and recyclers with high recycling rates in each area to dispose of our end-of-lease properties.
As part of our effort to ensure proper processing of spent assets, we also conduct inspections of waste disposal sites used by disposal companies and recyclers in the previous year. By visiting the sites, we can witness how the waste is actually being processed, and we are also able to educate ourselves on the latest information on waste processing technology. A challenging activity for us is collecting end-of-life equipment from customers whose leases have expired. Close cooperation among the customer, the TRE Group, and ourselves is required to survey the on-site facilities but the TRE Group sales staff offer very flexible customer service, such as inspecting sites in advance to avoid stressing the customer. By realizing a circular economy, I hope that the plastic waste from end-of-lease assets will be incorporated into the products around us. And by using products made from plastic waste, I think we can be more confident that we are participating in a circular economy.
Mr. Hirano When collaborating with the production and recycling/disposal segments to circulate products. traceability—obtaining, tracking, and inspecting products—is extremely important. With the support of the Mizuho Leasing Group, we plan to increase our recycling rate by starting up a new sorting center in Mibumachi, Tochigi Prefecture. Here, we will boost the recycling rate by recovering plastics and nonferrous metals from dust (residue) . We are also planning to operate a recycling facility in Ichihara City, Chiba Prefecture, and will continue to invest in and develop technologies that enable resource recycling. In this way, we can benefit businesses that produce waste.
Mr. Inoue All the elements that constitute recycling—collecting products at the end of their lifecycle, transportation, sorting materials, recycling them into new products—require energy. Energy is also essential for our daily lives, powering the maintenance and advancement of society. However, with concern around global warming increasing, carbon-neutral energy production has become a pressing issue, and the number of customers seeking electricity derived from renewable energy sources is rising accordingly.
The Environmental Energy Business Department, to which I belong, aims to provide a platform for supplying electricity from renewable sources to society and contributing to the emergence of a circular economy. In addition to participating in schemes to supply customers with electricity generated from solar power through corporate PPAs (CPPA), we are also working on developing new fields such as grid storage battery businesses. The Environmental Energy Business Department has only been in existence for five years, but we are expanding our team and planning to provide society with 1GW of mainly domestic renewable power by fiscal 2025, as per our medium-term management plan.
In April 2024, we further strengthened our business structure with the commercial launch of our environmental energy subsidiary, ML Power Co., Ltd.
We are currently supplying electricity from renewable sources along with other environmental value to Mizuho Financial Group's customer base, and we are making steady progress towards our corporate objectives. Access to Mizuho FG's customer base and the intellectual resources of each group company supports the rapid growth of our business. Our close partnerships with engineering, procurement, and construction (EPC) companies that build solar power plants and the companies that supply the plants, are also one of our strengths. By collaboratively adding our renewable energy capacity to the aforementioned resource recycling and building and developing a high-quality circular platform, we aim for carbon neutrality by 2050.

—— Regarding future prospects

Mr. Takei I hope that the Circular Society Platform we aim to create will be more transparent and offer advanced traceability functions. In particular, I think it is important to create opportunities for not just manufacturers, but all companies to manage the lifecycles of their products and services on this platform. I also think that it would be great on the recycling side, if we could visualize what kind of products and where they are in the recycling process.
Mr. Furukawa We have talked about our vision for the future, but I think that actually working together with TRE HOLDINGS to concretely define each one of our challenges will be critical to realizing our goals for the future. Because TRE HOLDINGS is a comprehensive environmental company that is involved in a broad range of activities, from asset collection and transportation, to intermediate treatment and recycling, I hope that our companies will continue working together in service of a highly sustainable society.
Ms. Shinsakaue Through our collaboration with TRE HOLDINGS, we aim to provide unique value that is distinct to Mizuho Leasing. We strive to be able to offer fresh insights to our customers by adopting approaches that are not confined by the limitations of traditional financing.
Mr. Hirano TRE HOLDINGS has long pursued the idea of a waste management platform. However, I think that vertical collaboration with companies in the production, distribution, and service segments is a critical prerequisite for a circular society platform. I think that by working with Mizuho Leasing as the hub, we can get various companies involved on the production side of the cycle and launch new businesses that contribute to the realization of a circular economy. Of course, we will focus on a circular economy model that ensures a steady stream of profits.
Mr. Inui There are many different materials used in assets handled by leasing companies, and I expect technological innovation will also create new high-tech materials to meet the needs of the future. We will work together with TRE HOLDINGS to recycle these new materials while also promoting their use in final products to bring the circular economy closer to the daily lives of ordinary people.
Mr. Inoue I hope that our Circular Society Platform, which includes the supply of renewable energy, will be open to the participation of as many people as possible. I further hope that participating companies will use renewable energy sources to develop economically within this platform. To this end, our Environment and Energy Sales Department will continue to strengthen its capabilities and broaden its range of capabilities.

Value co-created with alliance partners

Mizuho Leasing's management directive, "Connect Needs to Create the Future", underlies our continued tackling of challenges that go beyond the boundaries of finance and the expansion of our business domain. Our business opportunities arise from the development of solutions and the promotion of businesses that, rapid changes in the operating environment, address such social issues as technological evolution, climate change, and decarbonization. In addition to deepening our alliances within the Mizuho Group, anchored by one of Japan's leading megabanks, and Marubeni Corporation, a general trading company that has provided solutions addressing a number of social issues, we aim to achieve our objectives through the co-creation of value with partners and stakeholders who share our vision.

Alliance strategy overview

Accelerating our evolution into a multi-solution platform through collaboration with alliance partners

Collaboration with Mizuho Group

Qualitative transformation of partnerships

Deepening our ties with the Mizuho Group as we aim for further growth

- We identify our customers' latent needs and in collaboration with the Mizuho group, proactively advance solutions that address business and social issues.
- Through the resolution of various issues, we contribute to the improvement of our customers' corporate value and the enhancement of Mizuho's presence.

Reforming our sales style | Problem-solving proposal | Co-creating value with customers

Providing our own unique solutions

Providing solutions different from those of banking groups to Mizuho customers

Mizuho Group's business value chain: M&A | Business succession | Real estate | Sustainability | Corporate revitalization

Our unique solutions: Business operations | Renewable energy sources | Real estate development/Investment | Equity investment | Subscriptions | XaaS

Expanding our customer base

Utilizing one of the largest customer bases in Japan to further expansion of our own client roster

- Focusing on cultivating new customer relationships through collaboration with Mizuho Group companies and further expanding the customer base built while the previous medium-term management plan was in force

Mizuho Financial Group: Banks | Trust banks | Securities firms | Think tanks

Mizuho Leasing

Partnership with the Marubeni Group

- Promoting joint ventures, mainly overseas
  - Boosting synergistic earnings through operational collaboration and business scope expansion at existing joint ventures
  - Enhancing collaboration in new business areas and recruiting joint investment partners
- In June 2024, the Company became an equity-method affiliate of Marubeni Corporation through a third-party allotment of shares. We are deepening our collaborative relationship by leveraging the strengths of both companies.

Collaboration with other alliance partners

TOSHIBA | RICOH | NIPPON STEEL KOWA REAL ESTATE | GECOSS CORPORATION | TRE HOLDINGS

Contributing to a sustainable society

Climate change and resource shortages | Rapid urbanization | Demographic changes | Technological progress | Shifts in global economic power

Topics

1. Conclusion of capital and business alliance agreement with Marubeni and maintenance and strengthening of relationship with Mizuho Financial Group

In May 2024, the Company entered into a capital and business alliance agreement with Marubeni Corporation and, in June 2024, it issued new shares through a third-party allotment to Marubeni Corporation. Following this transaction, Marubeni Corporation holds 20% of Mizuho Leasing's shares in issue, making the company an equity-method affiliate of Marubeni.

In addition, new shares were issued through a third-party placement to Mizuho Financial Group (hereinafter, MFG) in June 2024. This maintained the current shareholding ratio of 23.5% (including indirect holdings) of MFG, and upheld and strengthened our companies' strong partnership.

Capital and business alliance objectives

Improving risk-taking ability

- Quantitative expansion of risk-taking capacity through investment-driven capital enrichment
- Expansion of collaboration with Marubeni Corporation and the Mizuho Group, accumulation of highly profitable assets, and active use of inorganic growth strategies

Accelerating transformation of sales practices

- By bringing on staff from Marubeni Corporation, we will strengthen our global business promotion function by revitalizing our customer-facing sales organization.
- We will accelerate the transformation to the "value co-creation / problem-solving" sales style that we are currently promoting and expand our ability to provide even more value to our customers.

Broadening business and investment opportunity

- By gaining access to the domestic and international networks, human capital, and business development capabilities of a general trading company, we will expand and develop business and investment opportunities.

Fundraising through third-party allocation of shares

Capital enrichment:Equity capital up ¥41.7 billion, to ¥308.9 billion as of end-March 2024

- Procured additional capital via a third-party allotment to enhance our financial footing.
- Quantitatively expanding risk-taking capacity
- Expanding business and investment opportunities through the accumulation of high-quality operating assets and the active use of inorganic growth strategies

MIZUHO Mizuho Leasing

Core | Growth | Frontier

Quantitative expansion of risk-taking capacity

Accumulation of high-quality operating assets | Inorganic investment | New business development

Accelerating growth-oriented investments, etc., to firm up our financial footing and establish a solid business foundation

2. Capital and business alliance agreement with Gecoss

A capital and business alliance was formed with Gecoss Corporation, a major provider of temporary construction materials and services affiliated with the JFE Group. Mizuho Leasing acquired 20.03% of its shares, making it an equity method affiliate. The strengths and business foundations of both companies will be effectively utilized to fortify existing businesses and create new business opportunities will be created by applying our combined know-how and infrastructure.

MIZUHO Mizuho Leasing

Extensive knowledge of products, a deep understanding of distribution channels, and advanced financial know-how

GECOSS CORPORATION

The company's accumulated knowledge and network of business partners in the heavy temporary construction and construction machinery businesses, as well as collaboration with JFE Group companies

Scope and nature of business partnership

1. Collaboration in the temporary construction and construction machinery businesses
2. Cooperation in overseas business
3. Partnership in new fields where it is possible to utilize the business know-how and infrastructure of both companies
4. Mutual exchange of staff

Strengthening existing businesses and creating new business opportunities through the fusion of both companies' strengths

Business Overview of Six Headquarters

1 Business Promotion

Senior Managing Director
Masahiko Abe

As a partner in value co-creation who looks beyond the boundaries of finance, the Business Promotion Headquarters aims to leverage its nationwide sales network to offer a diverse range of solutions that meet the wide range of social and business challenges facing our customers.
To this end, we provide such services as joint investment and succession planning in collaboration with the Mizuho Group and other alliance partners, as well as vendor finance and subscription services that apply our knowledge of physical assets and thorough grasp of commercial distribution.

Strengths

- The role of our earnings platform in supporting our reforms and competitive efforts
- Leveraging the Mizuho Group client base
- The ability of sales representatives to understand customer requirements and cross-sell into specialized fields

Medium-term strategic measures

The following is the medium-to-long-term future state of the Business Promotion Headquarters as envisioned based on achievement of the medium-term plan.

- 1) A solution provider that is trusted by its business partners, 2) A contributor to strengthening the earnings power of the entire company by working with other headquarters as customers' main point of contact, 3) A sales organization capable of expanding the company's business domain, 4) An inspiring workplace

We will bridge the gap between our current and target state by providing values to our customers and enhancing our corporate value.

- In-depth discussions with customers
  — Deeper understanding of customers' management issues and latent needs
  — Stronger customer contacts and enhanced information gathering in collaboration with the Mizuho Group
- Leveraging of our company's capabilities across solutions, products, alliance partners, etc.
  — Providing customers with the full diversity of our distinctive and effective functions
  — As point of contact, applying services and knowledge that meet customer needs to realize value co-creation by helping them address social issues and promoting sustainability
- Strengthening our value chain
  — Promoting investment, including via inorganic strategies, to further develop and expand our businesses and solutions
  — Creating new business value through joint investment and other initiatives while being mindful of our customers' capital policies
- Promoting both work comfort and job satisfaction
  — Improving efficiency and digitally transforming sales and administrative functions to free up time and energy for our core mission of adding value
  — Emphasizing human resource development and engagement to engender a sense of fulfillment through enhanced communication.

Fiscal 2023 review

- Working with the Mizuho Group, we have been able to shift to higher-yielding assets and, thereby, improve profitability.
- We promoted business strategy proposals attuned to the needs of our customers.
  ·Revenues from collaboration with other headquarters, such as real estate and environmental energy, grew briskly year-on-year.
  ·The company has also seen steady growth in vendor finance, subscription-based businesses, and business succession services.

Business Risk and Mitigation

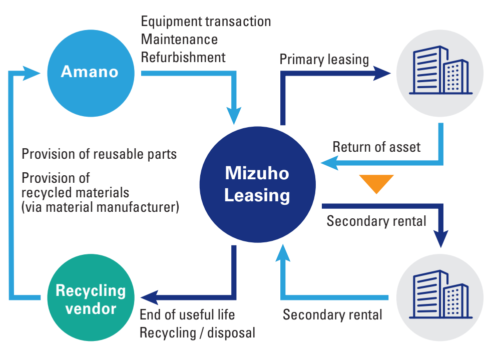
- Amid a plateau in the domestic leasing market, it is essential for the Business Promotion Headquarters—as our core business—to expand operations while balancing our activities against other businesses in the company's portfolio while carefully attending to the volumes of assets and revenues.
- As the Business Promotion Headquarters, we pursue expansion into new business areas through value co-creation and proposals for tackling management challenges. At the same time, we deepen our collaboration with other headquarters and build inventories of high-quality business assets.
- In addition to collaborating with other headquarters, such as real estate and environment & energy, we are working to address the social concerns of our customers from the perspective of the themes "carbon neutrality" and "circular economy".

Business Topics

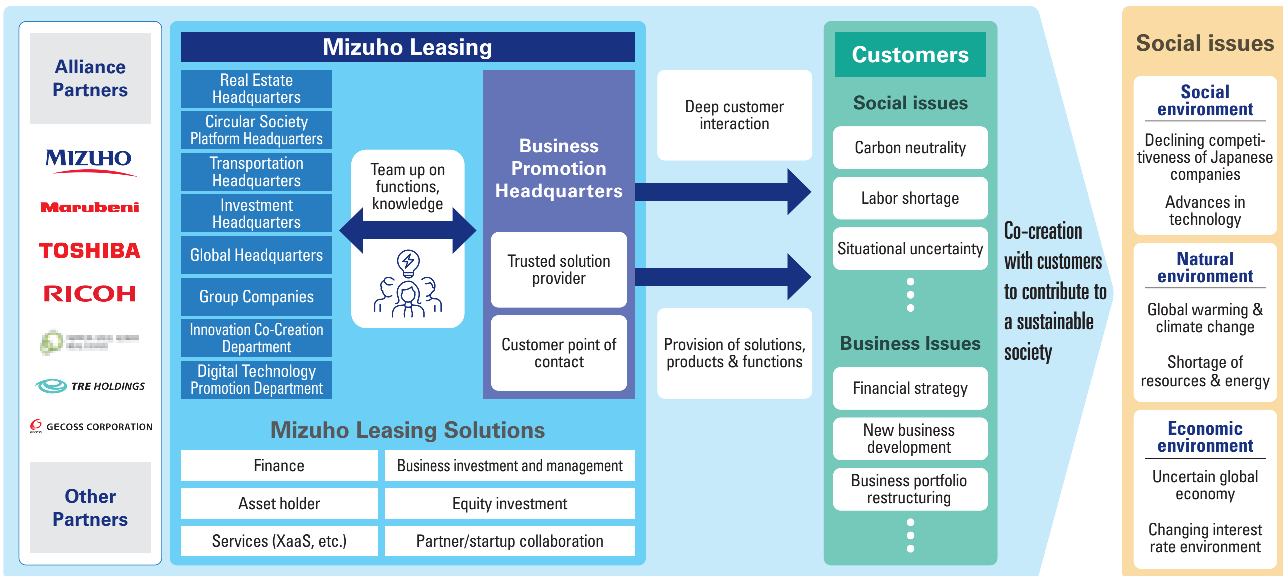
We have concluded a business agreement for a vendor finance scheme covering floor cleaning machines that combines leasing and rental solutions with circular economy objectives.

Our vision is to contribute to the creation of a sustainable society, and we aim to evolve into a multi-solution platformer that leads customers to solutions to social and business problems and transcend the traditional boundaries of finance.
Amano Corporation is focusing on promoting sustainability management. In its 9th Medium-term Management Plan, which took effect in April 2023, it has positioned a reduced environmental impact as an important issue.
Through collaboration between our company and Amano Corporation, we have equipment refurbished after the first lease and then make it available to rent as reconditioned gear. This will enable us to offer services to a wide range of users who are environmentally conscious or who want to use them for a short period of time. We also aim to add value in the floor cleaning machine market through various strategies, including robotics, and to build a circular economy for these products.
Furthermore, we will also contribute to social development in such areas as work style reform, DX, and labor efficiency as we address a range of challenges, including improving cleaning quality for users, streamlining cleaning operations, reducing cleaning time, and resolving the shortage of cleaning staff.

■ Scheme



Value Creation Story of the Business Promotion Headquarters



Business Overview of Six Headquarters

2 Real Estate

Managing Executive Officer
Hirohide Ishiyama

The Real Estate Headquarters aims to contribute to society through its real estate operations. It offers various financing options covering a range of property classes including offices and logistics facilities. In addition, through our subsidiary ML Estate, we also promote real estate leasing, provide bridging functions, and engaging in investment and development projects. We will contribute to society by growing our real estate business in existing and emerging domains.

Strengths

- Flexibility and advanced adaptability to fulfill customer requirements using specialist knowledge
- Trust born of long-term customer partnerships
- Accurately targeted CRE and funding solutions for Mizuho Group's many customers
- Business domain expansion and enhanced advisory capabilities through collaboration with alliance partners

Medium-term strategic measures

In the real estate segment, we promote expansion within existing domains while creating new businesses. We continue the development of a long-term, stable revenue base as one of the company's core businesses.
In established domains, we are intensifying our efforts in mezzanine loans and real estate leasing and are also working on large-scale projects, such as offices, logistics facilities, and hotels. To flexibly service the needs of our customers for solutions to their financial and business strategy challenges, we continue active development of a corporate real estate (CRE) strategy across the Mizuho Group.
In new strategic domains designed for further growth, we are focusing on development projects and the acquisition of real estate to be held long-term with an aim to improve profitability and broaden our scope of operation. As we pursue fresh knowledge and increased projects volume, we are deepening our collaboration with alliance partner Nippon Steel Kowa Real Estate and also with CCReB Advisors, a startup company that develops real estate tech and CRE-related businesses.
Achieving a decarbonized society has become an essential issue for our entire industry. We are fulfilling our responsibility to the sustainability of society by, for example, investigating the introduction of renewable energy into our development projects and acquiring environmental certifications. We also plan to accept the challenge of financing, acquiring, and developing assets that are in high demand by society, such as data centers, healthcare facilities, and R&D facilities. Thus, we can better help construct social infrastructure that underpins a prosperous lifestyle.
We aim to achieve further growth and create new value by accurately assessing the rapidly changing business environment and building a strategic business portfolio based on both expanding in established core segments and taking on novel business challenges.

Fiscal 2023 review

- We have worked on multiple large-scale bridge financing projects for clients in such sectors as office buildings and logistics facilities.
- The company actively pursued and landed projects involving properties developed in-house and intended for medium-to-long-term ownership.
- We benefited from an increase in the number of hotel projects due to favorable market conditions stemming from a recovery of inbound tourism.

Business Risk and Mitigation

- Given current rising interest rates, we are raising our weighting of assets resistant to rate fluctuations and otherwise constructing a flexible strategic portfolio resilient to a changing financial environment.
- To mitigate the risk of rising development costs due to rising material prices, our proprietary development business implements risk controls that carefully screen potential projects and rotate inventory by selling off assets.

Business Topics

Rigorously developing social infrastructure logistics facilities to realize a decarbonized society

We supported the funding of a real estate project for a logistics facility located in Hiroshima Prefecture by executing a Mizuho Green Real Estate Non-recourse Loan* product jointly with Mizuho Bank. We will continue with various initiatives in the future to help build a sustainable society.

*This loan is provided in accordance with a framework that conforms to standards for green loans and social loans and evaluates and certifies real estate and its management and operation for environmental and social impact.

Responding quickly and flexibly to customers' increasingly diverse bridge financing needs

We service the bridge financing needs of a great many customers, handling such asset classes as large-scale logistics facilities to offices and hotels. We will continue building durable partner relationships by supporting customers' businesses and helping them solve challenging problems.

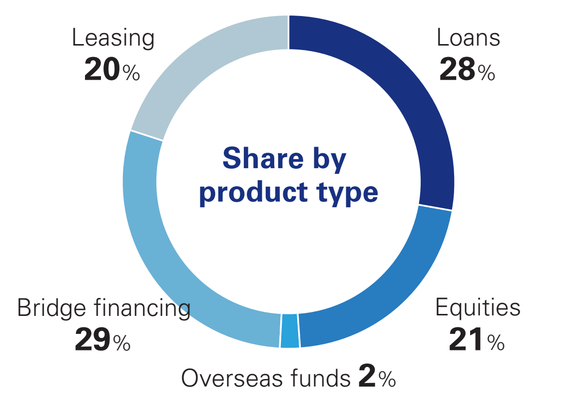
Promoting financial and business strategies that maximize customers' real estate assets.

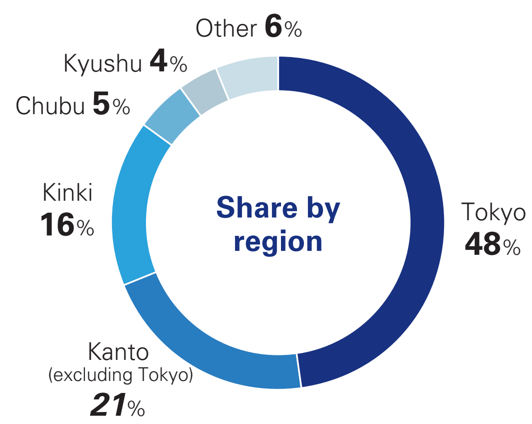
In collaboration with Mizuho Bank, we have devised precision solutions that meet the needs of clients who want to optimize their real estate holdings via such strategies as profit and loss visibility, off-balance-sheet accounting, and diversified procurement. We provide financial and business strategy solutions for our clients via a groupwide "All Mizuho" strategy.

Actively acquiring assets with the potential to boost revenue

We actively acquire assets whose rents can be raised through such measures as tenant leasing, contract renewals, and rent structure adjustments. In addition to improving profitability through increased rental income, this will also make our asset portfolio more resistant to rising interest rates.

Real Estate Headquarters asset balance (March 2024)





Business Overview of Six Headquarters

3 Transportation

Managing Executive Officer
Yasuhiko Hashimoto

In addition to aircraft leasing through Aircastle, a joint venture with Marubeni Corporation, we provide aircraft-backed loans and a range of other aircraft-related financial services. In the maritime segment, we offer ship-backed loans and co-investment services in conjunction with shipping companies. In addition to these financing services, we offer a range of investment products for Japanese investors, such as Japanese operating leases (JOL) and Japanese operating leases with call options (JOLCO) for air and shipping assets.

Strengths

- Partnerships and expertise-sharing with partners including the Mizuho Group and Marubeni Corporation
- Access to the business platform of Aircastle, a joint venture with Marubeni Corporation
- Ability to structure and distribute products that facilitate customers' access to and use of funds based on our knowledge and experience in the aviation and maritime shipping

Medium-term strategic measures

Emphasis on implementation of three initiatives

- Expansion of aircraft-related financial services (e.g., operating leases, JOL/JOLCO) through collaboration with Marubeni Corporation
- Strengthening our development and marketing of products in segments where we have less track record, such as LNG tankers
- Development of asset-risk taking ability in the aviation and maritime shipping sectors

The key points of the strategic focus are as follows.

- Approach to aircraft operating leases
  —In 2023, we made additional capital contribution to Aircastle via which it will respond to burgeoning demand for aircraft leasing.
- Product development (e.g., JOLCO)
  —We are strengthening our coverage of Japanese investors to understand their investment needs and focusing on developing products such as JOLCO.
- Developing asset risk management solutions, with a focus on the aviation and maritime shipping sectors
  —We are working to shift our business focus from credit risk to asset risk.

To realize the above measures while providing value to our customers and improving our corporate value, we are closing the gap between the current and target states as explained below.

- In addition to increasing our divisional sales staff, we will strengthen the development and sales system for JOL-related products through collaboration within the headquarters.
- Strengthening investor coverage through collaboration with the Mizuho Group
- Further collaboration with Marubeni Corporation to expand the Japanese operating lease products
- Enhancing the people base with the sector knowledge and supporting junior employees in acquiring specialized knowledge

Fiscal 2023 review

- Aircastle capital increase: decision and execution
- Portfolio loans and other aircraft-backed structured finance projects
- Strong origination and sales results for JOLCO-related products
- In the vessel co-investment business, we correctly timed the sale of vessels and recorded profit on the transactions

Business Risk and Mitigation

- Geopolitical risks : Rising geopolitical risk is heavily impacting logistics. We will run our business with the careful attention to the impact on our company and our customers.
- High US dollar interest rates: Increased financing costs for the company in foreign currency businesses such as aircraft and shipping. We deal with this challenge with diversified foreign currency financing methods.
- Accelerating efforts to decarbonize: The shipping industry is under pressure to assess trends in alternative fuels. We will work to understand market trends through dialogue with customers.

Business Topics

Aircraft Operating Lease (JOL)

In recent years, the aircraft-related business has been affected by the COVID-19 pandemic, the Russian invasion of Ukraine, and other factors, as well as by other factors such as the trend towards decarbonization and the resulting changes in the appetite of financial institutions with regard to sustainability.
Since investing in Aircastle in March 2020 together with Marubeni Corporation, we have been focusing on on steady business expansion. Last year we implemented further measures, including an additional capital contribution. As a result, Aircastle's performance, which has been on a recovery trend since fiscal 2022, has been improving. With demand for aircraft leasing expected to increase still more, we will develop financial products that can be offered to Japanese investors through extended collaboration with Marubeni and Aircastle.

Japanese operating lease with call option (JOLCO)

We are also working with Marubeni Corporation to structure Japanese operating lease-related products. Following on the completion of an LNG tanker transaction in fiscal 2022, we put together a similar deal in fiscal 2023. We will continue to work with Marubeni to structure high-quality deals.

Transportation Headquarters Business Domain

	Efficient use of capital in the aviation and marine transport sectors	Shift from corporate risk to asset risk
Established businesses	■ Approaches to structured products such as JOLCO-based leveraged leases (strengthening fee business) ■ Cross-selling to Japanese customers ■ JOL/JOLCO structuring: to aviation and maritime shipping companies	■ Focus on aircraft operating leases (in collaboration with Aircastle and Marubeni) ■ Start of initiatives for shared-vessel business Exploring the chances of capital gain.
	Effective use of in-house know-how and strengthening of collaboration	**Collaboration with external partners**
New businesses	■ New types of aircraft finance such as structured finance products ■ Co-investment in vessels Activities centered on vessel types with appropriate level of liquidity (co-investment with partners)	■ Seeking opportunities for collaboration with funds (equity/debt) ■ Enhanced infrastructure business initiatives Approaches towards social infrastructure maintenance (such as those in Emerging countries, and those adopting next-generation fuels).

Business Overview of Six Headquarters

Investment

Managing Executive Officer
Norio Sumi

The Investment Headquarters provides financing solutions by building and managing a well-designed portfolio, focusing on investments in startups and established companies, equity and other funds, as well as middle-risk, middle-return investments in such debt instruments as LBO, mezzanine, and hybrid loans.

Strengths

- Ability of accessing customer needs through the collaboration with Mizuho Group
- Effective sourcing of investment opportunities and projects from our network of partners, including Marubeni Corporation and investment funds
- Ability to provide flexible investing and financing options keyed to market conditions and the growth stages of our customers

Medium-term strategic measures

Three main focal points

- Strengthening direct investment in operating companies
- Promoting value co-creation through such measures as joint investment with customers
- Expanding initiatives in new financing areas such as overseas renewable energy and infrastructure projects as well as securitized products

Key strategic initiatives

- Providing a variety of products for customers at different stages of development and covering a variety of strategic situations
  — Covers a wide range of asset classes including private equity (startup to mature) loans and equities
- Preparing to offer professional services relating to corporate functions such as governance and management accounting
- Exploring global investment opportunities through networks with overseas financial institutions and fund General Partners.

To achieve the above measures, we will bridge the gap between our current and target state by providing values to our customers and enhancing our corporate value.

- We are improving our ability to understand customers' equity needs and deepening our knowledge by defining and investigating specific themes. We are also strengthening our deal-sourcing function and collaborating on projects through the maximal use of our internal and external networks.
- We invest in opportunities that offer appropriate risk–return profiles through our understanding of the market volatility, and generate stable earnings.
- We are also bolstering our human resource development by sharing know-how within the company.

Fiscal 2023 review

- Formed a fund dedicated to the expansion of equity buyout investments.
- Developed new investments (e.g., CLOs) with a steady growth of high-quality portfolio.
- Accelerated startup investment through the corporate venture capital (CVC) fund operated by Future Creation Capital, a wholly owned subsidiary of the company.

Business Risk and Mitigation

- We steadily build our portfolio while carefully monitoring domestic and overseas stock markets and interest rates and ensuring diversification of business areas and investment products.
- We explore and carefully select global investment opportunities with a clear awareness of trends in the foreign exchange market.
- We build our debt and equity portfolios that aim at optimizing both liquidity and profitability, in the awareness that the asset liquidity affects both asset price and our funding ability.

Business Topics

Founding of Miraiz Capital

To meet the equity requirements of business succession and MBO projects, we established Miraiz Capital, a fund management subsidiary wholly owned by Mizuho Leasing that has commenced the formation of funds. We aim to create corporate value by governance consulting and other professional business services to customers engaged in businesses that are essential to society, show long-term demand prospects, and have the potential for sustainable growth.

Overview of Miraiz Capital

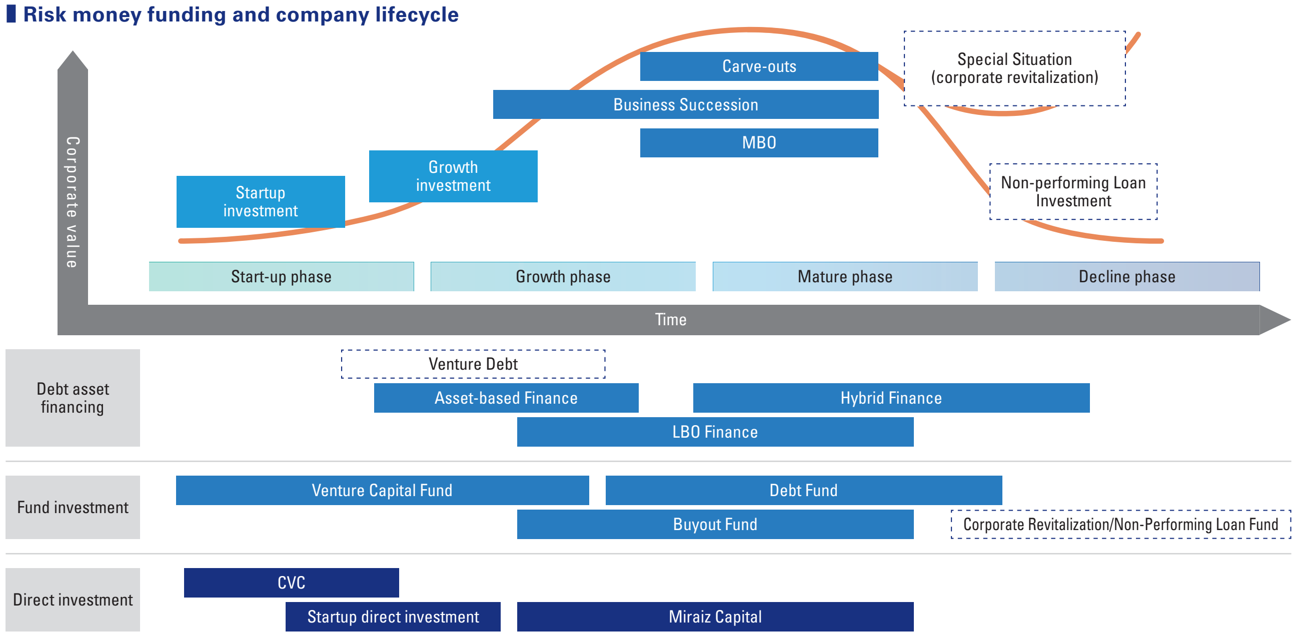
We have begun putting together funds that will allow us to capitalize on investment opportunities related to business succession and MBOs and strengthen our buyout-related equity investment business with a preference for taking majority stakes.

Fund management company	Miraiz Capital Co., Ltd. (100%-owned)
Investment scope	Small to medium-sized companies
Investment criteria	Stable cash flow generation, socially driven demand, and potential for sustainable growth

Expanding scope of financial services

While increasing our exposure to LBO finance, we are also breaking into new areas such as securitized products and overseas renewable energy infrastructure project finance, on an analytical base of market trend change. Renewable energy investments offer environmental benefits while diversifying the energy supply. Meanwhile, securitized products contribute to risk diversification and improved liquidity. We expect to gain diversified returns and growth opportunities through our efforts into new areas of investments.
We aim at continuously building a robust portfolio and at achieving a sustainable bottom-line revenue growth.

Risk money funding and company lifecycle



Business Overview of Six Headquarters

5 Circular Society Platform

Managing Executive Officer
Kazuomi Funakawa

We aim to provide a platform for a circular economy, in which sustainably generated electricity is supplied to society, and resources and products that maintain a high value are recycled rather than discarded.
We are participants in schemes to supply customers with electricity from solar and other sources through corporate PPAs and other means. We are also expanding into new fields, such as the grid storage battery businesses.
In the area of the circular economy for physical goods, we collaborate with manufacturers to provide finance such as leasing, rental and subscription services, and we also ally with the companies focusing on recycling.

Strengths

- Mizuho Group customer base, intellectual capital covering information and solutions
- Well-distributed power plant portfolio (about 2,000 locations)
- Adoption of corporate PPAs and other kinds of relative pricing contracts in addition to the feed-in tariff system

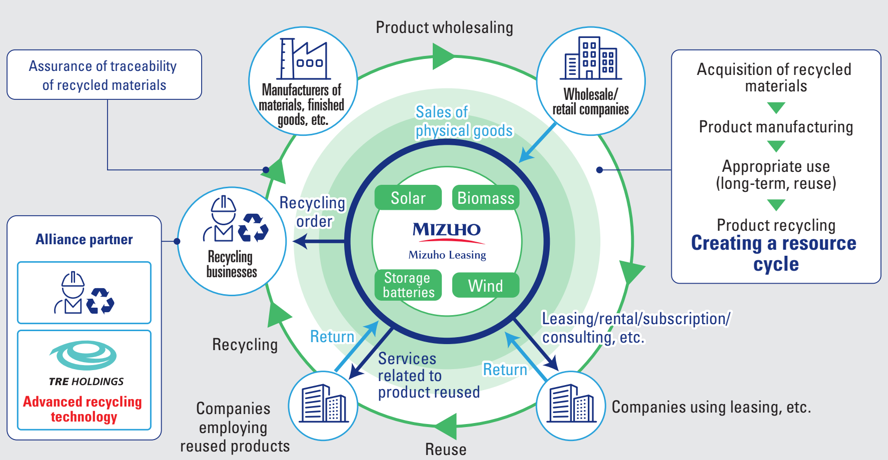
Medium-term strategic measures

By the end of fiscal 2025, we aim for our group companies to have the capacity to generete 1GW of renewable energy, which we plan to supply to various stakeholders in the circular economy along with existing Mizuho Group customers.
Through these initiatives we can contribute to a carbon neutral society in all aspects of economic activity, including the product cycle from manufacturing to use and recycling, and the provision of services. At present, our efforts are centered on ownership of power generation and storage facilities, but we are also considering expanding from power generation into related demand-side businesses.
In the circular economy of physical goods, we contribute to the improvement of collection systems and the quality of recycled products by not only working with the partners who are directly engaged in the reuse and recycling business, but also promoting the collaboration between the manufacturers and reclamation companies.
Since we believe that circular economy is essential to sustainable society, we consistently promote various initiatives through a variety of partnerships across the supply and demand chain.

Aims (ideal state)

Establishing a circular economy platform

Improved transparency in the product lifecycle process | Establishment of a platform that promotes optimized resource use | Supply of renewable energy across the entire product lifecycle



Fiscal 2023 review

- In April 2024, M.L. Power Corporation, a renewable energy business company, began operations as a consolidated company , strengthening its initiatives.
- We entered into new businesses, such as virtual PPAs and grid storage.

Business Risk and Mitigation

Power plants are suffering increasing damage due to natural disasters and theft of power cables. We will structure our portfolio with different geographic and other risks, and carefully assess these risks.
In addition, when approaching new business formats, we will appropriately assess and mitigate project risks through rigorous due diligence and properly follow up with post-implementation monitoring.
We do not only have our existing business adjusted to the market change, such as the Europe-centered environmental regulations tigntning and technological innovation from startup companies, we also think it as new business opportunities and create new value for the world.

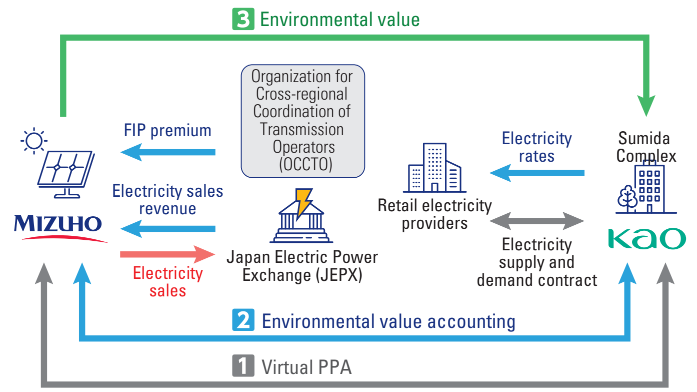
Business Topics

Operations commence at the largest virtual PPA contract power plant in Japan (capacity 16.8MW*)

In April 2023, our group concluded a virtual PPA agreement with Kao Corporation and began developing power plants. These began operating sequentially from November 2023, the last starting up in July 2024. Our group owns and operates solar power plants that provide environmental value to Kao. Output is expected to reach approximately 18.2 MW and reduce CO_2 emissions by about 6,843 tons* per year.
*At the time of the contract in April 2023, capacity stood at 15.6 MW but, as a result of the development of plants, capacity had reached 16.8 MW.

Concluded the largest virtual PPA in Japan

Kao's Sumida Plant to run on 100% additive renewable energy

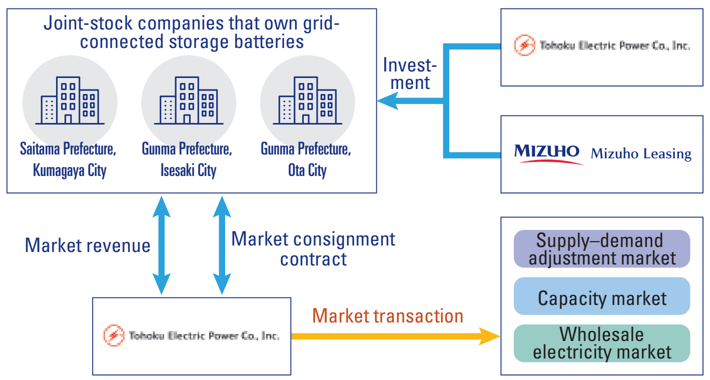


Grid-connected storage battery business with subsidies

In our effort to expand the use of renewable energy and stabilize electricity supply–demand, our company and Tohoku Electric Power have received a subsidy from the Tokyo Metropolitan Government's Project to Promote the Introduction of Large-Scale Storage Batteries for Grids and are planning to jointly construct a storage battery facility. Operations are scheduled to begin by June 2025.

Grid-connected storage battery business subsidized by the Tokyo Metropolitan Government

Participation in the grid-connected storage battery business to promote a stable electricity supply and the effective use of renewable energy



Collaboration with TRE Holdings

In November 2022, TRE Holdings and Mizuho Leasing concluded a basic agreement regarding the development of a business scheme toward circular economy, and announced our capital participation in TRE Holdings in the following August. We plan to further strengthen our collaboration with TRE in the future.

Participation in Circular Partners and presenting at GZERO Summit Japan 2023

In September 2023, we joined Circular Partners, a consortium formed to induce collaboration between industry, government and academia on the promotion of a circular economy. In December of the same year, we took part in the GZERO Summit Japan 2023 hosted by the Eurasia Group, where we presented on our company's efforts in regard to the circular economy, with the aim of realizing a highly circular, decarbonized society.

Business Overview of Six Headquarters

Global Business

Deputy President
Mutsumi Ishizuki

Our overseas business continues to expand, leveraging alliances forged in 2019 with Marubeni Corporation and within the Mizuho Financial Group. In 2020, we took equity stakes in aircraft leasing and refrigerated trailer leasing companies in the United States and a finance company in Vietnam. In 2022, we invested in a used car finance company in Australia and, in June 2023, we made an initial foray into India—a country with high growth potential—with our acquisition of equipment leasing company Rent Alpha. Under its Medium-term Management Plan 2025, the company aims to expand its business domain through inorganic strategies, such as direct investment and M&A.

Strengths

- Strong collaborative system of alliance partners (Mizuho Financial Group, Marubeni Group)
- Network of Mizuho Leasing offices in Asia and Oceania
- Proven track record and solution sales capabilities in Japan and overseas

Medium-Term Plan Strategies

Deepen and Expand Partnership with Marubeni

- Establish a companywide integrated sales system with Marubeni Corporation
- Utilize Marubeni Corporation's global partner and customer networks, staff, and business development capabilities

Strengthen Inorganic Growth Strategy

- Research new markets and capitalize on growth opportunities
- Reevaluate investment strategies in countries where we already have a presence
- Strengthen collaboration with other business headquarters within Mizuho Leasing

Expand Customer Base of Existing Overseas Group Companies

- Strengthen initiatives for new markets and products
- Japanese companies: promote vendor finance
- Non-Japanese companies: tighten collaboration with Mizuho Financial Group

Strengthen Ability to Provide Solutions to Domestic Customers

- Expand services that differentiate the company from competitors, such as sales financing in India and Vietnam and cross-border loans

Develop Global Talent

- Discover and develop human resources through internal recruitment and midcareer hiring
- Globalize human resources by promoting domestic employees to overseas positions

Fiscal 2023 review

- We acquired Rent Alpha in India in June 2023 as a consolidated subsidiary (51% stake). In October 2023, the company underwrote a capital increase of approximately ¥1.8 billion to fund growth. In August 2024, the company acquired additional shares to increase its stake to 87.6%.
- Existing overseas subsidiaries steadily increased new contract volume by expanding their customer bases, accumulating operating assets, and leveraging their partnerships with the Mizuho Group.

Business Risk and Mitigation

- Funding costs rose at overseas bases due to higher foreign-currency interest rates. We were able to mitigate this by passing these costs onto new contracts and by managing our interest exposure via a balanced mix of fixed and variable rates.
- Credit risk becoming apparent due to deterioration in the economic environment of certain countries where we have operations. In an uncertain economic environment, we are thoroughly monitoring, diversifying, and avoiding large-scale credit risks.

Business Topics

Marubeni Alliance

In May 2024, we announced a capital and business tie-up with Marubeni Corporation. Marubeni brings a global partner and customer network, human capital capabilities, and business development abilities, while we offer a broad customer base in Japan and expertise in leasing of physical goods and solutions for commercial distribution. By leveraging each other's strengths and knowledge, we have together begun to address social issues and enhance corporate value by providing value for customers in Japan and overseas.

India Overseas Group Company

To service our Japanese corporate customers who aim to expand sales to local companies in India, we have begun offering vendor finance programs. We have also started proposing solutions that make use of Rent Alpha's capability to take the credit of local companies. We have already reached concrete business negotiations in this and will deepen cooperation with Rent Alpha to further support the expansion of sales channels.

Marubeni Corporation President Masami Kakinoki visits our company's India base

Vietnam Overseas Group Company

For long-term funding needs that are difficult to meet due to regulations at local banks in Vietnam, we provide customers with solutions that combine cross-border loans and local leasing. We expect the versatility of this scheme to drive expansion of our initiatives in Vietnam.

Deputy Chief Takashi Yao visits our Vietnam office

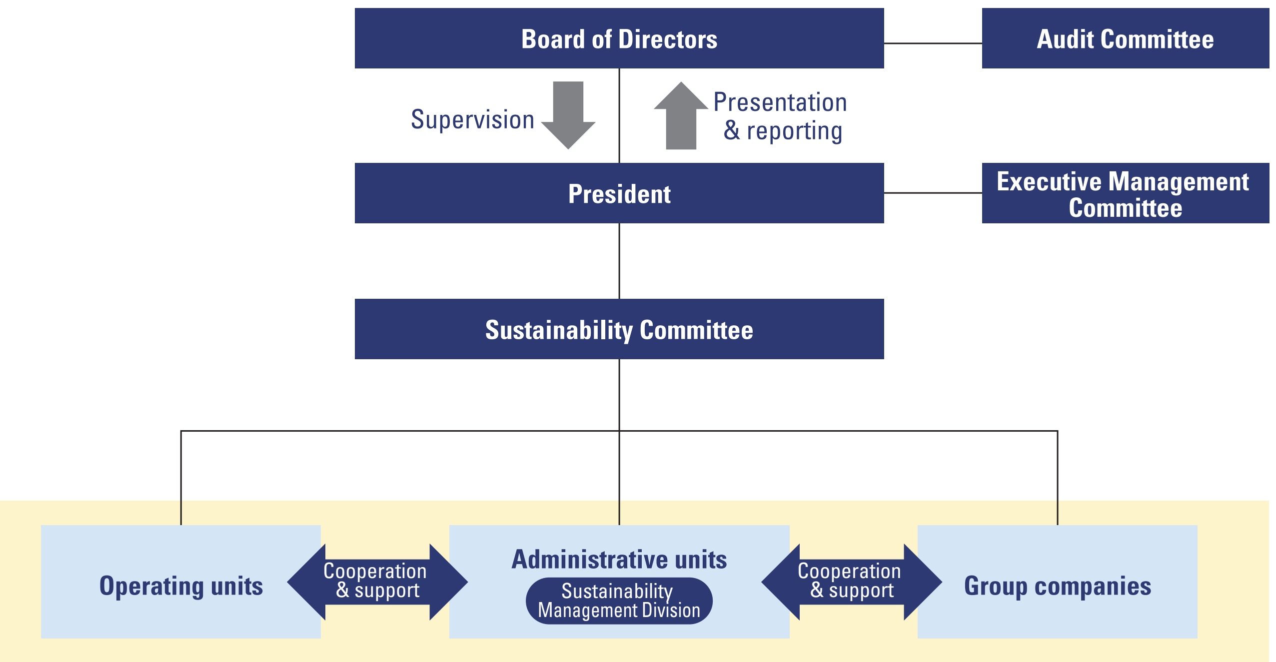
Promoting Sustainability Management within the Mizuho Leasing Group

Direction

While the domestic market is topping out amid population decline, numerous social, economic, and commercial challenges are piling up as the global competitive environment is becomes increasingly intense, latent financial problems threaten to materialize, and other pressing issues emerge in relation to climate change and technological evolution. To aid our customers in facing these challenges, the Group aims to evolve into a multi-solution platform provider that transcends the boundaries of finance and can, as a partner in value co-creation, guide them to the correct answers. In line with our management philosophy, our Group aims to create value that can be shared among stakeholders through our business activities while contributing to the realization of a sustainable society.

Sustainability promotion framework

The Group has established a Sustainability Committee to conduct discuss sustainability on a company-wide basis. Specifically, the committee assembles data on sustainability (including ESG topics), formulates fundamental policies and goals for sustainability management, monitors plan implementation status, and discusses countermeasures.



Sustainability Committee

Co-chair	Head of Financial Control & Accounting Group (CSO), Chief of Human Resources and General Affairs Group
Committee members	Head of Human Resources and General Affairs Group, Head of Finance & Accounting Group, Head of Strategic Planning Group, Head of Risk Management Group, Head of IT Systems & Operations Group, Head of Legal & Compliance Group, Head of Credit Management Group, Head of Circular Society Platform Headquarters, Deputy Head of Circular Society Platform Headquarters, and other officers appointed by the president
Frequency	Quarterly (in principle)
Key topics for 2023	Measurement and disclosure under scope 3 Participation in the GX League Establishment and monitoring of nonfinancial targets Expansion of sustainable finance

Risk Management

The Group categorizes risks that arise in the course of its business as financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively. It has established a risk management framework for each of these categories and has also put in place a comprehensive risk management system that centrally oversees both categories of risk. With regard to financial risks, we monitor the locus and scale of risks based on a framework that classifies financial risks into credit, market, asset, and equity baskets and allocates risk capital to each. We oversee the occurrence, response, and prevention of operational risk events classified as administrative, system, and legal.
The Group classifies sustainability-related risks as operational and has begun to reflect them in the existing risk management framework under the auspices of the Risk Management Committee and within the comprehensive risk management system. We will continuously improve their handling based on the analysis practices and research of organizations dedicated to this discipline.

Identifying material issues

It is ever more important that we act on environmental and social issues. In order to achieve both growth and a more sustainable society, our Group has identified six material issues that we should prioritize based on the opportunities and risks they present to society and our Group.

Step 1 | Identify issues

From the the UN's Sustainable Development Goals (SDGs) and industry-specific materiality maps from SASB Standards, we have compiled a list of approximately 300 items relating to the environment, society, and the economy that should be addressed both domestically and internationally, over the long term.

Step 2 | Analysis

The social relevance of each issue and its importance to our Group are scored using the knowledge of external experts. Issues that our Group can help solve in the course of its business activities or explicitly aims to address are selected.

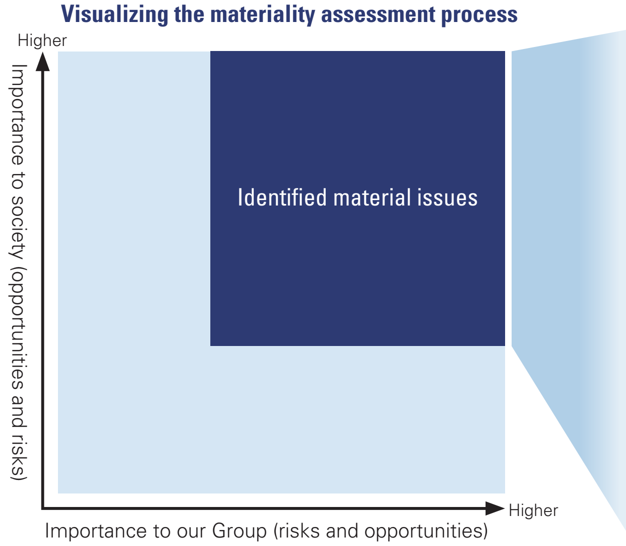
Step 3 | Assessment

Through management interviews and employee surveys, we assessed the importance of each opportunity and risk from the perspective of society and our Group's business. We ranked each issue according to its relative priority, eventually narrowing the field to six themes.

Step 4 | Formalize topics

After deep discussion of the Group's priorities in terms of the six themes, the Board of Directors ruled on the materiality of the issues following consultation and deliberation by management.

Visualizing the materiality assessment process



Theme	Material theme
Renewable energy	Contributing to a decarbonized society
Medical treatment, nursing care, and healthcare	Contributing to a healthy and prosperous lifestyle
Cities, infrastructure, and mobility	Contributing to the creation of social Infrastructure that supports our lifestyle
Circular economy	Leading toward a circular economy
Technology	Creating new value through technology
Human resources, education, and governance	Creating a society and workplace where everyone can thrive

Material initiatives aimed at improving corporate value

Materiality		Risks & opportunities	Medium-term management plan indicator	Business activities: Business Promotion Headquarters	Business activities: Real Estate Headquarters	Business activities: Transportation Headquarters	Business activities: Investment Headquarters	Business activities: Circular Society Platform Headquarters	Business activities: Global Business Headquarters	Business activities: Innovation Co-Creation Department	Example initiatives	Vision: As a multi-solution platform company, we solve problems for businesses and society		Impact on corporate value
Contributing to a decarbonized society	Risk	• Lost growth opportunities due to limited capacity to meet increased demand for renewable energy • Unexpected costs due to changes in aspects of the market framwork such as the feed-in tariff system • Decrease in income due to restoration costs stemming from damage to solar power plants, etc., and service interruptions • Decreased electricity sales revenue due to output restrictions caused by grid capacity constraints • Loss of business opportunities due to delayed carbon neutrality measures • Compliance with future regulation related to restricted sales of gasoline-powered vehicles	• Secure 1GW of renewable power generation capacity (FY2025) • Reduce CO_2 emissions* in Scope 1 & 2 *Zero emissions (FY2030)	○	○	○	○	●	○	○	• Executed the one of the largest virtual PPA in Japan • Entered the grid storage battery business to boost the adoption of renewable energy and stabilize electricity supply and demand • Ran a demonstration project in preparation for a shift to EVs for domestic last-mile transportation • Launched the EV Marutto Service (EV charging infrastructure) and concluded business agreements with Toko Takagi Co., Ltd. and Mint Wave Co., Ltd. • Concluded an agreement on investment and business collaboration with NExT-e Solutions Co.	7 13	Providing solutions to such pressing environmental issues as creating a society that is recycling-oriented low-carbon Promoting the adoption of EVs by customers pursuing carbon neutrality, and contributing to a reduction of greenhouse gas emissions Markets Battery as a Service (BaaS) offering that utilizes the residual value of automotive storage batteries via cascade recycling	Expanding business earnings as a supplier of renewable energy Unearthing new revenue opportunities by providing one-stop solutions for adopting the use of EVs
	Opportunity	• Expansion of business opportunities linked to changes in social and industrial structures triggered by renewable energy • Expectations of ownership and financing roles for renewable energy-related projects • Enhanced alliances with customers and suppliers with a shared vision of expanding clean energy • Growing interest in introducing EVs to enable the carbon neutrality of supply chains • Comprehensive support for initial investment, including infrastructure development												
Contributing to a healthy and prosperous lifestyle	Risk	• Loss of market opportunities due to delays in updating to advanced medical equipment internally or via alliances • Loss of growth opportunities due to inability to respond to expanding demand for medical services		●	○	○	○	○	○	○	• Contract concluded with ARCALIS Co., Ltd. covering manufacturing facilities for mRNA bulk drug substance	3 11	Providing solutions related to real estate for nursing homes and other facilities, medical solutions that utilize such digital strategies as remote medical care and functional medical robots, and the rebuilding of aging hospitals	Integrating with solutions to other materially important issues to achieve both resolution of health and medical matters and revenue growth
	Opportunity	• Growing investment in medical and nursing care services that utilize IoT and other technologies • Entry into real estate leasing of elder-care homes with medical and nursing care services • Expansion of the healthcare and health information markets, spanning from prevention to treatment												
Contributing to the creation of social Infrastructure that supports our lifestyle	Risk	• Obsolescence of existing facilities and businesses amid changes in working styles and living environments • Loss of business opportunities due to intensifying urban competition and reduced business opportunities in depopulating rural areas • Stagnation of socioeconomic activity due to aging infrastructure that is not resilient to accidents natural disasters		○	●	●	○	○	○	○	• Execution of Mizuho Green Real Estate Non-recourse Loan for a TPG Angelo Gordon real estate project • Subscription for US$500 million capital increase by Aircastle • Conclusion of capital and business tie-up with Gecoss Corporation	9 11 13	Along with the real estate that forms the social infrastructure for offices and logistics, we add social value through the development of educational and entertainment facilities. We further contribute to the development of social infrastructure by providing capital for aircraft and ship financing.	Expand earnings by providing a diverse range of solutions to meet the financing needs of real estate development, aircraft, ships, and other social infrastructure.
	Opportunity	• New business opportunities linked to rising demand for equipment and facilities amid such social changes as logistics demand increases, digitization, and the development of smart technologies • Expanded business opportunity in rural areas due to decentralization of society and the decline of urbanization • Demand for infrastructure renewal and, more specifically, infrastructure employing new technologies												
Leading toward a circular economy	Risk	• Negative impact of resource depletion and increased waste on the natural environment accompanying environmental degradation, as well as a rising burden on businesses due to soaring resource prices and environmental regulations • Failure to capitalize on demand amid a societal shift from ownership to use resulting in lost opportunities for growth and innovation	• Chemical/material resource recycling rate of 85% or more (FY2027)	●	○	○	○	●	○	●	• Strengthening ties through capital stake in TRE Holdings Corporation • Participation in industry-government-academia partnerships pertaining to the circular economy • Conclusion of a business agreement with Social Interior, Inc. • Launch of the Yamada Business Rental subscription service for home appliances (with retailer Yamada Denki Co., Ltd.) • Launch of a subscription service covering agricultural machinery for organic vegetable producers • Investment contract executed by Group CVC fund	12 13	We develop our business by providing information on the connection between production and recycling phases of the business cycle, as well as traceability. We take the initiative by providing solutions that integrate the business-value chain to build a platform for resource recycling.	Expanding profits by building a resource recycling platform
	Opportunity	• New businesses and technologies that respond to changes in the way physical goods are used • Popularization of sharing and subscription services, which are highly compatible with leasing • Increased business opportunity as the capital investment cycle shortens												
Creating new value through technology	Risk	• Obsolescence of existing business models due to IoT, AI, and other new technologies • Obsolescence of existing assets and decrease in residual value • Leakage of proprietary information and suspension of business operations	• Develop digital IT personnel: 200 heads or more (FY2025)	○	○	○	●	○	○	●	• Investment in robotics developer QibiTech, which is developing the HATS autonomous teleoperation system • Investment in, and business partnership with, ugo, Inc. • Seiko Solutions, Inc. promotes sales platform enhancement using jointly developed AI	8 9	A technology-driven business leader driving structural industrial reform	Providing solutions that meet business challenges while accounting changes in social structure and the spread of new technologies
	Opportunity	• Development of new markets, provision of innovative services, and shift to sustainability-focused business models • Implementation of solid information infrastructure and improved information literacy • Supplemental corporate investment demand and business expansion ahead of IoT and robotics advances												
Creating a society and workplace where everyone can thrive	Risk	• Loss of staff over inadequate workplace policy, employment management, and employees training • Reputational risk due to inadequate response to harassment claims • Business continuity risk due to poor governance and dysfunctional internal controls	• Hire more specialized business professionals: 80 heads or more (FY2025) • More than tripling of the developing personnel budget (FY2025/ compared to FY2022) • 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% (each year)	○	○	○	○	○	○	○	• Planned head office move • METI-certified as a Health and Productivity Stock (large corporation category)" for two consecutive years • Held seminars to help employees balance work and childcare • Held a roundtable discussion with female sales managers from other companies	4 5 8 10	An organization that accepts the challenge of creating new value	Ensuring—by challenging ourselves to be agile and emphasize a sense of speed—that each individual employee and the company as a whole implement new value propositions that transcend the boundaries of finance Improving productivity by strengthening our Group's human capital
	Opportunity	• Multiplying opportunities to secure talent by supporting a diverse range of highly flexible work arrangements • Strengthening organizational effectiveness by optimizing human capital • Establishing a stable growth foundation atop a robust governance system												

* Non-consolidated and seven domestic consolidated subsidiaries

Environmental Initiatives

Response to climate change

The Mizuho Leasing Group is working earnestly to address the critical issues of global climate change—including growing greenhouse gas emissions and rising temperatures—and has codified "contributing to a decarbonized society" as one of its priority issues sustainability initiatives. It aims to contribute to society through its business activities.
We conduct analysis and information disclosure under the framework of the Task Force on Climate-Related Financial Disclosures (TCFD).

Governance

See "Sustainability promotion framework" on p.43 for details.

Strategy

Risks and opportunities related to climate change

The Group views the various risks and opportunities associated with climate change as a key element of its corporate strategy and has identified decarbonization of society as a materially important matter. It is assessing and analyzing the impact of climate change over time frames of every duration.
The time periods affected are assumed to be defined as short-term (1–5 years), medium-term (up to 2030, by which time the Japanese government aims to reduce CO_2 emissions by 46%), and long-term (up to the 2050 target for global carbon neutrality). The impact on the Group of risks and opportunities attendant to economic transition and physical events associated with climate change is shown in the table below.

Classification		Main content	Term
Transition risk	Strategy	Increased credit costs for sectors with high greenhouse gas emissions due to the introduction of a carbon tax or carbon pricing	Medium, long
	Regulations	Increase in costs associated with regulatory changes, such as stricter emissions reporting requirements, in response to growing international demands	Short
Physical risk	Acute, chronic	Impaired asset value and increased restoration costs due to damage to existing assets from wind and water damage as a result of more severe extreme weather events, we well as resulting restrictions on business activities	Short, medium, long
Opportunity		Increased demand for financial and business opportunities associated with the shift to renewable energy and more energy-efficient modes of transport, and the spread of environmentally friendly products and services designed to ensure resilience	Short, medium, long

Scenario analysis

In relation to these risks and opportunities, our Group is running a qualitative scenario analysis against the highly important power and real estate sectors and formulating more specific impact assessments and countermeasures.

High-priority sector selection methodology

1 **Sector selection**
We qualitatively assessed the impact of transitional and physical risks due to climate change for the sectors vulnerable to the effects of climate change as recommended for disclosure by the TCFD. We then ranked these risks by relevance based on the strategic importance of the Group's exposure to each industry, leading us to identify the power and real estate sectors as subjects for our scenario analysis.

2 **Importance assessment**
We evaluated the importance of risks and opportunities for the power and real estate sectors based on the intensity of their business impact.

3 **Scenario group definition of and parameter setting**
We set our assumptions about the timing and magnitude of business impact based on highly objective scientific parameters.*

4 **Business impact evaluation**
We evaluated transition risks related to climate change for a period extending through 2050 via analyses based on two scenarios: 1.5 to 2°C temperature increase and 4°C, referencing the NZE scenario in the IEA WEO 2021 and the STEPS scenario in the IEA WEO 2021.

*Access source material here.
https://www.mizuho-ls.co.jp/ja/sustainability/society_and_environment/action.html

	Electric power sector		Real estate sector	
	1.5–2c° scenario	4c° scenario	1.5–2c° scenario	4c° scenario
Risk	From 2030 onward, new carbon taxes, stricter carbon emissions regulations, and changes to the energy mix will precipitate a reduction in the use of fossil fuels, which should impact power companies' profitability. However, we forecast a limited impact on our cost of borrowing. Furthermore, we do not operate any businesses related to thermal power generation using coal or other such fuel.	The increasing possibility of frequent flooding raises the likelihood of damage to power generation facilities. In addition, rising crude oil prices are expected to make power generation more costly and undermine power companies' profitability. An indirect impact on our credit costs is possible, but we see the direct impact on our business as limited.	Stricter energy conservation standards should trigger a wave of capital investment. Costs will likely rise due to the mandatory implementation of ZEB* / ZEH†, and if this increase cannot be passed on to tenants and other users, our credit costs could be affected over the long term due to the impact on our customers' businesses. But, we expected any such effect to be limited.	Flooding is expected to occur with increasing frequency, and potential flood damage to our company's properties could impair the value of the real estate assets and impose expenses for repair and so on. Our credit costs could also rise in response to the impact on our customers' businesses.
Opportunity	Expectations of growth in the renewable energy business is raising hopes of expanded opportunities for new business entry and investment.	—	The competitiveness of certain properties is expected to increase. We can expect business to expand as rents increase due to the growing awareness of the need for properties with low carbon emissions and high environmental performance.	Valuations could increase for properties that are less susceptible to disasters due to safer location selection and enhanced disaster resistance. Resulting competitiveness gains should benefit our business.
Action	**Measures to optimize opportunity** • Taking on business risk to develop various modes of renewable energy, including solar power and others, such as biomass, hydropower, and wind power • Expanding our reach to include new power solutions such as storage batteries and hydrogen • Maximizing profitability in our existing businesses by amassing operational know-how and introducing new technologies • Capital investment taking advantage of subsidies and other benefits. • Monetizing stranded assets and the recycling of used solar panels and other items.	**Risk Reduction Measures** • Careful multivariate risk assessment of individual projects that accounts for sector policies adopted in response to changes in our operating environment	**Measures to optimize opportunity** • Strengthening investment in and financing of environmentally friendly real estate • Use alliances to expand our business to include the property development phase and seize opportunities arising from environmental initiatives	**Risk Reduction Measures** • Use of more detailed hazard maps and other tools to assess financial and investment risk • Increased care in creditworthiness assessments regarding long-term holdings

* ZEB: Net Zero Energy Building
† ZEH: Net Zero Energy House

Based on scenario analysis, we are accounting for the effects of climate change in our medium-term management plan and other business plans.
In the power sector, we have set targets for securing renewable energy power generation capacity and are currently building a customer-facing distribution system. We are also working in such new areas as grid storage batteries, on which we are collaborating with Tohoku Electric Power. Our real estate division is working to create new businesses through property acquisition and joint development with a view to medium-to-long-term management and also through collaboration with alliance partners.

We have jointly established Bando Storage Battery No. 1 LLC with our alliance partner Tohoku Electric Power Co., Inc., making use of subsidies from the Tokyo Metropolitan Government's program to promote the introduction of large-scale storage batteries for the grid. This project aims to expand renewable energy use and stabilize the supply and demand balance for electricity. Its roadmap includes the construction of energy storage facilities using grid-connected storage batteries in Kumagaya City, Saitama Prefecture, and Isesaki City and Ota City in Gunma Prefecture. Operations are slated to commence by June 2025.

Image of completed project


Kumagaya City, Saitama Prefecture


Isesaki City, Gunma Prefecture


Ota City, Gunma Prefecture

Risk management

See “Risk Management” on p.44 for details.

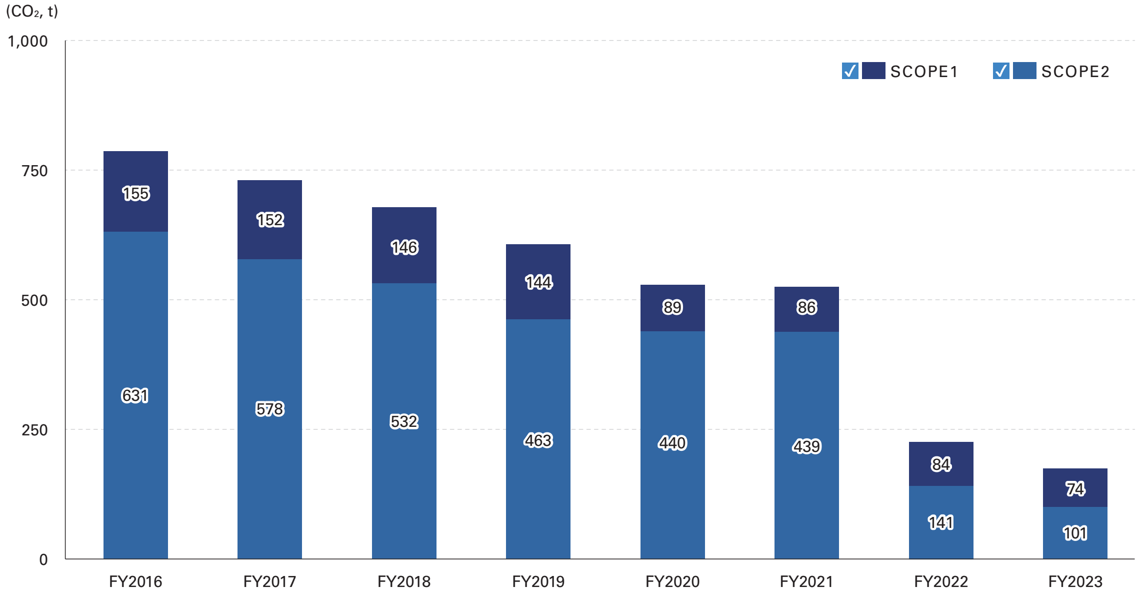
Targets and indicators

Decarbonization and related climate change and energy issues are among the most important global concerns. The Mizuho Leasing Group is working to not only achieve CO_2 emission reduction targets but also to promote electricity generation from renewable resources and working to achieve a circular economy that recycles and conserves resources, energy, and finished goods. In our pursuit of a circular economy that minimizes waste generation by maximizing resource recycling, we have set the following indicators and targets to help us reduce CO_2 emissions to the benefit of society.

	Indicator	Target
Decarbonized society	Securing renewable energy power generation capacity	1GW (FY2025)
	Reducing CO_2 emissions from scopes 1 and 2 *	Net zero (FY2030)
Circular economy	Chemical and materials recycling rate	More than 85% (FY2027)

CO_2 emissions (scopes 1 and 2) *1

In FY2023, we reduced emissions by switching to renewable electricity sources for our main buildings and by consolidating and closing offices. We will continue to take steps to reduce emissions in the future.



CO_2 emissions (scope3) *1

Leasing companies own and manage vast inventories of assets but, in most transactions, the customer selects and uses the leased assets exclusively, making it difficult to keep track of emissions. Moreover, it is not possible to offer only to lease assets with low emissions or to control the emissions associated with the use of leased assets, and greenhouse gas emissions correlate with transactions scale. Despite these complications, as the owner of leased assets, we are in a position to curb emissions within the scope of our own influence.
We have reached a general conclusion on emission volumes and mitigating controls and have estimated the scale of emissions in categories 11 and 13, which cover the transportation equipment sector (automobiles and aircraft).

(CO_2, t)

	Category	FY2021	FY2022	F&2023
1	Purchased products and services	108,410	174,226	130,073
2	Capital goods	6,255	1,645	2,310
3	Fuel- and energy-related activities not included in scope 1 or 2	90	78	72
5	Waste generated by operations	14	12	10
6	Business travel	160	165	167
7	Employee commuting	276	309	309
11	Use of sold products	142,936	108,798	65,908
12	Disposal of sold products	18	21	13
13	Leased assets (downstream)	692,222	722,389	770,237
15	Investment	12,420	12,943	—*2
	Total	962,801	1,020,586	—*2

1: Parent plus seven domestic consolidated subsidiaries. However, some scope 3 data includes overseas consolidated subsidiaries.
2: This data is preliminary; official values will be disclosed on our website when finalized.

Other environmental initiatives

Progress toward environmental targets

FY2023 Targets	FY2023 Actual	Progress
Reduce paper usage by 5% from the monthly average in FY2021	Down 24% since FY2021	124%
Switch to electricity generated from renewable energy sources	Switching to renewable energy for the electricity used in the head office building	100%
Reuse rate* of at least 60%	72%	120%
Used product turnover of 760 million yen	¥820 million	107%
Thorough implementation of quasi-legal processing based on the rate of periodic surveys of companies commissioned to dispose of industrial waste	Companywide	100%

* Reuse rate: Number of sales / Number of leases and re-leases ending

Targets and results of the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging

In accordance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, which came into effect on April 1, 2022, we have announced our targets as well as actual waste volumes and recycling rate data for plastic components of leased items that will be disposed of in FY2023.

FY2023 Targets	FY2023 Actual
Recycling rate for properties at the end of the lease Recycling rate including thermal recycling for a five-year period starting in FY2022: average of 92% or more	Amount of waste from plastic products at end-of-lease: 164 tons Recycling rate (including thermal) at end-of-lease: 91.8%

Initiatives for a Circular Economy

As a nexus between production/distribution and recycling/disposal industries, we aim to build a platform for a circular economy through collaboration with alliance partners and to realize a recycling-oriented and decarbonized society.

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Initiatives for conserving biodiversity

Our company has joined the 30by30 Alliance for Biodiversity led by Japan’s Ministry of the Environment.
The 30by30 initiative aims to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030 and, thereby, take a “nature positive” stance intended to stop and reverse the loss of biodiversity by 2030.
By co-creating business in concert with our stakeholders, we will strengthen our efforts at nature positivity through such measures as support for the expansion of the OECM* certification and active engagement in conservation activities as we will work to contribute to achieving the 30by30 alliance’s targets.

*OECM (Other Effective area-based Conservation Measures): Areas and regions outside of protected areas, such as public natural spaces in cities and towns and corporate-owned forests, that contribute to biodiversity conservation through the efforts of the private sector and others.

Juzan Co., Ltd. Igawa Forest

Employees' Roundtable Discussion
Initiatives for transforming corporate culture

Five young employees took part in a roundtable discussion with the Chief of Human Resources and the General Affairs Group, Toshiyuki Takezawa, about the current state of human resources initiatives at Mizuho Leasing, along with future prospects.

Aviation Business Department Kosei Yoshino | Real Estate Business Department No.2 Mio Murooka | Chief of Human Resources and General Affairs Group Toshiyuki Takezawa | Accounting Department Yusuke Fukui | Corporate Business Department (Metropolitan Area No.1) Ayaka Tashiro | Seconded to Mizuho Bank Kazumasa Matsuda

Workplace changes since the Mizuho Group partnership

—Please tell us about the appeal of Mizuho Leasing and the rewards of your work.

Mr. Matsuda Since April 2023, I have been seconded to Mizuho Bank, where I have been promoting lease coordination for Mizuho Bank branches nationwide via our Retail & Business Banking Company (RBC). Being seconded to a bank has allowed me to gain new experience in such areas outside my original leasing work as sustainability, CRE strategy, and capital policy. I am able to approach my work with a sense of excitement every day. In some cases, it is difficult for banks to directly involve themselves in the execution of individual projects due to the Banking Act. However, we at the leasing company have more scope to do what we want, and I feel that expectations of Mizuho Leasing are increasing within the bank. I would like to spread knowledge of the strengths and functions of leasing more widely within the Group.

Ms. Tashiro I am in charge of the RBC department at Mizuho Bank, and I work with bank staff on sales activities. The proposals we make cover a broad range of concerns and include not only leasing and real estate but also a variety of other topics, such as environmental issues and business succession. The appeal of my job is that I get to deal with customers from all kinds of different industries. I think my most rewarding experience in

this job was when I recently received, through an introduction from Mizuho Bank, an order for the leasing of kitchen equipment for a new type of restaurant from a company that operates restaurants. When I went to the innovative restaurant's pre-opening, I was able to confirm that the leased equipment was operating without any problems.

In the past, there was a tendency to compete with rivals on interest rates, but now I feel that we need to differentiate ourselves by pioneering new business domains, such as vendor finance, which involves working with business successors and sellers. Also, the company's change of name to Mizuho Leasing implies a strong sense of collaboration with banks, and we have been able to coordinate our sales activities smoothly within the Group.

Mr. Takezawa Thank you very much for telling us about the current state of the Mizuho Group alliance, Mr. Matsuda and Mr. Tashiro. As we have been focusing on sales reform throughout the company, it is very reassuring to hear about the promotion of collaboration within the Mizuho Group from Mr. Matsuda and Mr. Tashiro, who are active on the front line. In the past, leasing companies were seen by customers as providing financing for the acquisition of non-real-estate assets and other equipment, but the roles and expectations of leasing companies have changed significantly.

In addition to handling and owning a wide range of equipment, real estate, and other physical goods, leasing companies can also develop new businesses themselves, such as service contracting and and business investment through collaboration with operating companies. Within the Mizuho Group, we have the distinction of being a company that is lightly regulated and active in a wide range of business areas. We will continue to evolve the changing times and will also continue to foster an environment where our employees can work with comfort and satisfaction.

Individual discretion and good communication

Mr. Yoshino I changed jobs last year, joining from a major regional bank, and am now working in the Aviation Business Department as a salesperson. The aircraft deals handled by our department differ from deal to deal, so I have the opportunity to learn new approaches whenever I move to the next project. Being able to learn things I didn't know before is a very rewarding experience for me.

Another attractive aspect of the projects handled by our department is the large amounts of money involved. When we successfully conclude a contract in cooperation with the internal departments and external parties, we enjoy a sense of achievement that is hard to describe. Another thing I appreciate about our company is that the direction and initiatives that the management team is considering for the future are quite visible. Even initiatives that are still at the discussion phase are explained by top management at town hall meetings and in other forums. We have many opportunities to express our

opinions. I also have the impression that the company is actively working at a high level on projects and initiatives organized by theme.

Ms. Murooka I belong to the Real Estate Business Department No.2, which is responsible for in-house reporting on contracts that have already been signed by Department No.1. In so doing, we express opinions on funding policies and managing risks that can affect profitability during the fiscal period.

One of the characteristics of our team is that we have a lot of discretion. Even the new employees who joined the company in April this year are already playing an active role as lead on multiple projects. The company's overall culture encourages young people to take on a variety of challenges. I think it is a very open organization with managers who properly evaluate work and senior staff who provide support. I feel job satisfaction when the projects I am in charge of are successfully closed.

Also, because no two real estate properties are the same, I get to make on-site inspections of the offices, commercial facilities, logistics facilities, and other properties that I am in charge of, and I always discover something new, which is very exciting. In particular, with development projects, I have been very impressed to see buildings go from the bare frame to completion.

Mr. Takezawa Thank you very much, Mr. Yoshino and Ms. Murooka. Our company has been in existence for 55 years, but we have not always had the kind of open communication you have just spoken about. When we started our current medium-term management plan President Nakamura and the rest of the management team, being keenly aware of the importance of internal dialog, sent out a number of communications to everyone. I am glad that these messages have been received. Also, I think that the personal discretion that Mr. Murooka mentioned is a very important driver of individual growth. Depending on the characteristics of each department, I think that in an organization with a functional differentiation like the Real Estate Headquarters, young people are given a certain amount of freedom and are in an environment where they can take on challenges. In a job like Mr. Tashiro's, where one meets with management directly to negotiate proposals, it may be difficult to respond to clients' requirements, but I think that taking opportunities to think and act for oneself from a young age will contribute greatly to personal growth.

In the Human Resources Department, we also strive to manage staff in a way that suits each department's work characteristics, and we will support our younger employees so that they can feel more motivated and grow.

Mr. Fukui I currently belong to the Accounting Department, but I also work in the Corporate Planning Department, where I prepare IR materials for institutional investors and manage budget performance. I recently finished preparing first-quarter disclosures for the fiscal year ending in March 2025, and I feel a strong sense of accomplishment now that they have been successfully released. I also feel satisfaction when I read the stock market's reaction and related comments after the release and confirm that our reporting has been correctly understood by stakeholders. I think one of the most rewarding aspects of IR work is being able to directly exchange opinions with management. I often have the opportunity to exchange documents with the board of directors at financial results briefings, and I find that each comment I receive is a great learning experience. I work hard every day so that one day I can hear the board of directors say, "You've brought us some good materials."

Mr. Takezawa [To Mr. Fukui] So, in your case, your numerous external relationships provide you with satisfaction. Do you feel any changes in the company on a day-to-day basis?

Mr. Fukui Visiting our "Almost Monthly Company Bar" that started up last year has made it easier to communicate with various people. Prior to the bar's opening, communications with each general manager when coordinating monthly results and budgets yielded only superficial email exchanges. However, the opportunity to actually meet and talk frankly at the monthly bar allowed me to field inquiries about documentation face-to-face. We were then able to interact while considering the other person's facial expressions and feelings.

Mr. Takezawa That's a very happy story. If employees only interact with people in a work environment, there are inevitably limits on communication. Also, since COVID-19, working from home has become more common, and opportunities for interaction, such as social gatherings with people in other departments, have decreased. To this end, in April last year, we introduced a system that subsidizes activities that encourage people from different departments to deepen mutual understanding, such as eating together, as well as a monthly "Almost Monthly Company Bar" get-together in the company lounge where people can eat and socialize. The company also holds a "Monday Meeting" each week, where regular employees and the management team (executives and above) get together to talk freely about what is happening within the company. I feel that this has helped to improve communication throughout the organization, and as Mr. Fukui mentioned, it has helped to improve cooperation between among departments and organizational strength.

Ms. Tashiro The support system for stimulating internal communication is very popular among young employees, and there are now more opportunities for everyone to get together and talk with people from other departments. The monthly in-house bar has a different organizing department each month, and when my department was in charge, we provided mainly items from our business partners to the participants. I feel that this is a good initiative that leads to lively communication.

Ms. Murooka The company's support system for revitalizing internal communication has been well-received. It provides a good opportunity to interact with people with whom you don't usually have much contact in the course of your work, and you can also use it for lunch, so I think it's a good system that can be used by people who work shorter hours or have to leave work early for family reasons.

The spread of behavioral patterns: the view from the workplace

— In the context of the Medium-term Management Plan 2025: Please tell us about your enthusiasm for this period of rapid growth.

Mr. Takezawa Per the Medium-term Management Plan 2025, to become an organization that strives to create new value, we have formulated four modes of behavior: "client first," "sense of ownership," "empathy and communication," and "trial and error," and had each department discuss them. Can you tell us your thought on them?

Mr. Matsuda I think that trial and error is particularly important. I feel that the management team is sending a clear message that we should accept challenges outside of the traditional financial risk domain and incorporate the results into new businesses. This is how we become a partner in value co-creation that stretches beyond financial sector norms. I think that by continuing with this approach, our company will grow and become an even better company.

In addition, I think it would be good if there were more opportunities for individual employees to take on challenges outside the Group, such as secondments to customers with whom we have close relationships, or to the real estate and renewable energy industries that we are focusing on. I think that a variety of experiences will broaden diversity within the company and enable us to think and communicate in ways atypical of the financial

industry.

Mr. Fukui The way we behave may reflect the basic mindset or working adults, but I think that having it codified in language will help employees to achieve a high level of awareness. I feel that it is important to create opportunities for all employees to thoroughly understand and internalize the concept rather than just using it as a slogan.

In addition, I think that in order for the company to grow and continue to create new value together with our stakeholders, we need to develop new powerful collaborators in addition to our banking and trading partners. I am hoping that by creating businesses with new partners, we will be able to differentiate ourselves as a highly attractive leasing company.

Mr. Yoshino I think there are still issues with propagating behavioral patterns throughout the company. Aircraft finance deals involve large sums of money and, at present, relatively few in number, so the environment is not one that encourages trial and error. So, I get the impression that awareness is inevitably weak. Also, when working on a deal, the other party is the arranger or the primary lender, so there are not many opportunities to gauge the temperature or expectations of the airline company that is ultimately borrowing the money. This is a characteristic of this business but, to be honest, I feel that the client-first focus is often not front-of-mind. Also, I think that the current 30–40-year-olds are the key to changing the company, but I think that this demographic is numerically underrepresented, and strong engagement is important.

Mr. Takezawa We are trying break the leasing company mold, but we are not rejecting the role of the traditional leasing company. Instead, we are trying to add new businesses to our existing portfolio. We understand that the aircraft-related business is in a period of transition. We are a challenger in the aviation business, and I hope that you will understand that the issues that Mr. Yoshino has pointed out are, from another perspective, an indication that there is still room for growth in this business. From an HR perspective, we are aware that we have been successful in recent years in recruiting new graduates but are facing a shortage of staff in their 30s and 40s. As the Human Resources Department, we are strengthening our midcareer recruitment function, and we want to make our company a place where people of all ages, not just those in their 30s and 40s, can feel that they are growing and advancing in their careers and are highly motivated.

Ms. Murooka In the Real Estate Headquarters, we run a number of cross-departmental projects and are working to improve and streamline our operations via such means as digital promotion using AI and new systems and a portal site for the headquarters. In this context, I think we are able to practice trial and error, collaborate across departments, and communicate effectively. On the other hand, while the company is changing for the better, our work is becoming more complex, and situations remain where internal regulations and approval standards are not well suited. I think there is still room for improvement here.

Ms. Tashiro I also think that this kind of behavior should be practiced as a matter of course when working as a member of society. Also, as Mr. Murooka said, I lately feel that internal regulations and other rules are not evolving with our actual work. Recently, RBC has been actively promoting business succession. While pitching proposals to owner-managed companies, we sometimes hear that our schemes are good, but in some cases, when reach the stage of qualifying the customer,

the standards of the head office are so high that it becomes difficult to promote the sale. I think it is necessary for the company to change so as to bridge the gap between the front line and management. We would like to accelerate our efforts to meet the current needs of the sales team, such as by establishing new internal meetings and introducing a trading company–style approach to risk management in our partnership with Marubeni Corporation

Mr. Takezawa Thank you, Ms. Murooka and Ms. Tashiro. From the historical perspective of a leasing company, credit decisions surrounding customers' company risk and credit risk for have been important, but I think that to evaluate business risk as you have mentioned, it is necessary to take a new approach to risk.

Each of us has a career to plan and develop.

—— **Please tell us about your future aspirations.**

Mr. Matsuda At Mizuho Bank, where I was seconded, I learned a lot about the differences in atmosphere and thought processes even within the same group. I would like to apply this experience and work as an all-rounder with high expertise and experience in sales or in the planning department, which has the power to change the company as a whole.

Mr. Yoshino I chose to change jobs and join the Aviation Business Department in order to gain specialized knowledge. I don't want to think too far ahead, and I want to continue focusing on building my expertise.

Ms. Murooka As for my vision for the future, there are many things that I can do in the Real Estate Headquarters, so I would like to first improve my expertise in real estate. I am interested in the Strategic Investment Department and the Environment and Energy Department, which has a close relationship with real estate, because I am finding the medium-to-long-term investment aspect of my current work to be interesting.

Ms. Tashiro There are still not many women in managerial positions in our business departments and, to be honest, I find it hard to imagine what the future holds for me. However, that is precisely why I feel that I might be able to discover a new side of myself. I am excited about this, and I am determined to do my best with what is in front of me.

Mr. Takezawa As Ms. Tashiro said, we are aware that there are few senior female role models. This is an issue that cannot be straightened out overnight, but we are treating it as a very important theme for management. On the other hand, times being what they are, I also want everyone to not focus too much on role models but to think about their own careers and carve out new paths for themselves by combining, in their own ways, work aspirations and life goals with Mizuho Leasing's objectives—just as Ms. Tashiro and Ms. Murooka are doing in their own ways.

Mr. Fukui My goal is to become a department manager, and I want to aim to become a high-level all-rounder like Mr. Matsuda. Building on my knowledge of leasing, I want to become adept at overseeing business management and numerical data at a high level. As a result of having more career options to choose from, I also feel that it has become more difficult to clarify my own career path. Nevertheless, I feel that it is better to be prepared to seize opportunities for the career you want.

Mr. Takezawa Thank you to Mr. Matsuda, Ms. Tashiro, Mr. Fukui, Mr. Yoshino and Ms. Murooka for sharing your thoughts and feelings with us along with your visions for the future. Let's all work together to make our company an even more exciting place to work, where people can feel a sense of fulfillment and satisfaction. Thank you again for your time today.

—— **Thank you very much.**

Strategic HR Initiatives

Emphasis on individuality, diversity, and teamwork drives shift to culture prepared for challenges

Chief of Human Resources and General Affairs Group
Managing Executive Officer
Toshiyuki Takezawa

"Awareness reform" as the basis for change

Under our Medium-term Management Plan 2025, we are transforming our business portfolio and enhancing our managerial foundation via measures that include HR strategies geared toward ongoing progress. Central to promoting our transformation is a companywide change in awareness. While maintaining our focus on effective customer service, we believe it is necessary to foster a corporate culture that values the strengths of our company, such as our relationship-building skills and high regard for our employees, and to raise the awareness of each and every employee to enable them take on challenges without fear of failure.

As part of our efforts to change our mindset, we came up with the slogan, "Action! It's my turn!" This slogan, which was the product of the exchange of ideas among employees in preparation for the relocation of our head office in spring 2026, is meant to encourage employees to show initiative and take the first step, and to realize new discoveries and connections that follow.

In addition, the "Omoro [Interesting] Festival Project," which aims to invigorate the company with new business ideas, was born from an employee proposal.

There will always be employees who feel uneasy with frequently used words like "change" and "reform." We believe that it is necessary to build a corporate culture in which each employee can take on challenges with peace of mind while holding on to the eternal values and merits championed by Mizuho Leasing.

Individuality, diversity, and teamwork

As we move toward a new state of awareness, we are also working to improve the individual strengths of each employee and to expand the diversity of our staff.

Key to improving individual ability is growth. When choosing a company, students and young adults consider whether a company is a place where they can grow. I feel that it is necessary to create an environment where there are more challenging opportunities and settings, because growth means becoming capable of new things and acquiring fresh experience by coming into contact with a world that was previously unknown.

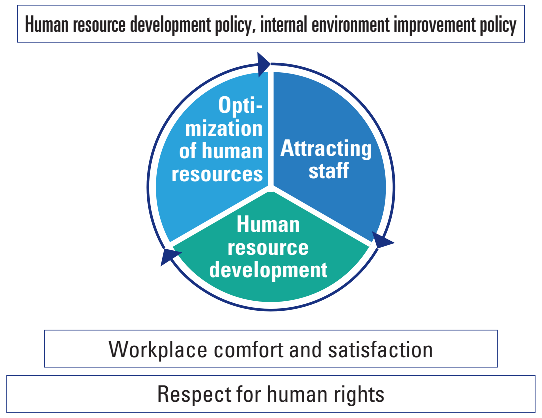
By changing the mindset of all our employees and enhancing their individual strengths, we hope that they will be able to think and act proactively and autonomously rather than passively and urgently adopt a trial-and-error approach to their work. In addition, we believe that acknowledging and praising efforts and achievements is very important in raising engagement and motivation.

In terms of diversity, approximately one third of our employees are mid-career hires and, in recent years, we have welcomed people from a variety of industries outside of finance. We feel that this staff diversity has already become an advantage for our company, but as our business expands through our capital and business alliance with Marubeni Corporation, we expect the diversity of our businesses and human resources to accelerate further. We also believe that having our employees regularly work alongside general trading company staff will prove stimulating and produce positive outcomes.

By enhancing the abilities of each individual, expanding the diversity of our staff, and demonstrating our fundamental teamwork, we can transform our corporate culture to better embrace challenges from the human resources side.

1. Fundamental approach

Our group considers each and every employee to be an important asset. To realize the "Mission," "Vision" and "Values" defined by our management philosophy, we believe management strategy must create a workplace where employees can perform with vitality. To this end, we are enhancing psychological safety and helping our employees grow so that they can play an active role in our group for a long time.



1 HR development policy

As we strive for further transformation, we are expanding our business domain, providing solutions that accurately capture the emerging and diversifying needs of our business partners, and promoting business strategies that address social issues.

By organically combining the following human resources strategies, we aim to transform our corporate culture into one of spontaneity and autonomy and to assemble a human resources portfolio that drives us forward.

- Strengthening recruitment and retention of staff from Japan and overseas with diverse values and skills
- Developing employees with expertise and the potential to become next-generation managers who aspire to solve social issues
- Effectively deploying staff based on thorough evaluation and proper treatment
- Strategically matching people with their most suitable roles

This graphic explains our recruiting process in support of our business strategies

[Desirable employees]
- People who can take on challenges, implement change, and grow as part of a team

[Required qualities and abilities]
- Temperament and skills that instill a strong motivation to tackle tough problems proactively and independently
- Temperament and skills that ensure the ability to take diverse requirements and make them a reality based on solutions driven by expertise
- Respect for diversity and ability to interact with others in a cooperative and flexible manner

2 Policies for improving the work environment

Our organization strives to ensure that each and every employee feels a sense of fulfillment, satisfaction, and purpose by providing ample career opportunities and creating an environment where employees can take pride in their work and thrive.

[Goals]
- We will ensure a comfortable, safe and pleasant working environment where employees can prosper and feel at ease.
- We will create a workplace where coworkers respect each other and where there is no discrimination or harassment.

2. Attracting and Developing Staff

Results for 2023

New graduate recruitment	Midcareer recruits
12 men, 10 women; female ratio 45.5%	22

1 Attracting talent

(1) Recruiting new graduates

Our core policy is to select people based on their individual characteristics. We hire intellectually curios people who demonstrate initiative.

Currently, women account for about half of new graduates hired for general positions each year.

(2) Midcareer recruitment

We are strengthening our efforts to acquire highly specialized, seasoned talent to help navigate constantly changing environment surrounding our group of companies and contend with such factors as the expansion, driven by collaboration with alliance partners, of our operational domain and deepening of business models as well as intensifying competition with rivals.

The experience and knowledge of midcareer hires stimulates other employees and contribute greatly to the advancement of our group as a whole.

We are also working to recruit a diverse range of people by establishing systems such as a rehiring program for employees who have left the company and a referral system that recruits employees based on employee recommendations.

2 Staff development

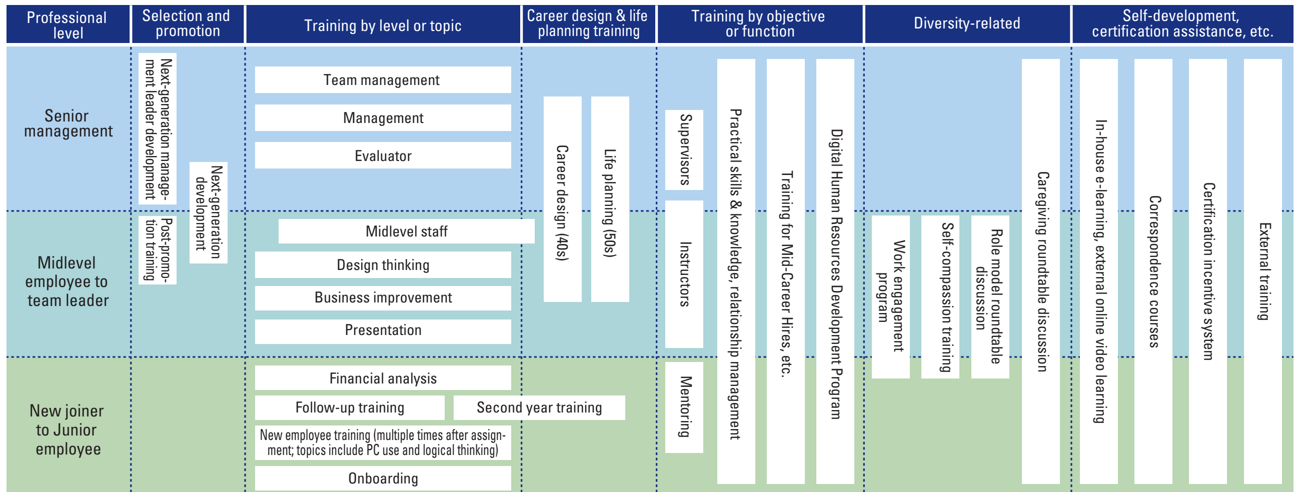
Results for 2023

Training and education expenses per person	Succession Plan	IT Passport
¥70,180	Participants: 10	Holders: 330

(1) Education and training

We are working to develop our staff through various training programs so that each employee can acquire the knowledge and skills required at each level, from new recruit to manager. In addition, we offer a range of regularly scheduled online courses taught by in-house instructors with the aim of strengthening our sales function and providing needed job knowledge. We also post these courses as video content on our internal portal so that midcareer hires and new grads can also keep their knowledge current.

Staff development system diagram



(2) Next-generation management candidates (succession plan)

We are promoting a program (succession plan) to clarify candidates for the next generation of management and to systematically develop them over the medium to long term. The program covers such topics as "emphasis of the Corporate Governance Code," "development of a planning-focused management layer," and "transparent executive selection process."

(3) Digital transformation staff

We are helping employees to proactively improve their IT literacy, which is essential to expanding our business domain and applying digital technology to the implementation of new businesses. We are working to develop core staff tasked with driving DX, employing such means as introducing (from fiscal 2023) external e-learning with highly specialized content and expanding our qualification acquisition incentive program.

3 Optimization of human resources (Diversity & Inclusion)

Results for 2023

Female employees	Female managers	Senior staff
321 employees, 39.6%	37 managers, 11.6%	53 male, 4 female

(1) Promoting the active participation of women

With regard to the ratio of female managers, we have set a target of 15% by fiscal 2025. As of the end of March 2024, we had reached 11.6%.

To actively promote the success of female employees and increase the number of female managers, we continuously implement initiatives with themes established each fiscal year. We are also raising awareness of autonomous career development through, for example, workshops and roundtable discussions with female managers active at other companies. Some of these initiatives include not only the individual but those around them and involve such activities as creating communities for female employees and training female subordinates for managers.

(2) Active participation of senior employees

In order to enable employees with a wealth of experience to make the most of their knowledge and expertise, we introduced a relatively high mandatory retirement age of 65 in fiscal 2019. We provide life design training for senior employees to encourage self-directed innovation by reviewing their own careers, and also provide support for designing comprehensive, future-oriented life plans. We plan to further support active workforce participation through reskilling education and training.

Supporting para sports

We have signed an official partnership agreement with Japan Para Athletics (JPA) since October 2019. By sending employees to cheer athletic events, and holding in-house lectures and parasports experience session by para-athletes, we have endeavored to raise the awareness of diversity in society.

3. Workplace comfort and job satisfaction

Results for 2023

Engagement survey	Internal recruitment	Health management	Overtime hours	Paid leave utilization rate
Score 69	33 applicants, 21 appointments	Health & Productivity Management Outstanding Organization 2024 Major Corporation Division	18 hours 05 minutes	70.8%

Male employees taking childcare leave utilization rate	Second/side jobs
100%	5 users

(1) Strengthening employee engagement

Since August 2021 we have conducted quarterly engagement surveys to gauge our employees' sense of fulfillment in a timely manner and to enable them to work more proactively. We are implementing various measures to ensure that each employee has a deep conceptual understanding of engagement and to foster a culture in which they can work proactively.

In fiscal 2023, we recruited members to a group created to promoting enhanced engagement at departments and branches through various activities the exchange of opinions internally and externally.

Strategic HR Initiatives

Approaches to Engagement: What We Have Done and How We Have Evolved

FY2021 → FY2022 → FY2023 → FY2024

1st Stage (FY2021–FY2023) | 2nd Stage (FY2023–FY2024)

Introductory period → User acceptance & rollout → Adaptation → Application

Top-down → Bottom-up

- Briefing sessions for executives and employees
- Leadership message
- Engagement lecture by the head of HR
- Briefing sessions for newly appointed managers
- Briefing sessions for newly appointed managers
- Briefing sessions for newly appointed managers
- Briefing sessions for new employees
- Briefing sessions for new employees
- Disclosure of department and branch scores
- Activities of engagement promotion members (open recruitment)
- External dissemination of information about our activities
- Information exchange with other companies
- Engagement newsletter

The approach to engagement has shifted from being led by HR in the early stages to being driven by frontline staff (from top-down to bottom-up).
Going forward, we will implement measures to revitalize the HR department's promotion of understanding and encourage further action within each department and branch.

Specific measures to improve engagement

Understanding the state of the team
- Understanding individual, departmental, and companywide scores
- Benchmarking
- Exploring topics for dialogue (From the scores)
- What caused the score to change?
- What should be encouraged?
- What needs to be improved? (From the comments)
- Understanding employee thoughts through "words

Dialog and reflection
- Dialogue between members based on scores
- 1 on 1 meetings

Practice of behaviors that enhance engagement
- Team building activities using tips and information provided by Engagement Communication, improving engagement and relationships
- Activities by volunteers who are responsible for advancing engagement at departments and branches
- Systems and opportunities that produce job satisfaction and a comfortable workplace

Dialogue and reflection

(2) Internal recruitment

In order to match career paths with the specific motivations and abilities of employees and foster an autonomous career awareness, we expanded our internal recruitment system in fiscal 2023. In addition to the Career Challenge Recruitment program, which recruits people to move to different departments, and the Role Change Recruitment program, which allows people to change jobs flexibly in line with their motivation to take on new challenges and lifestyle changes, we have also introduced an open-challenge recruiting system, which allows people to stand for election as a department or branch manager.

(3) Health management

We have been certified by METI as a Health & Productivity Management Outstanding Organization (Large Corporation Division) for two consecutive years since 2023.

We have written a health management declaration and are calling for effective and sustainable self-management of health through measures including seminars on health management and lifestyle habits, health promotion apps, and live events in which employees can participate to become more aware of health. We also run stress checks once a year in recognition that mental health is critical to a comfortable, safe, and pleasant working environment.

2024 健康経営優良法人 Health and productivity

4) Improving work–life balance and worksite flexibility

We encourage a flexible work style with a good work–life balance by promoting such measures as teleworking, working at satellite offices, and improving the paid leave system (resulting in a 5% year-on-year rise in the paid leave usage rate, to 70.8%). In addition, we have been promoting the adoption of Activity Based Working (ABW) in our office environment, and through initiatives such as DANSHARI (decluttering), we have reduced average overtime by 20 minutes year-on-year, to 18 hours and 5 minutes. We will continue to promote DX via companywide collaboration with the IT and administrative departments.

(5) Initiatives for supporting work-life balance

[Balancing work and childcare]

We provide support for both working and childbirth/childcare for all employees regardless of gender by way of a consultation service for those taking childcare leave, information on programs related to childbirth and childcare, and individual consultation with male employees who are eligible for childcare leave. As a company that is actively working to foster the next generation of children, we received Platinum Kurumin certification from the Ministry of Health, Labour, and Welfare in December 2020.

In fiscal 2023, the proportion of male employees taking childcare leave was 100% according to our standards.

プラチナくるみん 子育てサポートしています

Employee's voice

I took three months of childcare leave because, using the limited time I have, I wanted to nurture my infant child myself and also to support my wife, who was not feeling well after giving birth.

My colleagues in the department immediately understood and supported my decision to take a long childcare leave.

Although I felt bad about putting a burden on my colleagues, I received a lot of help with regard to both childcare and work, as well as moral support.

At the start of my leave, I set myself the goal of "one-man childcare for a whole day" and tried to do as much baby-related work as possible without relying too much on my wife. As a result, I no longer feel uneasy about handling childcare duties alone, and we are now able to support each other well in raising our child. By working together with my wife to raise our child over the course of three months, I was able to overcome my initial anxieties, halving my fatigue and stress and doubling my joy. It was a very meaningful period for me as a parent and a family member.

Innovation Co-Creation Department(at the time of leave) Kohei Momoi

[Balancing work and nursing care]

In addition to providing e-learning courses on dementia and information on nursing care, we also hold seminars on dealing with dementia presented by experienced external lecturers who are also care managers, conduct nursing care round-table discussions for employees who are worried about nursing care, and offer a free consultation service.

(6) Side jobs and multiple jobs

With the aim of promoting diverse working styles and encouraging innovation and broader perspectives through the acquisition of knowledge from outside activities, we have introduced a second/side job system from December 2022. This system defines rules regarding work styles, working hours, and so on, minimize the impact on the employee's primary job as much as possible.

Stimulating internal communication

In order to instill new behavioral patterns, it is essential that employees understand, respect, and empathize with each other. To this end, we believe that face-to-face relationships are important and, as one initiative to promote that, we regularly host an "Almost Monthly Company Bar (or café)" internal social event.

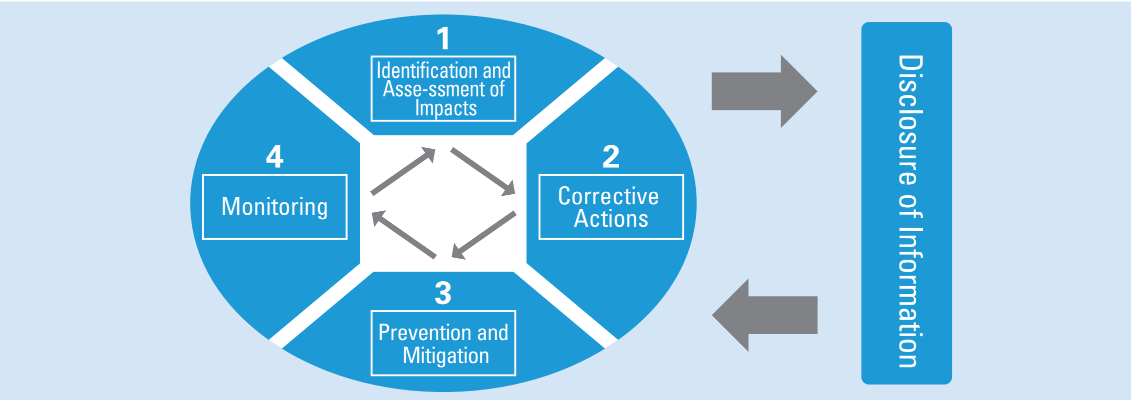
Around 200 to 300 employees take part in this event each time, and many female employees and those working shorter hours took part in the café version held at lunchtime. Connections are being forged that span departments and work role, which is invigorating the organization as a whole.

Human rights policy

Approach to Human Rights

The Mizuho Leasing Group actively pursues solutions to social issues and contributes to a sustainable society. It recognizes respect for human rights as critical to realizing its own management philosophy. Accordingly, the company has established the Mizuho Leasing Group Corporate Code of Conduct, which provides specific guidelines for the conduct of officers and employees, and has formulated a Human Rights Policy to externally demonstrate its responsibility and commitment to human rights.
In fiscal 2023, we conducted human rights due diligence within our own organization. To ensure respect for the personality and individuality of each employee, maintain zero intolerance for harassment, and a promote a rewarding work environment, we consistently respond to problematic behavior through hotlines and a range of consultation services. Going forward, we will deepen our efforts to monitor, prevent, and reduce inappropriate behavior.

Human rights due diligence process



Significant human rights risks

Through an impact identification and assessment process, we first identified human rights risks that could affect our group's employees, then assessed their severity and likelihood of occurrence. In the future, we are considering expanding the scope of this assessment to include the Group's suppliers and investees.
Key human rights risks that must be addressed preemptively include the following.

High-priority human rights risk areas

- Discrimination and harassment
- Labor relations
- Employee privacy
- Access to remedial resources

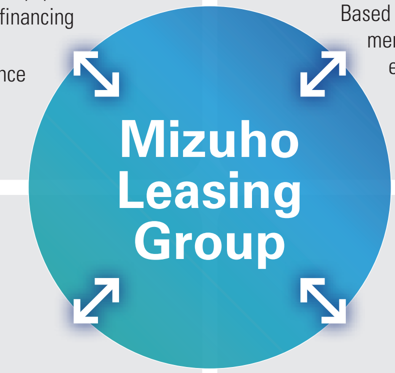
Initiatives

Human rights due diligence initiatives

Corrective efforts	•To ensure early detection of misconduct in the workplace, we have established an internal reporting system for employees.
Prevention and mitigation	•We have for some time been conducting internal training programs to enhance awareness of human rights.
Monitoring	•First, as a means of strengthening internal monitoring, we plan to conduct a survey to how well human rights education has penetrated the organization and to assess the progress of human rights due diligence.

Together with Stakeholders

Through our long experience in leasing, our group has become closely connected with the economy, society, the environment, and daily life through many businesses such as finance, real estate, management of physical assets, and environmental energy. As we work to create a sustainable society, we will actively communicate with our stakeholders and contribute to making sustainable society a reality through our business activities while fostering a virtuous cycle.



Customers and business partners

Posture

As a partner in value co-creation working outside the bounds of finance, we strive to address business and social challenges and improve customers' satisfaction and win their trust.
We also aim to add value and expand our business domain through collaboration with alliance partners.

Major initiatives

Leasing that supports the UN's Sustainable Development Goals, contribution to the realization of a circular economy, provision of business strategy solutions, and sustainable financing for real estate projects.
Collaboration with the Mizuho Group and alliance partners

Employees

Posture

We respect the personality and individuality of each employee, show zero tolerance for any form of harassment, maintain a rewarding work environment, and are inclusive of diverse personnel and values.

Major initiatives

Departmental and cross-organizational dialogue meetings between the management and employees, introduction of ABW (Activity Based Working), promotion of telework, health management, in-house intranet-based training, regular social events in internal bar and café formats, maintenance of hotlines, and engagement surveys; implementation of human rights due diligence for Group employees.

Shareholders and investors

Posture

We aim to ensure sustainable growth and stable earnings by responding to changes in the business environment. We also strive to enhance corporate value in environmental and social domains and meet the expectations of our shareholders by fairly disclosing corporate information, thereby building transparent and sound relationships.

Major initiatives

Integrated reports, information releases for shareholders, reports on corporate governance, the operational and IR websites, general shareholders meetings, financial results briefings, individual meetings with investors, fair and timely disclosure of information, and capital raising through sustainable finance.

Society

Posture

By actively engaging in socially beneficial activities, we strive for ever better relationships with society and our local communities. We also contribute to improving the lives of people in regions where we do business, developing local industries, and creating employment opportunities.

Major initiatives

Socially responsible activities, such as the introduction of decarbonization facilities using government subsidies, donations to disaster-stricken areas, support activities for the disabled, and participation in and support for NPO and NGO activities to resolve issues.

Outside Directors Roundtable

The company's Medium-term Management Plan 2025 took effect in fiscal 2023 under the leadership of the newly appointed President Nakamura, and the board of directors is now chaired by Chairman Tsuhara, who is a nonexecutive member of the board. Six outside directors with differing backgrounds and experience spoke on their evaluation of the new management team's first year and the current state of progress under the medium-term management plan.

Outside Director Hirozumi Sone | Outside Director Hajime Kawamura | Outside Director Mari Sagiya | Outside Director Naofumi Negishi | Outside Director Takayuki Aonuma | Outside Director Natsumi Watanabe

Moving beyond financial boundaries
A board of directors that can drive evolution at Mizuho Leasing

—Please give your opinion of the new management structure under Chairman Tsuhara and President Nakamura

Negishi As outside directors, we need to understand the background and process of internal deliberation that lead to proposals being submitted to the board of directors. When I joined as outside director in 2019, I was sometimes unnerved that important agenda items were put to a vote without sufficient prior explanation. However, I am now provided with advance notice of important matters ahead of board meetings so I may attend having been fully briefed on agenda items. Last year, we reviewed the agenda for resolutions to be tabled at the meetings, and we outside directors were able to express our opinions and discuss them with Chairman Tsuhara and President Nakamura until we were satisfied.

Under the new structure, with a non-executive chairman leading the board of directors, I feel that the chairman, president, and vice president can communicate their distinctive views at board meetings with greater clarity, which has made discussions much easier. All our outside directors actively engage to reach better conclusions while leveraging their different areas of expertise. Based on my experience, I feel our board meetings are highly effective, as opinions on agenda topics are exchanged from a variety of perspectives.

Sagiya The outside directors were involved from an early stage in the formulation of our Medium-term Management Plan 2025, which has deepened our understanding of management's growth strategy. During the year, the board of directors not only monitored progress against KPIs but also shared information from various perspectives on the status of growth businesses and "frontier" new business areas and engaged in many substantive discussions. In particular, with regard to important M&A projects, the director in charge carefully provided regular updates from the preliminary stage, and we were able to form a consensus with a full understanding of the risks and rewards at each milestone in the deliberation process. During the implementation phase of growth initiatives, information on business issues and risks must be shared openly among the directors so that honest discussions can take place based on trust. I feel that in our new organization the board members are highly aware of this.

Kawamura I appreciate the thorough preparation we are given regarding important agenda items prior to board meetings. Our board meeting itineraries include detailed descriptions of agenda items, including items for noting. I feel that both the content and timing of agenda submissions are appropriate. In our deliberative process, even when an outside director asks a follow-up question or two, the relevant executive responds honestly. Compared with before, I have a stronger sense of the company's sincere attitude toward management risk.

Progress of the medium-term management plan is also regularly discussed, and I feel that these talks are now based on an understanding of the situation from the perspective of divisional executives. Chairman Tsuhara's attentive management of the board of directors has created an environment where not only outside directors but also executives from our business divisions can hold open and substantive discussions. The transition to the new structure has enhanced the smooth operation of our board meetings, which I highly appreciate.

Aonuma I had also sometimes felt that the timing of important proposals being brought before the board of directors was late. However, taking the example of the capital and business alliance with Marubeni Corporation announced in May 2024, the board was briefed at the very start of the project, and outside directors were included in substantive discussions. The executive divisions provided briefings at an early stage regarding the expected results and risks of prospective M&A projects, and discussions reflect opinions offered by the outside directors. These projects are continuously followed up, and I feel that careful communication with the board of directors and outside directors has been taken more seriously under the new structure.

Moreover, the chairman's selection of respondents is accurate, and to avoid formulaic responses, he poses questions about specific business issues and presses for more detail as needed. I have the impression that the board of directors' meetings are not mere procedural formalities, which convinces me that this board is willing and able to address essential business issues.

Sone Since I only recently became one of the company's outside directors in June 2023, I cannot compare the current situation with the past. However, from my experience as an outside director and board chairman at other companies, I believe our board meetings are run in a way that permits full discussion.

There are several reasons for this, but I believe we have been quite successful in our efforts to ensure that the chairman and president sufficiently address important agenda items and share the same understanding of how the meetings should proceed. Cooperation between the chairman and president is good, and President Nakamura's commentary and supplemental information are adding further refinement with each board meeting, resulting in smooth and meaningful proceedings. I also think it is fantastic that all the outside directors are aware of the skills expected of them and that they focus their discussions on improving the company.

Watanabe I am a newly appointed outside director, having joined in June 2024, and have thus attended only one board meeting. At this early stage, there is one symbolic thing that I picked up on through discussions

at the meeting: The question, "How do we extend our business capabilities to achieve growth?" is always at the center, and the outside directors and management team are all engaged in lively discussion.
I feel that we are tackling strategic issues in our medium-term management plan. A common keyword that has come up when I speak with various department heads around the company is "challenge," and another notable concept that has been articulated is "relationship management." I believe that, in addition to a thorough customer focus, maximizing employee engagement and motivation is another key element in accomplishing the medium-term management plan's objectives.
Sagiya Chairman Tsuhara runs the board of directors, and I feel that he is fully leveraging his nonexecutive status to act as a bridge and ensure smooth communication between the management team and our outside directors. In particular, I feel that the effectiveness of the board meetings has been further enhanced by the president's and chairman's contributions, which reflect a high-level, companywide perspective and are given after proposals are raised in order to deepen everyone's understanding of the agenda.

The key to a giant leap forward Promoting a new company culture and human resource development

— What is your opinion on the progress of the company's Medium-term Management Plan 2025?

Negishi Our business domain is expanding with considerable speed-both domestically and internationally, driven by the Mizuho and Marubeni alliances. Following expansion of such businesses as domestic real estate, US-market aircraft leasing, and infrastructure leasing in India, our operating assets as of March 31, 2024, stood at 2,858.9 billion yen. This is approximately 40% higher than when I became an outside director of the company.
Because the success of our upcoming business domain expansion efforts hinges on our skill at hands-on project management, human resource development will only grow in importance. Through our efforts to reform and refine our business portfolio management process as we develop new businesses, we aim work with a large roster of partner businesses to build a platform for the circular economy. Our discussion of the medium-term management plan's progress has again underscored that our traditionally finance-centered company faces the challenge of framing its business activities so that it can play a central role in building such a platform.
Sagiya In evaluating our current medium-term management plan's progress one year since it commenced, our leadership team humbly concluded that we are merely halfway to our goals for the growth and "frontier" new business areas that we intend to develop into the third pillar of our earnings model. However, given that these businesses rely on development in unfamiliar business domains as well as on social reforms, I believe that it is only natural that we would still be on our way to reaching objectives laid out for the three-year period of the current medium-term management plan.
The three year span of Medium-term Management Plan

2025 constitutes the initial groundwork phase on the way to realizing our goal of becoming a "platform company that co-creates the future together with our clients." From this perspective, I believe that we are making steady progress. My primary role as outside director is to provide oversight, but at the same time I would like to encourage the management team to take on new challenges.

Kawamura I see our company as an organization whose vision is to transcend the boundaries of its traditional leasing model to become a leasing and finance company. Key themes from the development of our growth and "frontier" areas are "equity" and "global." We believe that in the future we will need to consider M&A with an eye to scaling. We do not yet know how or to what extent the results of the newly concluded Marubeni alliance will be reflected financially, but we are optimistic.
I believe we need to chart a clear course during the period covered by the current medium-term management plan and that the key to transforming our company into the organization we envision lies in our corporate culture and people. It is extremely important that we leverage experience accumulated as part of our parent company to develop our human resources and foster a new corporate culture that differs from banking and breaks out of the traditional leasing company box. I have great expectations for the company under President Nakamura's leadership.
Aonuma The most critical point of discussion during the formulation of our Medium-term Management Plan 2025 was actually the vision of what our company will look like in 203X, about 10 years from now. We debated how our long-term strategic focus should prioritize each of our three business areas—core, growth, and frontier—and what kind of foundations we should be setting. I believe that the current medium-term management plan represents just the first three years of a longer-term strategy. In discussions such as this, some have suggested that, given the image we envision for 10 years from now, we should go beyond the boundaries of banking and leasing and even change the name of the company.
Moreover, our staff has traditionally come from Mizuho, but now they are also joining from Marubeni. Now that the outer framework of corporate reform is in place, the most important discussions have begun on how to acquire and train employees who will support the corporate culture and reforms that constitute the internal elements of our transformation. President Nakamura is determined to change the corporate culture, and he is taking great pains to communicate to employees, via town hall meetings and other channels, what the executive team is trying to do. We would like to offer our firm support.
Sone In this first year of our medium-term management plan, I commend the company for taking thorough, forward-facing steps. In order to instill a new corporate culture, I think it is important to change the organization's structure and way of thinking to create an environment where even young employees can take on leadership roles.
I believe that the company's executives are well aware of this, and President Nakamura and other top leaders are speaking to employees in a variety of top-down ways. I hope that the Mizuho and Marubeni collaboration and M&A activities will give rise to a new corporate culture that encourages us to make changes and, at the same time, provides us with opportunities to reaffirm our good qualities. As an outside director, I would like to encourage management's swift execution of challenging initiatives while fulfilling my supervisory function with regard to risk.

Watanabe I believe that our medium-term management plan, which is designed to push us beyond the boundaries of typical leasing firms, defines a time of transformation for our company. I would like to contribute my abilities to help the company realize the plan's various transformational themes, such as optimizing human capital and evolving a corporate culture that respects diverse values.

Management team

◆Number of the Company's shares owned (as of April 30, 2024) ◆Attendance at Board of Directors meetings (FY2023)

Inside Directors

Chairman of the Board of Directors
Shusaku Tsuhara

◆ Company shares owned: 102,500
◆ Tenure as director (years): 5
◆ Board meeting attendance (FY23): 16/16 (100%)

2010 April Executive Officer, General Manager of Executive Secretariat of Mizuho Financial Group, Inc.
2012 April Managing Executive Officer of Mizuho Bank,Ltd.
2015 April Senior Managing Executive Officer, Mizuho Financial Group, Inc.
2015 June Member of the Board of Directors & Senior Managing Executive Officer, Mizuho Financial Group, Inc.
2017 April Deputy President of Mizuho Bank, Ltd.
2019 April Deputy President & Executive Officer of the Company
2019 June Representative Director, Deputy President & Executive Officer of the Company
2020 June President and CEO of the Company
2023 April Director and Chairman, Chairman of the Board of the Company (present position)

President and CEO
Akira Nakamura

◆ Company shares owned: 50,500
◆ Tenure as director (years): 3
◆ Board meeting attendance (FY23): 16/16 (100%)

2013 April Executive Officer, General Manager of Corporate Banking Coordination Division (Large Corporations) of Mizuho Financial Group, Inc.
2015 April Managing Executive Officer, Mizuho Securities, Inc.
2016 April Managing Executive Officer of Mizuho Financial Group, Inc.
2018 April Senior Managing Executive Officer, Head of Corporate & Institutional Company of Mizuho Financial Group, Inc.
2019 April Deputy President & Executive Officer, Head of Corporate & Institutional Company of Mizuho Bank, Ltd.
2020 April Deputy President Executive Officer, CRO of the Company
2020 June Deputy President Executive Officer, CFO of the Company
2021 June Deputy President, Deputy President Executive Officer, CFO of the Company
2022 April Deputy President, Deputy President Executive Officer
2023 April President and CEO of the Company (present position)

Deputy President
Hiroshi Nagamine

◆ Company shares owned: 22,000
◆ Tenure as director (years): 2
◆ Board meeting attendance (FY23): 16/16 (100%)

2011 July General Manager of Aoyama Branch Division II, Mizuho Bank, Ltd.
2014 April General Manager of Corporate Banking Division No. 13, Mizuho Bank, Ltd.
2016 April Executive Officer, Deputy Head of Europe, Middle East and Africa, Mizuho Bank, Ltd.
2017 April Managing Executive Officer & Head of Europe, Middle East and Africa, Mizuho Financial Group, Inc.
2020 May Senior Managing Executive Officer, Head of Global Corporate Company, Deputy Head of Global Products Unit of Mizuho Financial Group, Inc.
2021 April Senior Managing Executive Officer, CRO of the Company
2022 April Senior Managing Executive Officer, CFO of the Company
2022 June Senior Managing Director, Senior Managing Executive Officer, CFO of the Company
2023 April Deputy President, Deputy President Executive Officer of the Company (present position)

Deputy President
Mutsumi Ishizuki

◆ Company shares owned: 0
◆ Tenure as director (years): —
◆ Board meeting attendance (FY23): —

1981 April Joined Marubeni Corporation
2012 April Executive Officer, Head of Metals Department of Marubeni Corporation
2014 April Executive Officer, Head of Metals Department II of Marubeni Corporation
2015 April Managing Executive Officer, Chief Executive Officer of Metal Resources Division of Marubeni Corporation
2018 April Executive Managing Officer, Head of Europe and CIS of Marubeni Corporation, European Manager, President of Marubeni Europe Ltd.
2020 June Representative Director and Senior Managing Executive Officer, CAO of Marubeni Corporation
2022 June Senior Managing Executive Officer, CAO of Marubeni Corporation
2024 April Retired from Marubeni Corporation
2024 June Executive Vice President and Director of the Company (present position)

Senior Managing Director
Masahiko Abe

◆ Company shares owned: 14,000
◆ Tenure as director (years): —
◆ Board meeting attendance (FY23): —

2013 July Head of Sales Department, Kabutocho Securities of Mizuho Bank, Ltd.
2015 April Head of Corporate Affairs for Large Enterprises of Mizuho Bank, Ltd.
2016 April Executive Officer of Mizuho Financial Group, Inc., Executive Officer and Head of Corporate and Institutional Affairs of Mizuho Bank, Ltd.
2018 April Managing Executive Officer of Mizuho Bank, Ltd.
2021 June Managing Executive Officer of the Company
2023 April Managing Executive Officer, Deputy Director of Circular Society Platform Headquarters of the Company
2024 April Senior Managing Executive Officer of the Company
2024 June Senior Managing Director and Senior Managing Executive Officer of the Company (present position)

Managing Director
Noboru Otaka

◆ Company shares owned: 52,000
◆ Tenure as director (years): 1
◆ Board meeting attendance (FY23): 12/12 (100%)

1987 April Joined the Company
2000 June Joint General Manager of Planning Department of the Company
2014 June Joint General Manager of Planning Department of the Company
2015 April Joint General Manager of Corporate Planning Department of the Company
2017 April Executive Officer, General Manager of Information System Planning Division of the Company
2018 April Executive Officer, General Manager of Information System Planning Department of the Company
2020 April Managing Executive Officer of the Company
2023 June Managing Director, Managing Executive Officer of the Company (present position)

Corporate Auditors

Audit & Supervisory Board Member
Hidehiko Kamata

◆ Company shares owned: 37,500
◆ Board meeting attendance (FY23): 16/16 (100%)

April 1984
Joined the Company
March 2008
Manager of Corporate Business Department (Tokyo Regional No. 4) of the Company
April 2009
Manager of Corporate Business Department (Tokyo Regional No. 1) of the Company
April 2014
Executive Officer, Manager of Corporate Business Department (Tokyo Regional No. 1) of the Company
April 2016
Managing Executive Officer of the Company
June 2019
Managing Director, Managing Executive Officer of the Company
June 2021
Audit & Supervisory Board Member of the Company (present position)

Outside Audit & Supervisory Board Member
Koji Arita

◆ Company shares owned: 500
◆ Board meeting attendance (FY23): 12/12 (100%)

April 2010
General Manager of Operations Services & Support Division of Mizuho Bank, Ltd.
April 2012
General Manager of Operations Planning Division of Mizuho Financial Group, Inc.
April 2019
Managing Executive Officer, Joint Head of Group Chief Operations Officer of Mizuho Financial Group, Inc.
January 2021
Deputy President & Representative Director of Custody Bank of Japan, Ltd.
June 2023
Audit & Supervisory Board Member of the Company (present position)

Outside Audit & Supervisory Board Member
Shingo Suwabe

◆ Company shares owned:0
◆ Board meeting attendance (FY23):—

April 2013
Deputy General Manager of IT/System Planning Department of Mizuho Financial Group, Inc.
April 2015
Deputy General Manager of IT & Systems Management Department and Deputy General Manager of IT & Systems Planning Department of Mizuho Financial Group, Inc.
April 2019
Executive Officer, IT/System Group Specific Operations Officer of Mizuho Financial Group, Inc., Senior Managing Director of Mizuho Research & Technologies, Ltd.
April 2020
President and CEO of Mizuho Electronic Monetary Claim Recording Co., Ltd.
June 2021
Executive Officer of ZEBRA CO., LTD.
June 2024
Audit & Supervisory Board Member of the Company (present position)

Outside Audit
Hideki Amano

◆ Company shares owned: 0
◆ Board meeting attendance (FY23): 15/16 (94%)

September 1980
Registered as a certified public accountant of Japan
September 2011
Vice President (Head of Audit) of KPMG AZSA LLC
Member of KPMG Global Audit Steering Group
July 2015
Executive Senior Partner of KPMG AZSA LLC
March 2017
Outside Audit & Supervisory Board Member of Kao Corporation (present position)
April 2017
Outside Director of the Board of ORIX Bank Corporation (present position)
June 2019
Outside Corporate Auditor of Seiko Holdings Corporation (now Seiko Group Corporation) (present position)
June 2022
Audit & Supervisory Board Member of the Company (present position)

Executive Officers

Senior Managing Executive Officer
Takanori Nishiyama

Managing Executive Officers
Toshiyuki Takezawa
Hirohide Ishiyama
Masanobu Kobayashi
Norio Sumi
Nobuhisa Zama
Hiroyuki Kudo
Takashi Yamada
Akira Kinoshita
Yasuhiko Hashimoto
Takashi Yao
Kazuomi Funakawa
Akira Tanaka
Kensuke Sato

Executive Officers
Kunihiro Mio
Masato Matsui
Koki Minami
Kenji Wakui
Nobufusa Takeuchi
Toshiya Matsuo
Naoto Moriya
Yoichi Ninomiya
Masashi Takahata
Hiroya Uchimura
Naoyuki Machinaga
Toshihiko Moriya
Ryuji Fujiwara
Taketo Imai

Outside Directors

Outside Director
Naofumi Negishi

- Company shares owned: 0
- Tenure as director (years): 5
- Board meeting attendance (FY23): 15/16 (94%)

1971 April	Joined Sekisui Chemical Co., Ltd.
2003 June	Director (Commissioned General Manager of Corporate Finance & Accounting Department) of Sekisui Chemical Co., Ltd.
2008 October	Director, Executive Vice President, CFO of Sekisui Chemical Co., Ltd.
2009 March	President and Representative Director of Sekisui Chemical Co., Ltd.
2015 March	Chairman & Representative Director of Sekisui Chemical Co., Ltd.
2017 June	Chairman and Director of Sekisui Chemical Co., Ltd.
2018 June	Executive Advisor of Sekisui Chemical Co., Ltd.
2019 June	Outside Director of the Company (present position)
2022 June	Chairman, Metropolitan Expressway Co., Ltd. (present position)
2023 June	Special Adviser of Sekisui Chemical Co., Ltd. (present position)

Outside Director
Mari Sagiya

- Company shares owned: 0
- Tenure as director (years): 5
- Board meeting attendance (FY23):16/16(100%)

1985 April	Joined IBM Japan, Ltd.
2002 July	Director, IBM Japan, Ltd.
2005 July	Vice President, General Business of IBM Japan, Ltd.
2014 July	Vice President, Head of Strategy, Marketing & Communications of SAP Japan Co., Ltd.
2016 January	Vice President, Marketing of salesforce.com Co., Ltd.
2019 June	Outside Director of the Company (present position)
2020 March	Outside Director of MonotaRO Co., Ltd. (present position)
2021 June	Outside Director of JBCC Holdings Inc. (present position)
2022 June	Outside Director of Mitsubishi Corporation (present position)

Outside Director
Hajime Kawamura

- Company shares owned: 0
- Tenure as director (years): 4
- Board meeting attendance (FY23):16/16(100%)

1981 April	Joined Marubeni Corporation
2012 April	Executive Officer, Acting Chief Operating Officer, Plant & Industrial Machinery Division of Marubeni Corporation
2013 April	Executive Officer, Chief Operating Officer, Plant & Industrial Machinery Division of Marubeni Corporation
2014 April	Executive Officer, General Manager, Plant Division of Marubeni Corporation
2016 April	Managing Executive Officer, Chief Operating Officer, Plant Division of Marubeni Corporation
2018 April	Managing Executive Officer, Regional CEO for the Americas, Regional COO for North & Central America of Marubeni Corporation, President and CEO of Marubeni America Corporation
2019 April	Senior Managing Executive Officer, Chief Executive Officer of Transportation & Industrial Machinery, Financial Business Group of Marubeni Corporation
2020 June	Outside Director of the Company (present position)
2023 April	Senior Consultant of Marubeni Corporation (present position)
2024 February	Outside Director, Tsudakoma Corporation (present position)

Outside Director
Takayuki Aonuma

- Company shares owned: 0
- Tenure as director (years): 3
- Board meeting attendance (FY23):16/16(100%)

1982 April	Prosecutor of Tokyo District Public Prosecutors Office
2010 January	Prosecutor of Supreme Public Prosecutors Office
2010 December	Director-General of the Rehabilitation Bureau, Ministry of Justice
2014 July	Chief Prosecutor of Tokyo District Public Prosecutors Office
2015 December	Deputy Prosecutor-General of the Supreme Public Prosecutors Office, Member of the Legislative Council
2016 September	Superintending Prosecutor of Nagoya High Public Prosecutors Office
2018 February	Registered as an attorney-at-law Of-Counsel of City-Yuwa Partners (present position)
2021 June	Outside Director of the Company (present position)
2023 May	Outside Director of FamilyMart Co., Ltd. (present position)

Outside Director
Hirozumi Sone

- Company shares owned: 0
- Tenure as director (years): 1
- Board meeting attendance (FY23):12/12(100%)

1979 April	Joined Yamatake-Honeywell Co., Ltd. (now Azbil Corporation)
2003 April	Vice Executive Officer, General Manager of Engineering Department, Advanced Automation Company of Yamatake Corporation (now Azbil Corporation)
2005 April	Executive Officer and General Manager of the Corporate Planning Department of Yamatake Corporation (now Azbil Corporation)
2008 April	Executive Officer and Senior General Manager of the Corporate Planning Department of Yamatake Corporation (now Azbil Corporation)
2010 June	Director and Executive Officer and Senior General Manager of Azbil Corporation
2012 April	Representative Director, President and Chief Executive Officer of Azbil Corporation
2020 April	Chairman and President, Representative Director, Chairman and President, Executive Officer of Azbil Corporation
2020 June	Representative Director Chairperson, Executive Chairperson of Azbil Corporation
2021 June	Outside Director of Yasuda Logistics Corporation (present position)
2022 June	Director and Chairperson of the Board of Azbil Corporation (present position)
2023 June	Outside Director of the Company (present position)

Outside Director
Natsumi Watanabe

- Company shares owned: 0
- Tenure as director (years): —
- Board meeting attendance (FY23): —

2002 April	Joined Recruit Co., Ltd.
2016 October	General Manager of Human Resources Division of Recruit Holdings Co., Ltd.
2017 October	General Manager of Business Management Division of Recruit Holdings Co., Ltd.
2018 April	General Manager of Corporate Planning Office of Recruit Co., Ltd.
2021 April	General Manager of Compliance Office of Recruit Co., Ltd.
2021 October	General Manager of Risk Management Office of Recruit Co., Ltd.
2022 October	General Manager of Customer Contact Office of Recruit Co., Ltd.
2023 February	Director of UPRO Co., Ltd (present position)
2023 December	Audit & Supervisory Board Member of Interactive, Inc. (present position)
2024 April	Vice President of Customer Experience Promotion Office of Recruit Co., Ltd. (present position)
2024 June	Outside Director of the Company (present position)

Reasons for Appointment and Expected Roles

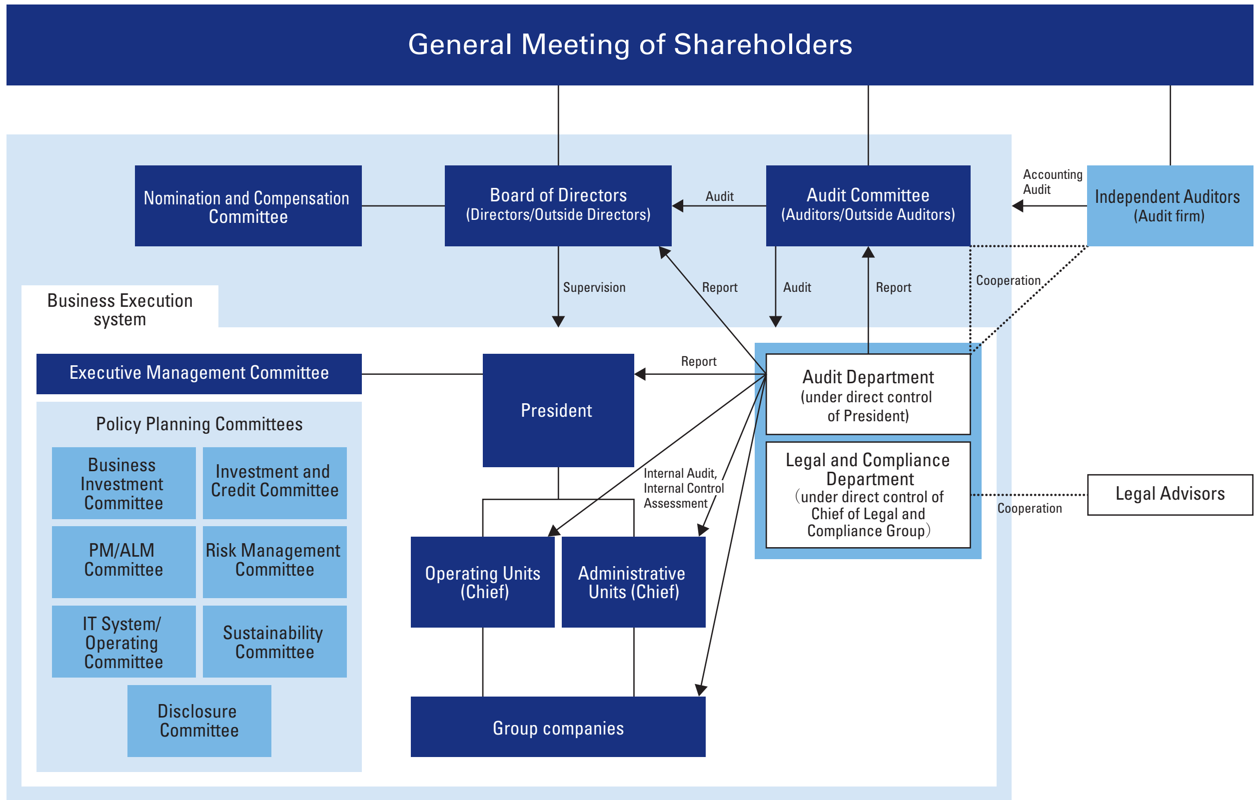
Naofumi Negishi	Mr. Negishi has extensive experience in corporate management and a broad range of manufacturing industry knowledge. Since assuming the position of outside director in June 2019, he has skillfully supervised management and has been a key strategic decision-maker. We expect him to continue to contribute to management oversight based on his extensive experience and broad insight and also to execute his decision-making role in regard to sustainable growth and the medium-to-long-term enhancement of corporate value, and we have therefore appointed him outside director. In addition, as a member of the optional Nomination and Compensation Committee, he is involved in the selection of officer candidates and the determination of officer compensation and other such matters from an independent standpoint.
Mari Sagiya	Ms. Sagiya has extensive experience in business and corporate management at multiple IT-related companies and, since her appointment as an outside director of the Company in June 2019, she has been effectively supervising management from a position of high-level expertise and diverse perspectives, and also participates in the strategic decision-making process. We expect her to continue to contribute to the supervision of management based on her extensive experience and expansive insight and to be a key decision-maker regarding the sustainable growth and medium-to-long-term enhancement of corporate value. We have, accordingly, appointed her as an outside director. In addition, as a member of the optional Nomination and Compensation Committee, she is involved in the selection of officer candidates and the determination of officer compensation and similar matters from an independent standpoint.
Hajime Kawamura	Mr. Kawamura has a deep overall knowledge of general trading company operations and has extensive experience in corporate management as a member of the senior management team at Marubeni Corporation, including as CEO of the company's Social Infrastructure & Financial Group. Since his appointment as an outside director in June 2020, he has appropriately supervised the management of the Company and participated in the strategic decision-making process. We expect him to continue to contribute to the oversight of management based on this wealth of experience and broad insight, and to play a decision-making role in regard to the sustainable growth of the company and the enhancement of its corporate value over the medium-to-long term, and we have therefore appointed him as an outside director. Additionally, he provides useful advice on all aspects of the company's management based on his extensive experience in business and corporate management in general trading.
Takayuki Aonuma	Mr. Aonuma, as a legal expert, brings a wide range of knowledge to the Company based on his advanced expertise and extensive experience, and since his appointment as an outside director in June 2021, he has been effectively supervising management and acting as a key strategic decision-maker by leveraging these capabilities, experience, and knowledge. We expect him to continue his contribution to the supervision of management and to the decision-making process regarding sustainable growth and the medium-to-long-term enhancement of corporate value. For these reasons, he has been appointed as an outside director. In addition, as a member of the optional Nomination and Compensation Committee, he is involved in the selection of officer candidates and the determination of officer compensation and other matters from an independent standpoint.
Hirozumi Sone	Mr. Sone has an expansive background in corporate management and brings a broad range of knowledge of the manufacturing industry, which is expanding globally. Since his appointment as an outside director of the Company in June 2023, he has been appropriately supervising the management of the Company and participating in strategic decision-making. We expect him to continue contributing to the oversight of management and to decisions pertaining to the sustainable growth of the company and the enhancement of its corporate value over the medium-to-long term. He has, therefore, been appointed as an outside director. He is also involved in the selection of candidates for the company's directors and the determination of director compensation from an independent standpoint as a member of the optional Nomination and Compensation Committee.
Natsumi Watanabe	After gaining experience in human resources and planning at Recruit Co., Ltd., Ms. Watanabe gained further experience as a manager in a wide range of fields, including compliance and risk management. She has also been involved in the founding and management of startups, and we expect that she, via the application of her diverse experience and knowledge, will contribute to our deliberative process with regard to the Company's sustainable growth and the improvement of our corporate value over the medium-to-long term. In addition, as a member of the optional Nomination and Compensation Committee, she is involved in the selection of our company's officer candidates and the determination of director compensation from an independent standpoint.

Corporate Governance

Basic approach and overview of corporate governance system

Listed companies act with the primary aim of consistently increasing corporate value for shareholders over the long term. We recognize that, in order to achieve this, we must have an effective corporate governance system in place to govern corporate activities, with a focus on regulating the relationship between shareholders and management.
We recognize that the first requirement for governance of public companies is to protect the rights and interests of shareholders and guarantee fair treatment in proportion to each owner's equity holdings, and that the second is to respect the rights and interests of various other increasingly influential stakeholders, including such interested parties as customers, business partners, and employees, and to build smooth relationships with them. It is critical to ensure that the rights and interests of these stakeholders are actually protected by maintaining the transparency of corporate activities through timely and appropriate information disclosure. Finally, we recognize the importance of the board of directors and the board of auditors properly performing their supervisory and investigatory functions.
Based on this understanding, we are working to achieve effective oversight by continuously improving the environment in which our corporate governance system operates.
Our board of directors supervises business execution from a range of perspectives that is broadened by the company's ample roster of outside directors. Meanwhile, the audit committee works closely with accounting auditors and internal audit department and employs standing auditors to monitor the execution of duties by directors and other parties on a daily basis. We believe that this structure that we have decided to implement enables us to achieve highly effective corporate governance.

Corporate Governance Framework



Organizational Structure		Company with a Board of Corporate Auditors
Number of Directors		12 (6 outside)
Number of Auditors		4 (3 outside corporate auditors)
Nomination and Compensation Committee		8 (5 independent outside directors, 1 independent outside corporate auditor)
Term of office for directors		1 year
Executive officer system		Yes
Status of board of directors meetings in FY2023	Total meetings held	16
	Attendance rate of directors	99%
	Attendance rate of auditors	98%
Status of voluntary nomination and compensation committee meetings in fiscal 2023	Total meetings held	9
	Attendance rate of directors	97%
Status of voluntary nomination and compensation committee meetings in fiscal 2023	Total meetings held	15
	Attendance rate of auditors	100%
Accounting Auditor:		Deloitte Touche Tohmatsu LLC

Board of Directors

Under the open and active management of our board of directors meetings, resolutions and reports on business execution are made pertaining to matters stipulated by law and by the board of directors charter, along with discussions on management policies and strategies. To ensure that the board properly supervises the execution of responsibilities by the executive departments and that the resolutions and discussions of the board of directors are valid, reasonable and objective, we have appointed outside directors who are fully demonstrating individualized skills based on their advanced knowledge and experience. (Please refer to the skills matrix for more information.)
In addition, we actively supply outside directors with information to help them understand the company,* which deepens their understanding of our business.

(*Premeeting briefings covering board meeting agenda items; briefings on our business outside of board meetings; data from on-site inspections, etc.)

Nomination and Compensation Committee

The Nomination and Compensation Committee deliberates on proposals to be submitted to the General Meeting of Shareholders regarding the election and dismissal of directors and corporate auditors, as well as matters related to the election, dismissal, and compensation of executive officers, and submits them to the board of directors.
The committee, which consists of eight members, five of whom are independent outside directors, and one of whom is an independent outside corporate auditor, is working to further enhance corporate governance by improving the transparency and objectivity of the convened board's decision-making processes regarding the nomination and compensation of officers.

Audit & Board of Auditors

As we are organized as a company with a board of corporate auditors, under the audit plan formulated by the board of auditors, each auditor audits the execution of duties by directors via their attendance at important meetings, inspection important documents, investigation of operations and assets, and receipt of updates on audit results by the accounting auditor and internal audit department, and others in oversight roles. In addition, in accordance with audit results, we confirm that business reports and other forms of documentation are properly presented, that there are no major acts of misconduct or violation of laws or the articles of incorporation with regard to the execution of duties by the directors, that there are no matters to be pointed out with regard to the substance of the board of directors' resolutions concerning the internal control system and the execution of duties by the directors, and that the methods and results of the audit by the accounting auditor are appropriate, and we have expressed our opinion to that effect.

Management Committee & Policy Committee

The Management Committee has been established as an advisory body to the president. In principle, this group meets at least once a month to discuss and report on important business matters. In addition, the company has established a number of policy committees to which the president has delegated authority: the Business Investment Committee, the Finance Committee, the PM/ALM Committee, the Risk Management Committee, the IT System and Administration Committee, the Sustainability Committee, and the Disclosure Committee, and has established a system for sufficient discussion and examination by function.

Internal audit overview

The Audit Department manages the internal audit function and reports directly to the president. Working according to its audit plan, the department conducts operational audits of the effectiveness, appropriateness, and efficiency of business execution at each department and branch of our parent and group companies. It also provides the audited organizations with specific improvement proposals and advice based on audit results.
An audit report detailing the results of the audits is promptly submitted to the president and circulated among the auditors. The status of the audits is regularly reported to the board of directors every six months. The Internal Control Office, which has been established within the Internal Audit Department, works with the Internal Control Department to evaluate the effectiveness of internal controls related to financial reporting and reports the results to the board of directors. The Internal Audit Department also works with corporate and independent auditors as necessary.

Evaluating the Effectiveness of the Board of Directors

We assess the board's overall effectiveness by analyzing and evaluating the results of an annual questionnaire administered anonymously to directors and auditors by a survey firm. This exposes the strengths and weaknesses of our board of directors and enables us to improve its performance where needed and enhance our governance standards and corporate value.

[Evaluation methodology]

Effectiveness assessment process

1. Review and finalize the content of the questionnaire with the survey contractor based on corporate governance trends and the company's current situation
2. Implement the questionnaire
3. Contractor analyzes and evaluates the results of the questionnaire
4. The company and contractor together evaluate the validity of the survey's conclusions
5. The company formulates an improvement plan
6. A report is presented to the board of directors
7. Improvement measures are implemented

Questionnaire items

The questionnaire items are organized into six categories, with 14 questions (each with a free-text field) and 2 open-ended questions, for a total of 16 questions.

8. Role and function of the board of directors (4questions)
9. Composition and size of the board of directors (2questions)
10.Operation of the board of directors (5questions)
11. Cooperation with auditing bodies (1question)
12. Communication with management (1 question)
13. Relationship with shareholders and investors (1 question)

[Response to fiscal 2022 analysis and evaluation]

Based on our analysis and evaluation for FY2023, we recognized the three issues and applied improvements as noted below.

	Key findings & topics for FY2023	Resolution measures
1	Further enhancement of training for directors through external instruction and other means	•Opportunities for outside directors to attend external seminars •Explanation of initiatives by the six headquarters •On-site observation related to circular economy •Increased opportunity for outside directors to exchange opinions
2	Ongoing efforts to ensure the diverse composition of the board of directors	•One additional female director added
3	Initiatives to encourage more active discussion at board of directors meetings (selecting topics for discussion, distributing materials with key points outlined)	•Clarification of matters to be resolved through revisions to the board of directors' by-laws •Early provision of more concise materials for discussion through summarization of key points(continuing issue for 2023)

[Analysis and evaluation results for 2023]

1	Active discussions are taking place on medium-to-long-term issues.
2	The agenda is managed in a way that encourages open and active discussion.
3	We are diversifying the skills, experience and knowledge of the board as a whole.
4	Additional initiatives to encourage more active discussions at board meetings are expected to produce further improvement.

Based on these analyses and evaluations, we will naturally work to improve problem areas, but we also aim to progress in areas where we were deemed to have done well. In this way, we will strive to further enhance the effectiveness and functionality of the board of directors.

Executive Compensation

The company passed a resolution at its board meeting of June 27, 2023, regarding our policy for determining the content of individual director compensation. Prior to crafting this resolution, the board of directors deliberated on its content in advance at a meeting of the optional Nomination and Compensation Committee. In addition, the board determined that methods used to award compensation to individual directors during the current fiscal year were consistent with the policy. The compensation for individual auditors was determined by negotiation.

Basic policy

The underlying policy governing remuneration for directors is to clarify the link between compensation and the performance of the company and the value of its shares. This ensures that directors are motivated to raise performance and corporate value over the medium-to-long term while imparting to shareholders an awareness that this will increase the value of the company's shares.
The maximum amount of remuneration for directors is deliberated by the optional Nomination and Compensation Committee with a quorum consisting of a majority of outside directors. Compensation is then decided by a resolution of the board of directors and put forward as an agenda item at the General Meeting of Shareholders. The calculation method for directors' remuneration and the compensation pool's share of the budget are decided by the board after deliberation by the optional Nomination and Compensation Committee.

Compensation for directors are also executive officers

Compensation for directors who also serve as executive officers consists of base (fixed) compensation and a performance bonus. The base salary, which is determined by such criteria as the director's position, is made up of a basic salary paid in cash and a component called Stock Remuneration I, which is a fixed number of shares. The performance bonus, which is linked to the company's business results and the individual performance of the director, consists of cash and the component Stock Remuneration II, which is paid in shares.

Compensation for directors are also executive officers	Basic compensation		Compensation linked to performance	
	Basic salary (cash)	Stock Remuneration I	Cash bonus	Stock Remuneration II
(Compensation composition	1		: 0.25	: 0.35)

Remuneration for Non-Executive Directors

The compensation for non-executive directors is set according to such individual criteria as position in the company and consists solely of a basic salary, which is a fixed amount paid in cash, and Stock Remuneration I, which is a fixed number of shares. As resolved at the Ordinary General Meeting of Shareholders held on June 27, 2023, stock-based compensation I is also provided to outside directors.

Compensation structure for non-executive directors	Basic compensation	
	Basic salary (cash)	Stock Remuneration I
(Compensation composition	0.9	: 0.1)

Compensation structure ratios	Non-executive directors with management supervision responsibility Fixed remuneration (basic salary and Stock Remuneration I) only, with the ratio of these components being approximately 9:1 Directors who also serve as executive officers Fixed remuneration (total of basic salary and Stock Remuneration I): Variable remuneration (bonus) linked to business performance: Non-cash remuneration (Stock Remuneration II) = 1: 0.25: 0.35 *The above ratios are the average values for directors who also serve as executive officers and assume the achievement rate of targets linked to business performance is 100%.
Performance-linked compensation formula	Company-performance-linked compensation = company performance-linked base amount paid out according to position x performance evaluation coefficient The performance evaluation coefficient is calculated based on the following indicators Comparisons of results with budgeted targets and with previous year actuals for net profit, ordinary profit, and net profit attributable to parent company shareholders, and an overall sustainability evaluation.

Fiscal year 2023: Total compensation budget for directors and corporate auditors

Classification of Officers	Total remuneration (¥ million)	Total amount by compensation type (¥ million)				Number of directors (Note 1)
		Base compensation (fixed)		erformance-based compensation (Note 2)		
		Basic salary	Stock-remuneration I	Cash bonus	Stock-remuneration II	
Director (of which outside director)	421 (69)	282 (64)	12 (4)	53 (—)	73 (—)	15 (7)
Auditor (of which outside auditor)	84 (60)	84 (60)	— (—)	— (—)	— (—)	5 (4)
Total (of which are outside officers)	505 (130)	366 (125)	12 (4)	53 (—)	73 (—)	20 (11)

Notes: 1. The above table includes three directors and one outside auditor who retired at the conclusion of the 54th Ordinary General Meeting of Shareholders held on June 27, 2023.
2. The performance-linked compensation figure is the amount recorded for the provision for cash bonuses stock-based remuneration to directors for the fiscal year under review.

Skill Matrix

Skill Category	Skill Definition	Reasons for selection
Management	Those with management experience at listed companies, etc.	Experience necessary for the integrated supervision of the management of our company and our group
Legal/Compliance/Risk Management	Those with knowledge and work experience in legal affairs, compliance, and risk management	Prerequisite for appropriate evaluation of and action in regard to increasingly complex and sophisticated business risks
Finance/Accounting/Finance and Economics	Those with specialized knowledge and experience in financial management, accounting, markets, and economics	Needed for the improvement of corporate value through dialogue with the capital markets and the maintenance of competitive funding capabilities
Global Business	Those with global knowledge and experience, such as overseas management experience	Necessary for the understanding of unique aspects of overseas business, such as the diverse values, laws, and customs in each country, in the context of global business development
Sustainability	Those with management knowledge and experience that contributes to the realization of a sustainable society	Helps us contribute to solving social issues through environmental and resource recycling
Human Resources	Those with knowledge and experience related to human resource acquisition and development, diversity and inclusion, engagement, etc.	Needed because we view staff as an important company resource and place importance on their development and respect their diversity
IT/DX	Those with experience in business reform and business promotion using IT and digital technology	Helps us to dramatically improve competitiveness and efficiency through IT and digital technology

	Name	Gender	Position Chairman of the Board	Independent officer	Skill / Experience						
					Corporate management	Legal & compliance, risk management	Financial management, accounting, markets & economics	Globa business	Sustainability	Human resources	IT/DX
Director	Shusaku Tsuhara	M	President and Representative Director		●	●	●		●	●	
Director	Akira Nakamura	M	Executive Vice President and Representative Director		●	●	●	●	●	●	
Director	Hiroshi Nagamine	M	Executive Vice President and Representative Director		●	●	●	●	●		
Director	Mutsumi Ishizuki	M	Senior Managing Director		●	●		●	●	●	
Director	Masahiko Abe	M	Managing Director		●		●		●	●	
Director	Noboru Otaka	M	Outside Director			●	●				●
Director	Naofumi Negishi	M	Outside Director	○	●	●	●		●		
Director	Mari Sagiya	F	Outside Director	○	●			●	●	●	●
Director	Hajime Kawamura	M	Outside Director		●	●		●	●		
Director	Takayuki Aonuma	M	Outside Director	○		●		●	●	●	
Director	Hirozumi Sone	M	Outside Director	○	●	●		●	●		
Director	Natsumi Watanabe	F	Outside Director	○	●	●				●	●
Auditor	Hidehiko Kamada	M	Standing Corporate Auditor			●	●			●	
Auditor	Koji Arita	M	Standing Outside Corporate Auditor	○	●		●			●	
Auditor	Shingo Suwabe	M	Standing Outside Corporate Auditor	○	●		●			●	●
Auditor	Hideki Amano	M	Outside Corporate Auditor	○		●	●	●		●	

*The above list does not represent all the knowledge and experience possessed by each director and auditor.
*A skill all the directors have in common is "transformation and innovation," or consistently taking on the challenge of reform in order to create new value.

Message from the Chairman of the Board

**I am Shusaku Tsuhara, and I have been serving as the non-executive Chairman of the Board of Directors since April 2023.
I was appointed executive director and deputy president in April 2019. From June 2020, as representative director, president and CEO, I promoted the previous medium-term management plan.
Having led this company since it adopted the trading name "Mizuho Leasing" to the present, I believe my management experience will be useful in my role as chairman.
I will strive to continue to manage a highly effective board where frank and open-minded discussion is respected so that we may reach the correct decisions on important agenda items that add value to the company.**

Chairman of the Board of Directors
Shusaku Tsuhara

Strengthening our societal role and intragroup cooperation

Mizuho Financial Group has long promoted cooperation among its commercial, trust, and investment banks to serve our customers on a groupwide basis. When I came to this company in 2019, it made me reexamine the role of leasing companies in society. I was convinced that we could offer our customers even more value by tightening Mizuho FG's collaboration with leasing, which offers more diverse and flexible products.
Since becoming Mizuho Leasing, we have strengthened our collaboration within the Mizuho Financial Group, enabling us to offer a wider range of solutions to our customers' issues. As an example, we successfully pitched a large-scale solution, which integrates our leasing operations with banking, securities, and trust functions, to a major company that was pursuing a revolving business model utilizing its real estate holdings.
By Through our strong partnerships within the Group and in line with our management philosophy of "Connect needs to create the future," we hope to fulfill our role in "connecting" to our customers' needs, alongside proposing bespoke solutions..

Message from the Chairman of the Board

A wide range of ages and diverse expertise

Our board of directors is comprised of a group of people ranging widely in age—from their 40s to 70s—and featuring diverse professional skills. Outside directors, including newly appointed members, engage in open and lively discussions from a wide range of perspectives based on their varied expertise and deep professional histories. In the past, there may have been a widespread tendency to conclude general shareholders' meetings and board meetings with a consensus of "no objections". However, in this day and age, I understand the importance of honestly expressing one's opinion in order to spark simulating discussions. To this end, we hold communication meetings with outside directors in advance to provide them with basic information on important agenda items and to ensure that they clearly understand the issues.

The chair's role is to encourage open and dynamic discussion

I believe one role of the board chair is to foster an atmosphere conducive to free discussion. Fundamentally, I try to allow everyone voice their opinions and call a vote only after everyone is satisfied that the matter has been fully debated. Although sometimes there are no questions, we watch our members' facial expressions and, if there is even a slight head tilt indicating an opinion, encourage them to express their thoughts.
On the other hand, the board members are considerate in this regard. For example, for IT-related topics, members highly specialized in this area are careful to prevent the discussion from being guided by their own opinions. Rather, they encourage their colleagues to comment based on their own knowledge and experience, and only after other participants have freely spoken do they wrap up the discussion from a technical perspective. Thanks to this method, we are able to have meaningful and dynamic discussions. I greatly appreciate that the other directors take the same approach help to invigorate our board meetings.

Memorable discussions and results in recent years

One memorable example of our discussions was the acquisition of Rent Alpha, an Indian leasing company, in fiscal 2022. This was a major investment decision, amounting to approximately ¥10 billion, compared with our company's net profit of ¥14.9 billion at the time. We had previously invested in overseas projects, including a leasing company in the U.S. and a financial company in Australia, but these were investments in companies that Marubeni Corporation already held shares in. Rent Alpha was a project we invested in independently, and the matter was brought before the board of directors as early as possible during the preparatory stage.
Moreover, prior to the fiscal 2023 capital and business alliance we cemented with Marubeni Corporation, the board of directors thoroughly discussed how the deal would affect the development of our company, whether it would please customers, and how investors would react to the dilution of their shares. In the end, we deemed the alliance to be in line with President Nakamura's goals for the company, such as the promotion of a circular economy. We further concluded the tie-up would help us rapidly respond to staffing shortages caused by the increasing number of touchpoints with customers. Thus, we reached the decision to proceed with strengthening our capital and business alliance.

Pursuing enhanced corporate value through growth

In line with our Medium-term Management Plan 2025, we are promoting measures in the core, growth, and frontier business areas, and steadily accumulating operating assets. We believe we should not be content to rest on our laurels. Rather, we are conscious of the need to "go beyond the boundaries of leasing" and thoroughly fulfill the role society asks of us. This will further improve our earnings performance and promote a virtuous cycle that will be reflected in the market's evaluation of our stock price and dividends. To this end, the board of directors will continue to engage in exhaustive discussion to enable the executive members to operate the business effectively.

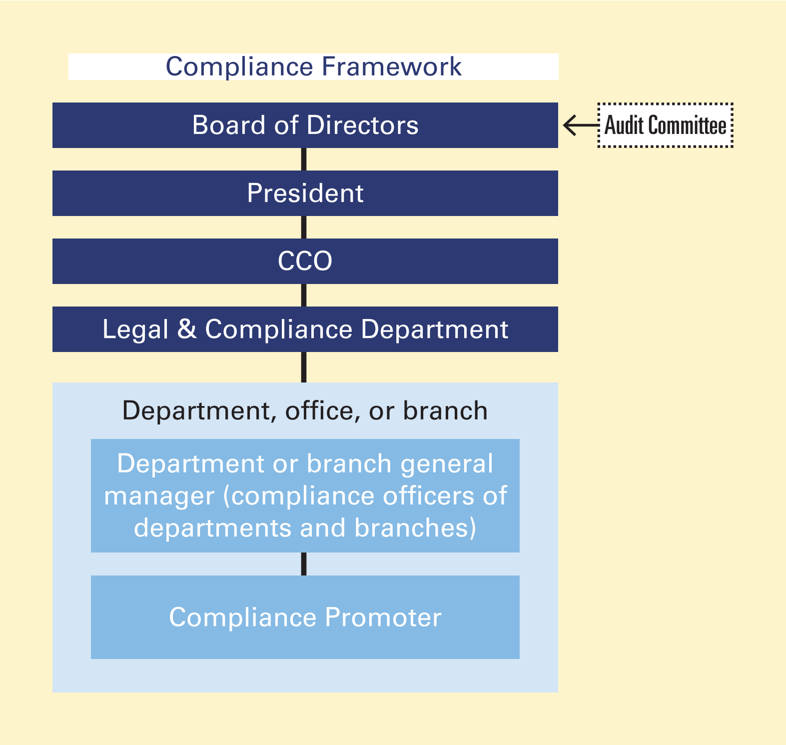
Compliance

Basic Policy

The Mizuho Leasing Group defines compliance as the strict observance by officers and employees of relevant laws and regulations and the practice of honest and fair business dealings that comport with social norms. We fully respect that a compliance lapse can shake the foundations of our business, and we are working to strengthen our compliance posture by positioning compliance rigor as a basic management principle to earn the high regard of our shareholders and the market and the trust of society.

Compliance Structure

To ensure thorough compliance, we have established various regulations, administrative guidelines, manuals, and other documentation based on our Compliance Policy. At the top of the organization, the president has appointed a chief compliance officer (CCO) who has the following authority and responsibilities. The CCO is charged with preparing and managing all aspects of compliance. Under the direction of the CCO, the Legal & Compliance Department is responsible for planning, drafting and promoting initiatives related to general compliance, the prevention of money laundering etc., and the avoidance of relationships with antisocial forces. It has established a system for monitoring and managing the compliance status of the group and for providing guidance and supervision.
In practical terms, the framework is set up to assign compliance officer at departments and branches to these organizations' general managers who, being in charge of the local compliance function, will provide guidance and supervision to employees to ensure thorough compliance at the department level. They are aided by compliance promoter posted to each department in accordance with its size and the nature of its business. Based on quarterly directives from the Legal & Compliance Department, the general managers survey the compliance status of their departments, conduct in-house training, and undertake autonomous control initiatives to ensure that a thorough compliance system is in place.
Based on the checks and reports from the departments and branches, the Legal & Compliance Department monitors and evaluates the compliance situation at each branch as necessary and, where appropriate, then takes measures such as issuing individual instructions and guidance to the general managers, sends a reminder to warn all departments and branches, or revising rules.
The Audit Department conducts audits of the compliance status of each department or branch. Based on instruction from the Legal & Compliance Department and the Audit Department, general managers then take the necessary action and implement corrective measures, as needed. (See the exhibit, "Compliance Framework", on the right.)
To facilitate early detection of misconduct, etc. in the workplace, we have established various channels through which employees, etc. can securely make reports and/or have consultation, such as, a compliance hotline, a harassment consultation desk, corporate auditor's hotline, and an external contact point to attorneys. We also stipulate in its Whistleblower Policy that a reporter shall not receive any disadvantageous treatment whatsoever.



Raising Compliance Awareness

In addition to establishing the Mizuho Leasing Group Corporate Code of Conduct, which establishes specific guidelines for the behavior of officers and employees, we have assembled a Compliance Manual. This document serves as a practical guide to compliance, enumerating the laws and regulations that must be observed in the course of business and presenting the compliance activities that must be put into practice. These manuals are posted on the company intranet so that officers and employees can refer to them at any time and apply them to their work.

Also, we have formulated a Compliance Program as a practical plan for ensuring thorough compliance. Once a year, the Compliance Program is deliberated on at the Risk Management Committee, discussed at the Executive Management Committee (approved by the president), and reported to the Board of Directors, and the result of its implementation is reported to the Executive Management Committee every six months.

The Compliance Program also positions education and training related to compliance as important matters. Specific educational steps taken to raise awareness of compliance among all officers and employees and ensure thorough compliance include compliance training for specific positions, including compliance training for officers and branch managers, compliance training by theme, such as insider trading prevention, and ongoing implementation of e-learning and other instructional measures. We are thus working to raise the awareness of all officers and employees regarding compliance, ensure thorough compliance, and foster a compliance culture within the company. (Please refer to the boxed article below for information on key compliance training initiatives from fiscal 2023.)

● Key compliance training initiatives taken in fiscal 2023

- Compliance training for executives
- Compliance training for general managers of divisions and branches
- Compliance training for group managers
- Compliance training for new graduates and midcareer hires

A scene from a group training session. We use a combination of online and group training to enhance learning effectiveness

An example of training materials. We use familiar examples and make extensive use of illustrations to make the content easy to understand

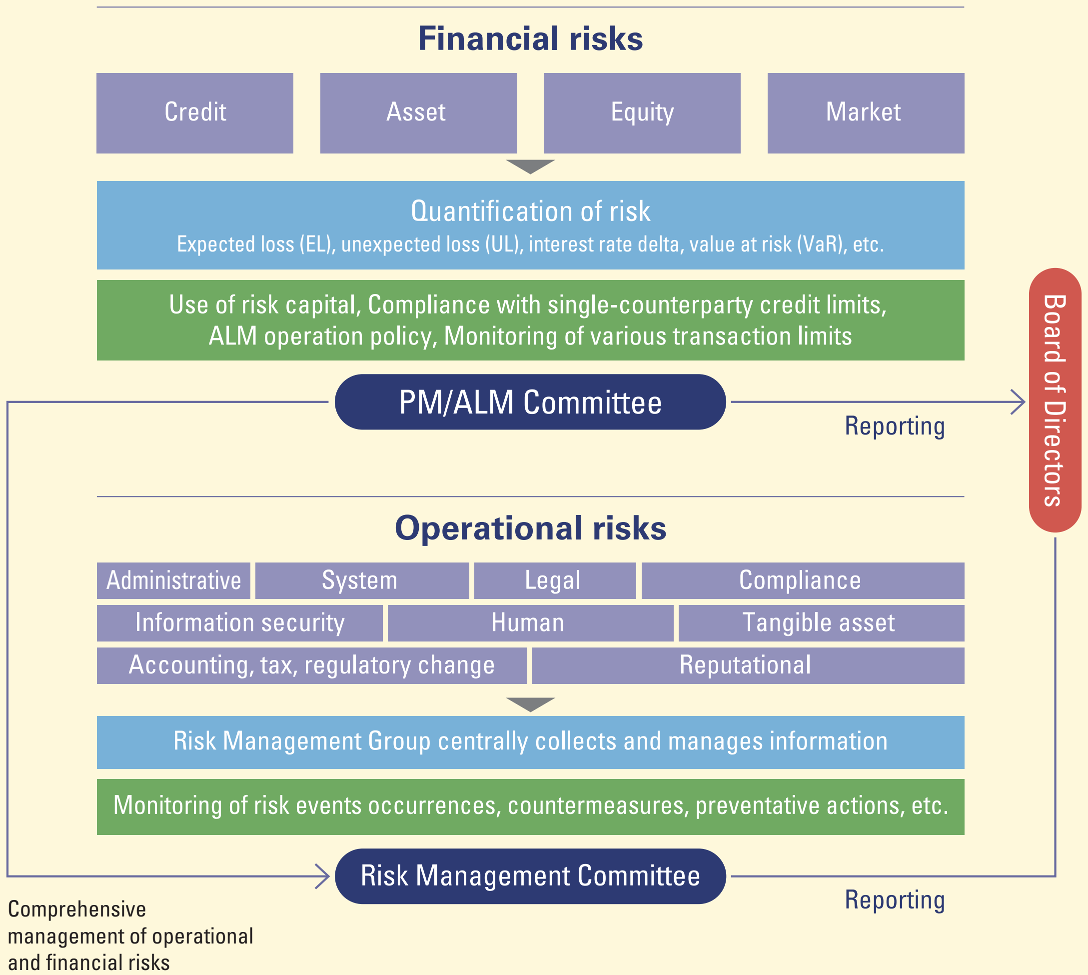
Risk Management

As financial services become more diverse and sophisticated, the risks that arise in the course of business are becoming more varied and complex. In this context, the group recognizes the importance of sound management of accurately identifying and analyzing risks and properly managing and operating our business. We are, therefore, working to strengthen and enhance our risk management framework.

Risk Management Structure

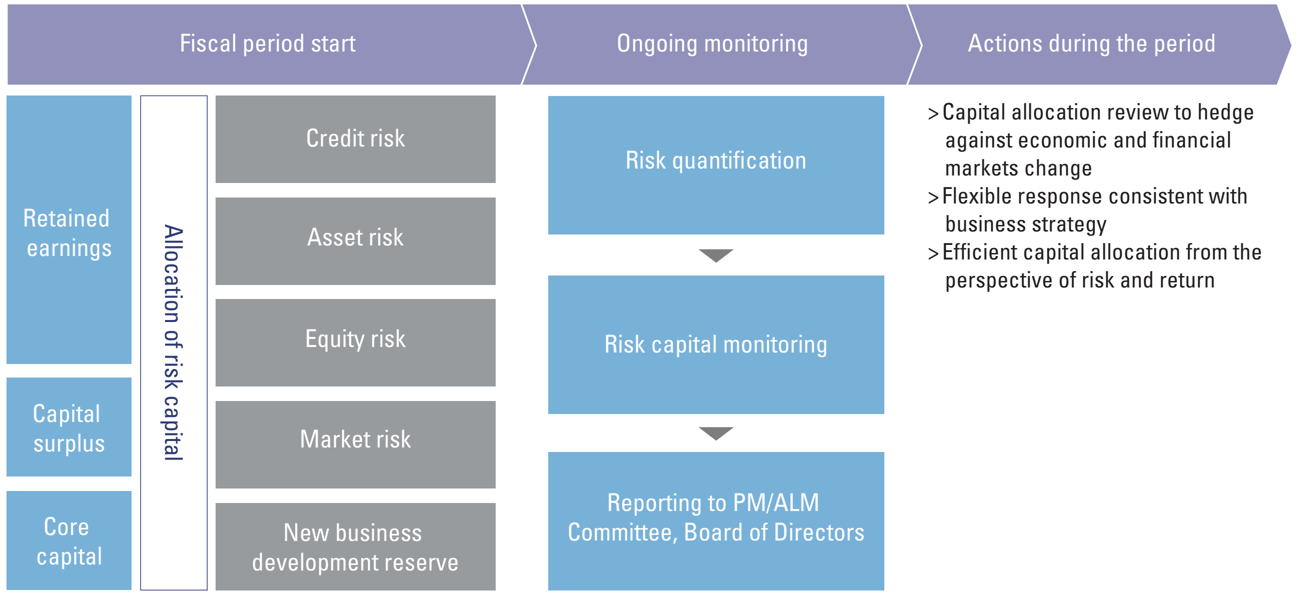
To ensure that we accurately detect, analyze, and control risks related to our business activities and reduce their impact on the company's management, the head of the Risk Management Group oversees and promotes risk management from a companywide perspective. A system has been established to respond quickly and flexibly to risk events via organizations in charge of specific risks according to class and scope.

The group categorizes the risks that arise in the course of business into financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively. It has established a risk management system for each category. In addition, meetings of the PM/ALM Committee and Risk Management Committee are convened with the goal of enhancing risk-related communications and reporting the status of risk management to the board of directors.



Financial Risk Management System and Risk Capital Allocation

In order to comprehensively understand and control financial risk, we operate under a "risk capital allocation" framework, and we are working to maintain business stability and improve profitability at the same time.
Specifically, we manage each quantified risk in an integrated and centralized manner, keeping the total amount of risk within a certain range of our capital, and we have a system in place that allows us to take risks in a rational and efficient manner within the allocated risk capital for each risk category.
During the annual business planning exercise, the Board of Directors sets the Risk Capital Allocation Plan, which governs how much risk capital is allocated to each risk category. Risk is measured and reported to the Board of Directors as part of the monthly update on the status of business operations.



	Risk description
Credit risk	The risk of losses due to deterioration in the financial situation of a borrower, etc., resulting in a reduction, potentially to zero, in the value of the assets held
Asset risk	The risk of losses due to a decrease in the value of real estate, aircraft, etc., as a result of price fluctuations due to such factors as changing market conditions affecting the investment or changes in income derived from the asset
Equity risk	With regard to renewable energy projects and other equity and fund investments, the risk of losses due to fluctuations in cash flow, etc., which impair the value of the invested capital
Market risk	The risk of losses due to fluctuations in financial market variables, such as interest rates, stock prices, and exchange rates

Operational Risk Management

The Risk Management Group centrally collects and manages adverse operational events caused by deficiencies and clerical errors, compliance issues, inappropriate business practices, system failures, and external factors, and takes appropriate measures for each risk category. These may include formulating countermeasures and procedures to prevent recurrence. The status of any such risks is reported to the Risk Management Committee and the Board of Directors.

Message from the Chief of Legal and Compliance, Risk Management groups

As our business becomes more diverse and sophisticated, the risks that arise in the course of our operations are also becoming more varied and complex. In this context, the group recognizes the importance of sound management of accurately identifying and analyzing risks and properly managing and operating our business. We are, therefore, working to strengthen and enhance our risk management framework.

The group categorizes the risks that arise in the course of business into financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively. It has established a risk management system for each category. In addition, the Risk Management Group oversees operational and financial risks and has established a comprehensive risk management framework that handles these risks in an integrated manner.

To counter financial risk associated with credit, assets, equity, and the markets, we monitor the location and scale of risks via a management framework centered on the allocation of risk capital. We promote sound management by holding the total amount of risk below a certain proportion of our capital. Meanwhile, the Risk Management Group centrally manages operational risks, such as administrative risk, system risk, and compliance risk, by monitoring the causes of risk events, implementing countermeasures, and overseeing the implementation status of measures to prevent recurrences.

In the future, as we promote multifaceted financial services, expand into a broader range of specialized financial sectors, and invest in the business, we believe that it will be ever more important to understand the various risks inherent in each project and further enhance our risk management systems to mitigate them.

We will continue to strengthen our monitoring systems and implement proper risk controls in order to improve our risk–return profile and support earnings growth.

Moreover, with regard to compliance, we are keenly aware that compliance failures can destabilize our management foundation, and we are working to strengthen our compliance system based on our Compliance Principles, which state that thorough compliance will earn the approval of shareholders and the markets, and in turn, establish trust from society at large.

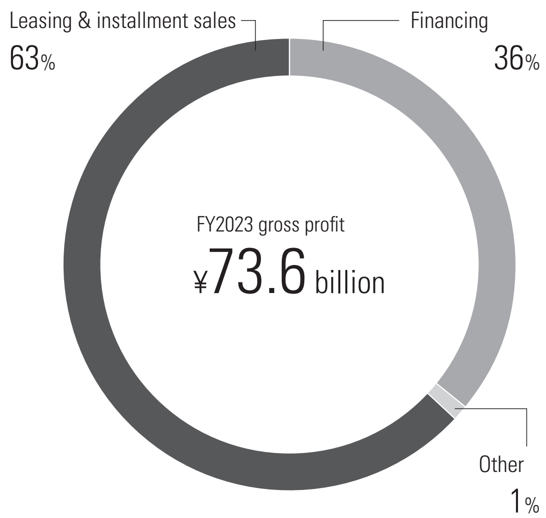
The world is changing every day, and we expect that the definition of compliance will change with it. Our commitment to ongoing review of our compliance system in response to global changes will ensure that we raise awareness among all executives and employees regarding compliance and foster a compliance culture within the company.


Chief of Legal and Compliance, Risk Management groups
Senior Managing Executive Officer Takanori Nishiyama

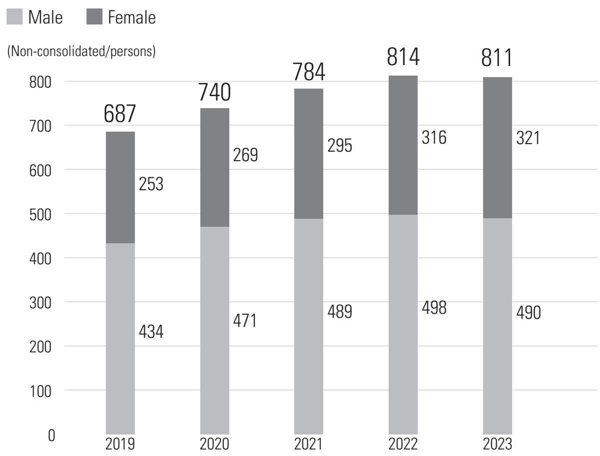
Financial & Nonfinancial Highlights

The Mizuho Leasing Group is comprised of the parent company, 44 consolidated subsidiaries, and 10 equity-method affiliates (as of March 31, 2024). It provides a broad range of financial and business services in Japan and overseas, leveraging its expertise in leasing physical assets, installment sales, and lending, along with its financial expertise.

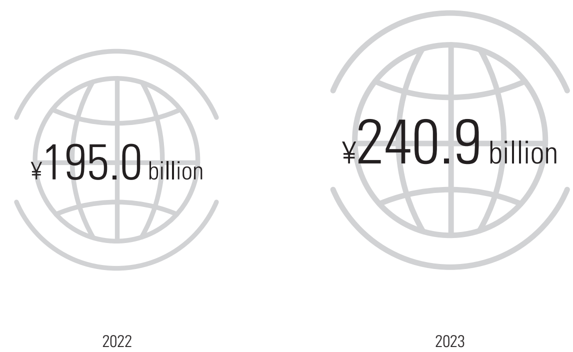
Leasing & installment sales	FY2023 gross profit	¥46.4 billion
Financing & other	FY2023 gross profit	¥27.2 billion



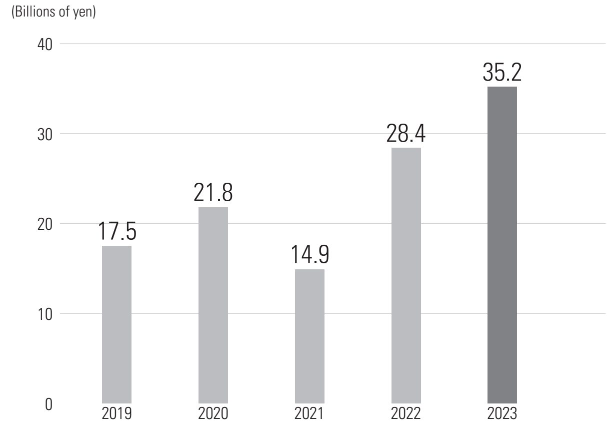
Number of employees



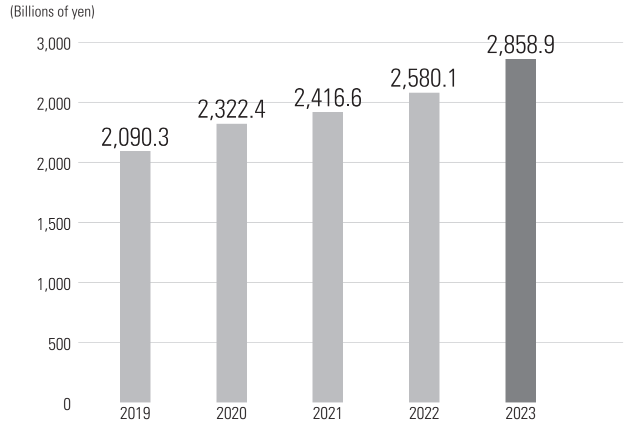
Balance in the global area (Overseas affiliates, aviation & ship)



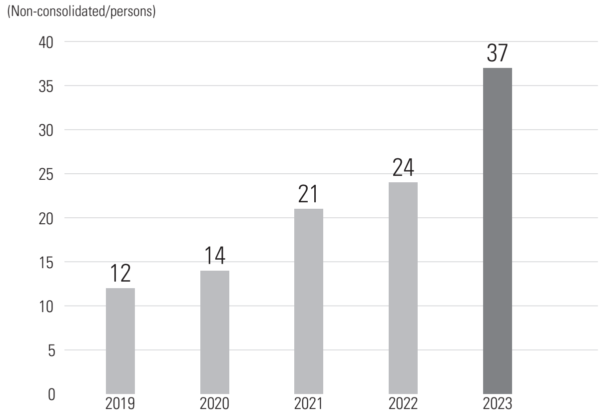
Net income attributable to owners of the parent



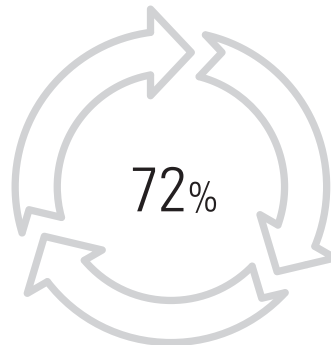
Operating assets



Number of women in managerial posts

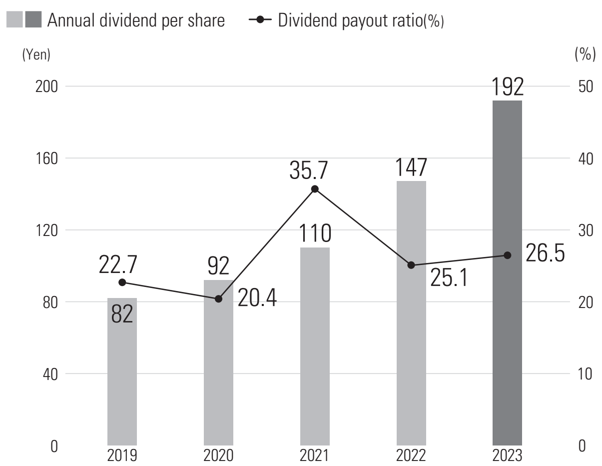


Reuse rate* (FY2023)

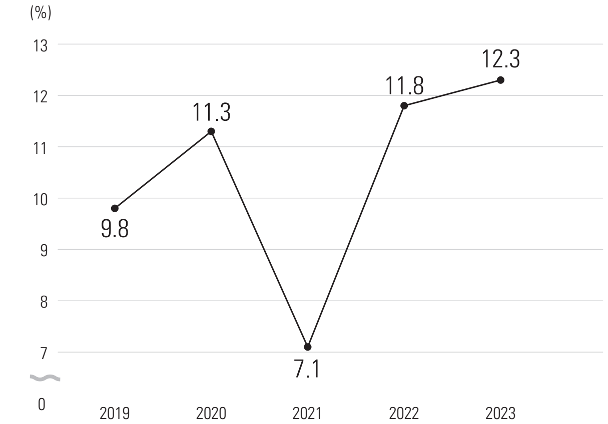


*Reuse rate : Number of equipment sold ÷ Number of equipment for which the lease term or re-lease term has expired

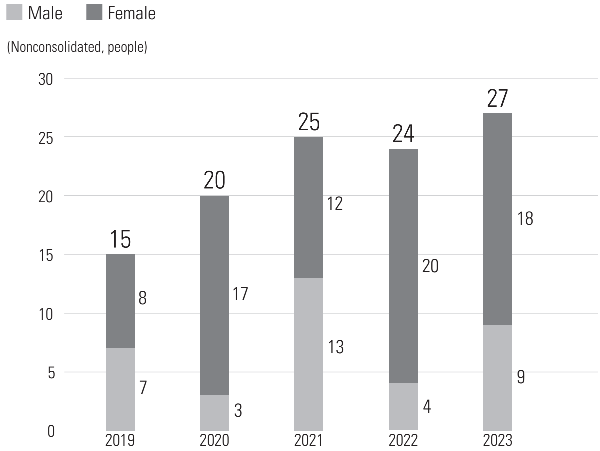
Annual dividend per share/dividend payout ratio



ROE



Number of employees who took childcare leave

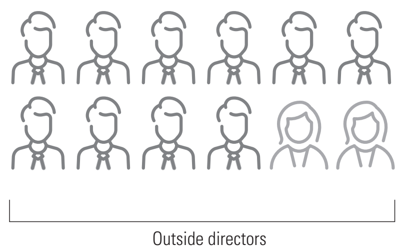


Composition of the Board of Directors

(End-June 2024)

12 directors

6 outside directors, 2 female directors



Outside directors

Ratio of outside directors 50%

10-year Financial Summary

Consolidated Financial Results

For the year: (Millions of yen)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	353,733	364,174	429,405	399,738	384,893	539,241	497,852	554,809	529,700	**656,127**
Gross profit before funding costs*	41,609	44,803	44,904	45,157	52,596	60,263	59,332	62,115	72,299	**91,197**
Funding costs	6,338	6,361	5,697	6,959	8,467	9,744	7,985	7,581	10,932	**17,575**
Gross profit	35,271	38,441	39,206	38,197	44,128	50,519	51,347	54,534	61,366	**73,621**
Selling, general and administrative expenses	17,325	20,868	21,244	19,034	21,214	24,243	25,383	36,640	29,610	**34,109**
Operating income	17,946	17,573	17,962	19,162	22,913	26,275	25,963	17,893	31,756	**39,511**
Ordinary income	18,972	18,570	18,789	19,964	24,226	26,714	27,542	20,064	40,110	**50,897**
Net income attributable to owners of the parent	11,144	11,609	12,414	13,643	16,594	17,512	21,772	14,902	28,398	**35,220**
At year-end: (Millions of yen)										
Total assets	1,551,704	1,718,720	1,752,284	1,821,501	2,161,872	2,348,416	2,603,190	2,748,810	2,954,634	**3,363,336**
Operating assets	1,432,299	1,581,025	1,608,718	1,683,005	2,021,368	2,090,305	2,322,398	2,416,558	2,580,137	**2,858,898**
Lease	878,693	958,353	950,318	983,590	1,160,218	1,327,723	1,476,331	1,487,631	1,500,511	**1,590,557**
Installment sales receivable†	153,910	147,455	137,820	138,592	145,888	139,715	124,433	106,601	95,296	**104,359**
Loans	361,067	377,933	348,085	360,073	469,135	400,999	500,674	582,481	661,664	**733,765**
Operational investment securities	38,627	97,283	172,493	196,860	239,814	221,866	220,959	239,843	322,663	**363,711**
Long-term receivables	8,947	10,393	3,331	2,440	3,432	5,448	11,477	32,691	25,813	**28,867**
Interest-bearing debt	1,309,951	1,465,584	1,492,438	1,536,240	1,834,757	2,000,636	2,255,387	2,375,243	2,537,555	**2,842,428**
Equity	123,297	132,786	141,755	154,632	182,159	195,780	210,852	230,803	275,834	**329,800**
Per share data: (Millions of yen)										
Net income	52.26	54.44	58.22	63.98	77.73	72.10	90.03	61.61	117.35	**145.07**
Equity	552.85	595.72	640.45	698.51	710.78	765.80	829.48	907.23	1,085.55	**1,270.62**
Dividends	56.00	60.00	64.00	70.00	78.00	82.00	92.00	110.00	147.00	**192.00**

On April 1, 2024, our company carried out a 5-for-1 stock split of common shares.
Per-share data for the 2014 fiscal year is on a post-split pro forma basis, except for dividend per share, which is shown on a pre-split basis for all years.

Key indicators: (%)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on equity (ROE)	10.0	9.5	9.4	9.6	10.3	9.8	11.3	7.1	11.8	**12.3**
Return on assets (ROA)	1.3	1.1	1.1	1.1	1.2	1.2	1.1	0.7	1.4	**1.6**
Equity ratio	7.6	7.4	7.8	8.2	8.0	7.9	7.7	8.0	8.9	**9.2**
Other (Number of persons)										
Number of employees	1,050	1,072	1,053	1,081	1,627	1,745	1,795	1,864	1,964	**2,176**

* Gross profit before cost of capital
† After subtraction of deferred profit on installment sales

1. Business Performance and Conditions

The economic situation in fiscal 2023 was characterized by the gradually surfacing impact of high inflation and monetary tightening in Europe and the United States. While the economy in the United States continues to grow steadily, signs of weakness in consumption and corporate activity are emerging in Europe, and there is a sense of stagnation in China due to such factors as the prolonged correction in the real estate market. Despite an inflation-induced slowdown in consumer spending, the Japanese economy continues to recover gradually for reasons including a rebound in capital investment.
In the leasing industry, the volume of leasing transactions exceeded the previous fiscal year's level amid a recovery in capital investment.
To achieve sustainable growth and progress further toward realizing our vision, the group has formulated and launched its Medium-Term Management Plan 2025 initiative, which spans three years from fiscal 2023 through fiscal 2025. Unhindered by the constraints of a traditional leasing company, we offer a diverse range of solutions as a partner in value co-creation to address the business and social issues faced by our customers. We also strive to expand our business foundation and attempt new business challenges through collaboration with alliance partners including the Mizuho and Marubeni groups.
In addition, as we work to expand our group and increase the value we provide for our stakeholders, we have set consolidated targets for the final year of our medium-term plan that include net income of ¥42 billion, ROA of 1.6% or more, and ROE of 12% or more.
Under these prevailing circumstances, we have promoted various initiatives in each business segment throughout fiscal 2023.
In our profit and loss accounts, in fiscal 2023, ended March 2024, revenues increased by ¥126,427 million (23.9%) year-on-year, to ¥656,127 million owing to the sale of properties following the expiration of large real estate projects, while the cost and expenses increased by ¥114,172 million (24.4%), to ¥582,506 million. Gross profit was up ¥12,254 million (20.0%), at ¥73,621 million. Selling, general, and administrative expenses increased by ¥4,499 million (15.2%), to ¥34,109 million due to higher personnel expenses, non-personnel expenses, credit costs, and other factors. Operating profit increased by ¥7,755 million (24.4%), to ¥39,511 million. Ordinary profit rose ¥10,787 million (26.9%) to ¥50,897 million, in reflection of such factors as dividends from the sale of ship projects, distributions from the sale of overseas real estate, and an increase in equity-method investment income. The company recorded extraordinary gains of ¥211 million from the sale of investment securities and extraordinary losses of ¥28 million in connection with lower valuations of investment securities, resulting in net extraordinary income of ¥182 million.
As a result of the foregoing, net income attributable to owners of the parent increased by ¥6,821 million (24.0%), to ¥35,220 million.
Highlights of our financial position are as follows.
Contract execution volume in the leasing and installment sales segment increased 38.1% year-on-year in the fiscal year ended March 2024, to ¥675,682 million due, in part, to increased deal volume in the real estate sector, which the company prioritizes. Meanwhile, in the finance segment this figure decreased 19.2%, to ¥792,759 million. As a result, the overall volume of newly executed contracts decreased by 0.1%, to ¥1,468,441 million. Operating assets expanded by ¥278,761 million since the previous fiscal year end, to ¥2,858,898 million, and total assets increased by ¥408,701 million, to ¥3,363,336 million as a result of the accumulation of assets through business solutions centering on collaboration within the Mizuho Group that address issues facing customers primarily in real estate and environmental sectors.
Total liabilities increased by ¥354,735 million compared to the end of the previous fiscal year, to ¥3,033,535 million. The interest-bearing debt component of this figure grew by ¥304,872 million, to ¥2,842,428 million, in line with the increase in operating assets.
Net assets continued to increase during the period due to the retention of earnings, reaching ¥329,800 million.

Operating results by segment

Financial results broken down by segment are as follows. (Note: Earnings figures derive from business with external customers.)

[Leasing and installment sales]

Lease and installment sales increased 22.9% year-on-year in the fiscal year ended March 2024, to ¥620,783 million, while operating income increased 18.5%, to ¥25,375 million.
At the end of the fiscal year ended March 2024, operating assets were up by ¥99,108 million versus the previous fiscal year-end, at ¥1,694,916 million, owing to the targeted accumulation of assets in priority segments.

[Finance]

Financing segment revenues increased 43.3% year-on-year, to ¥33,769 million, due to the accumulation of assets, and operating income increased 23.6%, to ¥20,077 million.
The balance of operating assets at the end of the period had increased by ¥113,148 million compared with the previous year-end, to ¥1,097,477 million, due to focused asset accumulation.

[Other]

Revenues in the “Other” segment increased by 38.7% year-on-year, to ¥1,574 million, but operating income fell 32.0%, to ¥264 million.
The balance of operating assets at the end of the period was up ¥66,504 million year-on-year, at ¥66,504 million, owing to the acquisition of power generation businesses.

2. Operating Results and Financial Position

In accordance with our Medium-term Management Plan 2025, which covers the three-year period from fiscal 2023 to fiscal 2025, the Mizuho Leasing Group, as a partner in value co-creation, is focusing on its mission to transcend the boundaries of finance and provide diverse solutions across a range of business areas that address the social and business issues facing our customers.
Specific initiatives in each business domain for fiscal 2023 were as follows.

[Domestic Leasing]

As a strategic business partner for our customers, we focused on value co-creation and problem-solving. We also actively worked on service businesses that improve the content and level of our offerings in such areas as subscription services for furniture and drones and vendor finance for vending machines that sell chilled drinks. We also further expanded our customer base by leveraging our collaboration within the Mizuho Group.

[Real Estate and Environment & Energy]

In the real estate business, we continued to work via our subsidiary ML Estate on the real estate custody business, in which we temporarily hold properties for REITs and other customers for periods that suit their requirements. In addition, we deepened our collaboration with equity-method affiliate Nippon Steel Kowa Real Estate and took on a number of new business challenges, such as strengthening our CRE solution capabilities and expanding our product lineup.
In the environmental energy business, we promoted initiatives not only in the leasing of equipment but also entered into directly managed operations, including a grid storage battery venture that aims to expand the adoption of renewable energy and stabilize electricity supply and demand, and our investment in six special high-voltage solar power plant projects in Japan. We are also supporting our customers' decarbonization and sustainability initiatives by, for instance, launching a demonstration project promoting a shift to EVs for domestic last-mile transportation.

[Finance and Investment]

Through the Mirai Creation Investment Limited Partnership, a corporate venture capital fund, we are investing in companies that develop operational DX robots and which provide remote support services for autonomous robots. In concert with our business partners, we take on new commercial challenges that stretch beyond the framework of our existing businesses.

[Overseas and Aviation Operations]

We worked to expand our business fields through such means as by bringing Indian equipment leasing firm Rent Alpha under our umbrella as a consolidated subsidiary.
We continue working with our network of alliances. In one such example, we have concluded an agreement with partner Marubeni Corporation to jointly underwrite a capital increase in Aircastle Limited, an aircraft leasing company in the United States that is an equity-method affiliate of both companies. Aircastle will contribute to the sustainable growth of the aviation industry by financially supporting airlines through the leasing of environmentally friendly aircraft.
Also in the alliance space, we have further deepened cooperation between Mizuho Group companies and the Mizuho Leasing Group, combining the functions of both sides to provide diverse solutions.
In our overseas business collaboration with the Marubeni Group, we promoted initiatives to strengthen existing businesses and create new opportunities.
We ventured into a challenging new business area by investing in NExT-e Solutions, which possesses advanced storage battery control technology. We have concluded a basic agreement with the company establishing a business alliance related to storage batteries, with the aim of reusing mobility-sourced batteries in our possession. By leveraging NExT-e Solutions' formidable battery control technology, we plan to build a business around the repurposing of used storage batteries from transportation applications for stationary use while also providing services for new storage batteries. Through this initiative, we will contribute to the broader adoption of battery storage and the expanded use of renewable energy.

[Capital Resources and Liquidity of Funds]

To provide a wide range of financial services that meet the needs of our customers, our group strives to secure stable access to funding while controlling costs. We also maintain readiness to obtain funding opportunistically as events warrant under an asset and liability management (ALM) policy that is sensitive to our annual funding needs and changes in the financial environment.
The group's financing includes long- and short-term funding raised indirectly through borrowing from financial institutions and directly from the market. At the end of the current fiscal year (ended March 2024), indirect funding was up by ¥270,295 million year-on-year, at ¥1,685,399 million. Direct procurement was ¥34,577 million higher, at ¥1,157,028 million, reflecting the issuance of commercial paper, corporate bonds, and the like.
In order to ensure working capital liquidity and maintain ready access to funding, we have concluded overdraft and commitment line agreements with 51 financial institutions, for a total credit line of ¥987,997 million as of the fiscal year-end. Our unused balance as of this writing stood at ¥486,558 million, demonstrating our adequate funding liquidity.

Analyses on Business Conditions & Operating Results

[Status of Cash Flows]

In regard to fiscal 2023 cash flows, we secured liquidity via financial industry creditors and the markets to cover expenditures associated with business activities, including an increase in operating assets and the acquisition of shares in Rent Alpha. As a result, the balance of cash and equivalents at the end of the fiscal year under review increased by ¥22,740 million year-on-year, to ¥56,194 million. The status of each cash flow item and the factors behind it are as follows.

Net cash used in operating activities totaled ¥192,205 million owing to an increase in operating assets.

Net cash used in investing activities was ¥51,969 million, mainly in relation to the acquisition of shares in Rent Alpha.

Net cash provided by financing activities was ¥266,524 million, consisting of ¥246,733 million in proceeds from indirect financing and ¥27,422 million from direct financing (commercial paper and corporate bonds) and partially offset by ¥8,085 million in expenditures for dividend payments.

Business Risks and Other Risks

The group's financial position, operating results, cash flows, and other categories of business risk that we recognize as having the potential to materially affect investors' decisions are discussed below.

In addition to taking mitigating measures in each of these risk categories, the group is working to develop and strengthen its risk management system so that it can respond quickly and appropriately when actual risks materialize.

Not that any statements regarding the future included in this section are based on judgments made as of the end of the current consolidated fiscal year.

1. Risks Related to the Operating Environment

The group's business development effort centers on leasing transactions in support of customers' business activities.

The group's business results stand to be affected if worsening business performance among our customer base sharply curtails capital investment. Circumstances that could precipitate this include a spike in energy and resource prices against a backdrop of regional conflict, manufacturing cutbacks amid disruption to global supply chains, and pronounced international market volatility in interest and forex rates.

2. Credit risk

The group's leasing operations and other primary business activities revolve around transactions that provide customers with credit in the form of leasing over relatively long periods (averaging around five years). While initial earnings projections are premised on collecting the full amount of leasing and other fees from customers, these initial revenue expectations face the potential risk that the economic situation could worsen, undermining the customer's business environment, and making it impossible to collect the initially expected payments.

Prior to entering into a potential transaction, our group mitigates nonpayment risk through such measures as strict initial credit checks and thorough assessments of the future resale value of leased items. During the term of a live transaction, we regularly monitor the lessee's credit situation and take measures to protect our receivables as necessary.

In addition, if a customer's credit situation deteriorates and they fail to make payments, we will try to recover as much as possible by selling the leased properties or diverting them to other customers.

Nevertheless, our cost of credit exceeds our projections due to such factors as a sudden shift in economic conditions or deterioration in the customers' creditworthiness, the group's business results may ultimately be affected.

3. Liquidity Risk (funding)

The group raises funds necessary for its business through bank loans and the issuance of corporate bonds, commercial paper, and the like. If volatility in the financial markets or deterioration in the group's financial position complicates our fundraising objectives, restrictions on access to capital could affect the group's business activities.

In order to minimize such liquidity risk, we are diversifying our array of funding methods, adjusting our funding framework to better account for market conditions, and maintaining liquidity on hand.

4. Interest Rate Risk

In order to obtain the capital necessary to run our business, our group funds its operations through such means as bank loans and the issuance of debt instruments, including corporate bonds and commercial paper.

The group's interest income and expenses are exposed to interest rate risk stemming from the differing interest parameters—e.g., levels, term, degree of variability (fixed, adjustable)—on its receivables and payables, the former being lease income and returns on investments in marketable securities and the latter consisting of interest obligations on its borrowing.

To respond to interest volatility, the group procures funds that balance against the interest rate conditions of its assets and also hedges using derivative strategies.

Specifically, using the asset and liability management (ALM) method, we manage interest rate risk by controlling the matching ratio (the ratio of the portion of assets not subjected to interest rate fluctuation risk by allocating liabilities and derivatives with fixed-rate interest and variable-rate interest to assets with fixed-rate and variable-rate yields).

5. Asset Risk

The Mizuho Leasing Group engages in such businesses as real estate leasing, real estate investment and financing, and aircraft leasing. In undertaking these activities, we carefully assess the creditworthiness, potential income and expenditure, and asset holdings of our business partners. The possibility nevertheless remains that the group's performance could be affected by deteriorating business performance among our business partners or significant impairment of properties they own.

To contend with the potential for declines in asset value, we have established an internal management system to monitor such factors as the credit standing of our business partners, trends in asset values, and forecasted income and expenditure. This system enables flexible countermeasures to minimize the impact on our group.

6. Risks Arising from Business Activities

The group faces several categories of business risk that can expose it to litigation and other trouble: (1) IT/system risk, which includes system failure and improper use, leading to clerical errors, (2) information security risk, which can result in the loss or leakage, or theft of data, and (3) compliance risk, in which the company may face reputational damage if found in noncompliance with laws, regulations, and company standards. Should the risks manifest themselves, the company may forfeit business opportunities and become liable for restitution, thereby potentially harming the group's earnings.

The company has established a risk management system to enable the group to respond to various issues in a flexible and cross-sectional manner, and to control risks in order to minimize the impact on the group.

7. Force Majeure and Other Risks

If the group suffers unexpected economic losses due to unpredictable events such as earthquakes, wind and water damage, or the spread of infectious diseases, its business performance may be affected.

To counter such situations, we have established a business continuity plan, implemented a system for maintaining business operations, and otherwise taken measures to minimize the impact on our group.

8. Cyber Security Risks

The group uses various information systems to manage its business activities and is connected to external networks for such purposes as email. These information systems are at risk of cyberattacks via computer virus infiltration, unauthorized external access, and other means. In the event of a system shutdown or failure, an information leak, an unauthorized access incident, or what have you, the group's business performance may be affected by liability for damage compensation, a loss of trust, and economic losses due to interruption of business activities.

As a response to such situations, we have organized a Computer Security Incident Response Team (CSIRT) to react to security incidents. We have also strengthened our information countermeasures by establishing a 24/7 monitoring system through our Security Operation Center (SOC) and are working to strengthen our resilience by analyzing viruses, implementing multilayered protection, and taking other defensive measures. In order to adapt to the growing threats posed by the use of cloud computing and the diversification of work styles, we are also responding to the latest security threats, such as promoting the introduction of a zero-trust architecture as a security measure to prevent attackers from freely acting within the company.

In addition to conducting phishing email training and companywide initial response training for employees, we are also working to raise security awareness through e-learning programs.

9. Risks Related to Climate Change

The group's measures to mitigate the effects of climate change include scenario analysis and information disclosure. If we are unable to respond to abnormal weather such as typhoons and torrential rain or to tightening environmental regulations with the required level of technological innovation and business model adaptation, the group's business performance and our customers' operations could suffer.

Consolidated Balance Sheet

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
ASSETS			
Current Assets:			
Cash and Cash Equivalents	¥ 56,194	¥ 33,453	$ 371,167
Lease Receivables and Investments in Lease (Notes 7, 10, 18 and 19)	1,050,711	1,122,211	6,939,968
Receivables (Notes 7, 10 and 19):			
Notes and Accounts	1,235	751	8,161
Lease	4,578	4,416	30,239
Installment Sales	109,128	98,523	720,799
Loans	567,305	511,639	3,747,066
Factoring	166,459	150,025	1,099,471
Total Receivables	848,708	765,356	5,605,736
Operational Investment Securities (Notes 6, 7, 10 and 19)	363,711	322,663	2,402,324
Prepaid Expenses and Other (Note 24)	60,525	37,018	399,773
Allowance for Doubtful Receivables (Note 3)	(1,788)	(1,036)	(11,813)
Total Current Assets	2,378,063	2,279,668	15,707,155
Property and Equipment:			
Leased Assets (Notes 6, 7, 10 and 19)	530,872	368,747	3,506,420
Advances for Purchases of Leased Assets	2,444	299	16,147
Other Operating Assets (Note 7)	66,504	-	439,262
Advances for Purchases of Other Operating Assets	1	-	7
Own-used Assets (Note 10)	3,936	3,797	26,003
Total Property and Equipment	603,758	372,845	3,987,839
Investments and Other Assets:			
Investment Securities (Notes 6, 10 and 19)	26,142	17,157	172,670
Investments in Unconsolidated Subsidiaries and Associated Companies	280,238	223,460	1,850,978
Long-term Receivables (Note 19)	28,867	25,813	190,674
Goodwill (Note 17)	4,623	-	30,537
Intangible Leased Assets (Note 7)	8,974	9,552	59,276
Deferred Tax Assets (Note 13)	6,704	7,085	44,281
Asset for Employees' Retirement Benefits (Note 12)	1,685	759	11,135
Other (Note 9)	30,082	23,432	198,692
Allowance for Doubtful Receivables (Note 3)	(5,803)	(5,141)	(38,335)
Total Investments and Other Assets	381,514	302,120	2,519,908
Total Assets	¥ 3,363,336	¥ 2,954,634	$ 22,214,902

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheet

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
LIABILITIES and EQUITY			
Current Liabilities:			
Short-term Borrowings (Notes 10, 11, 19 and 24)	¥ 1,235,166	¥ 1,206,016	$ 8,158,299
Current Portion of Long-term Debt (Notes 10, 11, 19 and 24)	364,774	272,009	2,409,344
Lease Payable (Notes 18 and 19)	15,785	18,219	104,263
Accounts Payable - trade (Note 19)	27,186	24,512	179,565
Accrued Expenses (Note 24)	9,247	4,964	61,078
Income Taxes Payable	7,287	2,719	48,132
Deferred Profit on Installment Sales (Note 7)	4,769	3,226	31,504
Reserve for Management Board Benefit Trust - current	196	726	1,300
Accruals for Debt Guarantees	13	14	87
Other	50,815	41,046	335,635
Total Current Liabilities	1,715,242	1,573,455	11,329,207
Long-term Liabilities:			
Long-term Debt (Notes 10, 11, 19 and 24)	1,242,486	1,059,528	8,206,650
Deposits Received	31,044	30,550	205,053
Liability for Employees' Retirement Benefits (Note 12)	2,422	2,409	16,003
Reserve for Management Board Benefit Trust (Note 2(z))	66	-	438
Other	42,272	12,856	279,211
Total Long-term Liabilities	1,318,293	1,105,345	8,707,355
Commitments and Contingent Liabilities (Note 14)			
Equity:(Notes 2(z), 15, 22 and 25)			
Common Stock	26,088	26,088	172,312
Authorized, 140,000,000 Shares; Issued, 49,004,000 Shares as of March 31, 2024 and 2023			
Capital Surplus	23,578	23,941	155,735
Retained Earnings	208,545	181,484	1,377,445
Treasury Stock - at cost	(1,040)	(1,618)	(6,872)
381,181 shares as of March 31, 2024 and 593,299 shares as of March 31, 2023			
Accumulated Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	22,720	11,849	150,070
Deferred Loss on Derivatives under Hedge Accounting	(4,584)	(2,204)	(30,279)
Foreign Currency Translation Adjustments	32,299	22,620	213,341
Defined Retirement Benefit Plans	1,298	601	8,578
Total	308,905	262,762	2,040,330
Non-controlling Interests	20,894	13,071	138,010
Total Equity	329,800	275,834	2,178,340
Total Liabilities and Equity	¥ 3,363,336	¥ 2,954,634	$ 22,214,902

Note: Although the Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024, the number of "Authorized Shares", "Issued Shares" and "Treasury Stock" presented above is based on the number before the split.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Income

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 202

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Revenues	¥ 656,127	¥ 529,700	$ 4,333,737
Cost and Expenses	582,506	468,333	3,847,466
Gross Profit	73,621	61,366	486,271
Selling, General and Administrative Expenses (Note 16)	34,109	29,610	225,297
Operating Income	39,511	31,756	260,974
Other Income (Expenses):			
Interest Income (Note 24)	143	18	949
Dividend Income	2,026	515	13,383
Equity in Earnings of Associated Companies	10,482	9,718	69,237
Profit from Investments	2,072	-	13,691
Interest Expenses	(2,787)	(1,613)	(18,411)
Foreign Exchange Loss (Note 4)	(415)	(141)	(2,747)
Bond Issuance Costs	(559)	(399)	(3,694)
Gain on Sales of Investment Securities	211	72	1,394
Gain on bargain purchase (Note 17)	-	225	-
Loss on Sales of Investment Securities	-	(347)	-
Loss on Devaluation of Investment Securities	(28)	(14)	(189)
Loss on Retirement of Own-used Assets	-	(9)	-
Other—net	423	255	2,799
Income before Income Taxes	**51,080**	**40,036**	**337,386**
Income Taxes:(Note 13)			
Current	13,493	7,877	89,127
Deferred	482	2,710	3,188
Total	13,976	10,587	92,315
Net Income	37,103	29,448	245,071
Net Income attributable to Non-controlling Interests	1,883	1,050	12,438
Net Income attributable to Owners of the Parent	¥ 35,220	¥ 28,398	$ 232,633

	Yen		U.S. dollars (Note 1)
	2024	2023	2024
Amounts per Share of Common Stock (Notes 2(w) and 25)			
Net Income attributable to Owners of the Parent per Share	¥ 145.07	¥ 117.35	$ 0.96
Cash Dividends applicable to the fiscal year	¥ 192.00	¥ 147.00	$ 1.27

Note: The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024.
"Net Income attributable to Owners of the Parent per Share" is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Net Income	¥ 37,103	¥ 29,448	$ 245,071
Other Comprehensive Income:(Note 21)			
Unrealized Gain on Available-for-sale Securities	7,107	4,818	46,944
Deferred Loss on Derivatives under Hedge Accounting	(2,347)	(452)	(15,504)
Foreign Currency Translation Adjustments	9,572	15,347	63,229
Defined Retirement Benefit Plans	645	(106)	4,261
Share of Other Comprehensive Income in Associated Companies	4,624	1,849	30,545
Total Other Comprehensive Income	19,602	21,457	129,475
Comprehensive Income	¥ 56,706	¥ 50,905	$ 374,546
Total Comprehensive Income attributable to:			
Owners of the Parent	¥ 54,089	¥ 49,105	$ 357,260
Non-controlling Interests	2,617	1,800	17,286

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 2024

	Thousands	Millions of yen			
	Number of shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock
Balance as of April 1, 2022	48,377	¥ 26,088	¥ 23,941	¥ 158,966	¥(1,709)
Net Income attributable to Owners of the Parent				28,398	
Cash Dividends Paid				(5,880)	
Purchase of Treasury Stock					
Disposal of Treasury Stock	33				91
Change in Scope of Consolidation					
Change in Scope of Equity Method					
Capital increase of consolidated subsidiaries					
Net change during year					
Balance as of March 31, 2023	48,410	¥ 26,088	¥ 23,941	¥ 181,484	¥ (1,618)
Net Income attributable to Owners of the Parent				35,220	
Cash Dividends Paid				(8,085)	
Purchase of Treasury Stock	(0)				(1)
Disposal of Treasury Stock	212				579
Change in Scope of Consolidation				(0)	
Change in Scope of Equity Method				(74)	
Capital increase of consolidated subsidiaries			(363)		
Net change during year					
Balance as of March 31, 2024	48,622	¥ 26,088	¥ 23,578	¥ 208,545	¥ (1,040)

Millions of yen

	Accumulated Other Comprehensive Income						
	Unrealized Gain on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
Balance as of April 1, 2022	¥ 7,252	¥ (1,817)	¥ 5,977	¥ 747	¥ 219,445	¥ 11,357	¥ 230,803
Net Income attributable to Owners of the Parent					28,398		28,398
Cash Dividends Paid					(5,880)		(5,880)
Purchase of Treasury Stock							
Disposal of Treasury Stock					91		91
Change in Scope of Consolidation							
Change in Scope of Equity Method							
Capital increase of consolidated subsidiaries							
Net change during year	4,596	(386)	16,642	(145)	20,706	1,714	22,421
Balance as of March 31, 2023	¥ 11,849	¥ (2,204)	¥ 22,620	¥ 601	¥ 262,762	¥ 13,071	¥ 275,834
Net Income attributable to Owners of the Parent					35,220		35,220
Cash Dividends Paid					(8,085)		(8,085)
Purchase of Treasury Stock					(1)		(1)
Disposal of Treasury Stock					579		579
Change in Scope of Consolidation					(0)		(0)
Change in Scope of Equity Method					(74)		(74)
Capital increase of consolidated subsidiaries					(363)		(363)
Net change during year	10,871	(2,379)	9,679	697	18,868	7,822	18,868
Balance as of March 31, 2024	¥ 22,720	¥ (4,584)	¥ 32,299	¥ 1,298	¥ 308,905	¥ 20,894	¥ 329,800

See accompanying Notes to Consolidated Financial Statements.

	Thousands of U.S. dollars (Note 1)			
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock
Balance as of March 31, 2023	$ 172,312	$ 158,134	$ 1,198,710	$ (10,689)
Net Income attributable to Owners of the Parent			232,633	
Cash Dividends Paid			(53,405)	
Purchase of Treasury Stock				(12)
Disposal of Treasury Stock				3,829
Change in Scope of Consolidation			(0)	
Change in Scope of Equity Method			(493)	
Capital increase of consolidated subsidiaries		(2,399)		
Net change during year				
Balance as of March 31, 2024	$ 172,312	$ 155,735	$ 1,377,445	$ (6,872)

Thousands of U.S. dollars (Note 1)

	Accumulated Other Comprehensive Income						
	Unrealized Gain on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
Balance as of March 31, 2023	$ 78,264	$ (14,560)	$ 149,406	$ 3,973	$1,735,550	$ 86,339	$ 1,821,889
Net Income attributable to Owners of the Parent					232,633		232,633
Cash Dividends Paid					(53,405)		(53,405)
Purchase of Treasury Stock					(12)		(12)
Disposal of Treasury Stock					3,829		3,829
Change in Scope of Consolidation					(0)		(0)
Change in Scope of Equity Method					(493)		(493)
Capital increase of consolidated subsidiaries					(2,399)		(2,399)
Net change during year	71,806	(15,719)	63,935	4,605	124,627	51,671	176,298
Balance as of March 31, 2024	$ 150,070	$ (30,279)	$ 213,341	$ 8,578	$2,040,330	$ 138,010	$ 2,178,340

Note: Although the Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024, "Number of shares of Common Stock Outstanding" presented above is based on the number before the split.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 51,080	¥ 40,036	$ 337,386
Adjustments for:			
Income Taxes Paid	(8,928)	(9,619)	(58,972)
Depreciation and Disposal of Fixed Assets	18,449	17,218	121,857
Equity in Earnings of Associated Companies	(10,482)	(9,718)	(69,237)
(Profit) Loss from Investments	(2,072)	128	(13,691)
Gain on bargain purchase	-	(225)	-
Increase (Decrease) in Allowance for Doubtful Receivables	939	(3,656)	6,202
Decrease in Accruals for Debt Guarantees	(0)	(5)	(6)
(Gain) Loss on Sales of Marketable and Investment Securities	(211)	275	(1,394)
Loss on Devaluation of Investment Securities	28	14	189
Change in assets and liabilities:			
Decrease in Lease Receivables and Investments in Lease	89,668	59,883	592,264
Increase in Receivables	(60,721)	(60,603)	(401,067)
Increase in Operational Investment Securities	(37,351)	(76,791)	(246,705)
Increase (Decrease) in Accounts Payable — trade	75	(10,224)	498
Purchases of Leased Assets	(359,352)	(187,091)	(2,373,532)
Proceeds from Sales of Leased Assets	186,578	119,939	1,232,357
Increase in Interest Payable	420	278	2,779
Other— net	(60,324)	2,344	(398,446)
Total Adjustments	(243,285)	(157,853)	(1,606,904)
Net Cash Used in Operating Activities	(192,205)	(117,816)	(1,269,518)
Cash Flows from Investing Activities:			
Purchases of Own-used Assets	(3,573)	(1,813)	(23,606)
Purchases of Marketable and Investment Securities	(49,914)	(18,564)	(329,687)
Proceeds from Sales and Redemption of Marketable and Investment Securities	12,855	2,013	84,912
Purchase of shares of subsidiaries resulting in change in scope of consolidation (Note23)	(8,107)	-	(53,547)
Other— net	(3,229)	1,252	(21,329)
Net Cash Used in Investing Activities	(51,969)	(17,111)	(343,257)
Cash Flows from Financing Activities:			
Net Increase in Short-term Borrowings	37,640	27,730	248,616
Proceeds from Long-term Debt	538,110	407,666	3,554,228
Repayments of Long-term Debt	(301,594)	(286,187)	(1,992,038)
Cash Dividends Paid	(8,085)	(5,880)	(53,405)
Other— net	453	189	2,996
Net Cash Provided by Financing Activities	266,524	143,518	1,760,397
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	391	361	2,583
Net Increase in Cash and Cash Equivalents	22,740	8,951	150,205
Cash and Cash Equivalents at Beginning of the Year	33,453	24,502	220,962
Cash and Cash Equivalents at End of the Year	¥ 56,194	¥ 33,453	$ 371,167

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 ("JGAAP"), 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.

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 ¥151.40 to US$1.00, the approximate rate of exchange at March 31, 2024. 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. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of the Group, which include Dai-ichi Leasing Co., Ltd., Mizuho-TOSHIBA Leasing Company, Limited, ML Estate Company, Limited, Mizuho Auto Lease Company, Limited, Mizuho Leasing (China) Ltd., Mizuho Leasing (Singapore) Pte. Ltd., PT MIZUHO LEASING INDONESIA Tbk, Rent Alpha Pvt. Ltd., and Capsave Finance Pvt. Ltd.

The number of consolidated subsidiaries as of March 31, 2024 and 2023 was 44 and 36, respectively. The consolidated financial statements for the year ended March 31, 2024 newly include the account of Rent Alpha Pvt. Ltd. and its wholly owned subsidiary Capsave Finance Pvt. Ltd., MIRAI SOUDEN KUMA-NISHIKIMACHI GOUDOUGAISHA and other 4 companies as the Company purchased their shares. The accounts of MIRAIZ CAPITAL Co., Ltd. and 1 other company were also included in the scope of consolidation as they were newly incorporated. The account of GOUDOUGAISHA ISLANDSHIP4GOU was excluded from the scope of consolidation as it became immaterial during the year.

The number of associated companies accounted for under the equity method as of March 31, 2024 and 2023 was 10 and 11, respectively. Investments in associated companies include Mizuho Marubeni Leasing Corporation, RICOH LEASING COMPANY, LTD., NIPPON STEEL KOWA REAL ESTATE CO., LTD., Mizuho Capital Co., Ltd., Krungthai Mizuho Leasing Company Limited, PLM Fleet, LLC, Aircastle Limited, Vietnam International Leasing Co., Ltd., and Affordable Car Leasing Pty Ltd. PNB-Mizuho Leasing and Finance Corporation was excluded from the scope of application of the equity method as it was liquidated during the year.

The condensed financial information of the 11 associated companies (by simply compiling the amounts in the financial statements of the respective companies) as of and for the year ended March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Current Assets	¥ 430,423	¥ 407,157	$2,842,958
Non Current Assets	721,901	642,406	4,768,175
Current Liabilities	364,644	329,035	2,408,485
Long-term Liabilities	454,067	432,361	2,999,122
Total Equity	333,613	288,167	2,203,526
Revenues	¥ 193,393	¥ 178,664	$1,277,368
Income before Income Taxes	22,475	21,981	148,453
Net Income	¥ 17,286	¥ 16,624	$114,175

Kaikias Leasing Co., Ltd. and 110 other subsidiaries and associated companies are neither consolidated nor accounted for under the equity method, as they are acting as operators under Tokumei Kumiai agreements and the leased assets and liabilities do not substantially belong to the subsidiaries. APUS Line Shipping S.A. and 52 other subsidiaries are also not consolidated or accounted for under the equity method, as they are immaterial. Endeavour Maritime Partners S.A. and 3 associated companies are not accounted for under the equity method, as they are immaterial.

Upon consolidation, significant intercompany accounts and transactions have been eliminated. In addition, all significant unrealized profit included in assets resulting from transactions within the Group has also been eliminated.

The accounting standard for consolidated financial statements requires a company to consolidate all subsidiaries where the company controls the operations, irrespective of whether or not the company owns a majority of their shares. Control is considered to exist where the company has (a) the power to appoint or remove the majority of the Board of Directors or an equivalent governing body, and/or (b) the power to cast the majority of the votes at a meeting of the Board of Directors or an equivalent governing body.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition. The differences between the costs and underlying net equity of investments in consolidated subsidiaries and associated companies at acquisition are recorded as Goodwill and are amortized on a straight-line basis over the estimated benefit period.

Implementation Guidance No. 15 "Implementation Guidance on Disclosures about Certain Special Purpose Entities" issued by the Accounting Standards Board of Japan (the "ASBJ") permits companies to avoid consolidation of certain Special Purpose Entities ("SPEs") that were established and are being operated for the purpose of securitization of receivables.

The Company securitizes its lease receivables to diversify its funding sources and ensure stable funding. In the securitization structures, the Company uses SPEs that include Tokurei Yugen Kaisha and Goudou Kaisha. The Company transfers the lease receivables to the SPEs in the securitization structures. The SPEs procure funds, such as borrowings, backed by the transferred assets and these funds flow back to the Company as sales proceeds of the transferred assets. The Company also provides collection services to the SPEs. A portion of the receivables is not transferred and is held by the Company. These receivables held by the Company are properly evaluated at the end of the fiscal year, and these are appropriately reflected in the consolidated financial statements.

As a result of securitizations, the Company had 15 SPEs that were not consolidated under Guidance No. 15 as of March 31, 2024 and 2023. Total assets (simply compiled amount) of such SPEs as of March 31, 2024 and 2023 were ¥345,920 million ($2,284,810 thousand) and ¥286,028 million, respectively. Total liabilities (simply compiled amount) of such SPEs as of March 31, 2024 and 2023 were ¥345,894 million ($2,284,637 thousand) and ¥286,001 million, respectively. The Company owns no voting rights in most of the SPEs while some employees of the Company serve as directors.

The total amount of Lease Receivables and Investments in Lease transferred from the Company to such SPEs in 2024 and 2023 was ¥12,396 million ($81,881thousand) and ¥25,094 million, respectively, the amount of Factoring Receivable transferred from the Company to such SPEs in 2024 was ¥2,506 million ($16,558 thousand) while no amount was transferred in 2023. The Company held subordinated interests of such transferred receivables of ¥474 million in 2023, while no subordinated interests is held in 2024. The Company recognized profit dividends of ¥698 million ($4,611thousand) and ¥633 million, respectively, for the years ended March 31, 2024 and 2023, and servicing fees received of ¥1 million ($8 thousand) with respect to the transactions with such SPEs for both of the years ended March 31, 2024 and 2023. These amounts do not include transactions with SPEs that do not meet the criteria for off-balance-sheet transactions, because the Company treats these asset transfer transactions to the SPEs as financial transactions.

(b) Business Combinations

Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interests is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

(c) Cash Equivalents

Cash Equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value. Cash Equivalents include time deposits, certificates of deposit, commercial paper and bond funds, all of which mature or become due within three months of the date of acquisition.

(d) Lease Accounting

In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions. As a lessor, all finance leases that are deemed to transfer ownership of the leased property to the lessee are recognized as Lease Receivables, and all finance leases that are deemed not to transfer ownership of the leased property to the lessee are recognized as Investments in Lease. All other leases are accounted for as operating leases.

As a lessee, all finance leases that are deemed to transfer ownership of the leased property to the lessee are capitalized.

(e) Installment Sales

For installment sales contracts, Installment Sales Receivables are recognized for the principal equivalent portion of the total contract amounts when properties are delivered. Interest equivalent amounts are recognized as Installment Sales when the related installment receivables become due.

For sales-type contracts, Installment Sales and the corresponding Installment Cost of Sales are fully recognized when the property is sold. Interest equivalent amounts applicable to the portion to be collected are deferred and recorded as Deferred Profit on Installment Sales.

(f) Operational Investment Securities and Investment Securities

Operational Investment Securities and Investment Securities are classified as Available-for-sale Securities based upon management's intent. Available-for-sale Securities, which have fair value, are stated at fair value with changes in net unrealized gain or loss, net of applicable income taxes, included directly in Equity (cost of securities sold is calculated by the moving average method). Available-for-sale Securities, which do not have fair value, are stated at cost.

Operational Investment Securities is held for the purpose of generating operational financial income. The income from Operational Investment Securities is stated in Revenues in the Consolidated Statement of Income.

(g) Loans Receivables and Factoring Receivables

Loans to customers and receivables arising from factoring are included in Loans Receivables and Factoring Receivables, respectively. Income from these receivables is recognized as Revenues.

(h) Property and Equipment

1. Leased Assets

   Leased Property and Equipment are stated at cost and depreciated over the lease term by the straight-line method to the residual value, which is an amount to be realized at the time when the lease contract is terminated.
2. Own-used Assets

   Own-used Assets of the Company and its domestic consolidated subsidiaries are stated at cost and depreciated over the following estimated useful lives mainly by the declining-balance method:

Buildings	2-65 years
Fixtures and furniture	2-20 years

(i) Long-lived Assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(j) Intangible Assets

1. Leased Assets
   Intangible Leased Assets are accounted for in the same way as Leased Property and Equipment.
2. Own-used Software
   Own-used Software is amortized over the internally estimated useful lives (5 years) by the straight-line method.
3. Other Intangible Assets
   Other Intangible Assets are stated at cost. Amortization of intangible assets by the Company and its domestic consolidated subsidiaries is mainly computed by the straight-line method over the estimated useful lives.

(k) Bond Issue Costs

Costs for bond issuance are expensed upon payment.

(l) Allowance for Doubtful Receivables

Allowance for Doubtful Receivables is provided based on the estimated historical default rate for general trade receivables, and is based on individual reviews for receivables from doubtful and legally bankrupt creditors.

The amounts of Long-term Receivables considered uncollectible, which include receivables from legally bankrupt creditors, were directly written off. The amounts directly written off were ¥5,693 million ($37,603 thousand) and ¥4,609 million at March 31, 2024 and 2023, respectively.

(m) Reserve for Bonus Payments

The Company and certain domestic consolidated subsidiaries provide a reserve for future bonus payments to employees. This reserve is maintained at the estimated amount payable after the year-end based on the services provided during the fiscal year.

(n) Reserve for Bonus Payments to Directors

The Company and certain domestic consolidated subsidiaries provide a reserve for future bonus payments to executive officers. This reserve is maintained at the estimated amount payable for the fiscal year.

(o) Retirement and Pension Plans

The Company and certain consolidated subsidiaries have a corporate pension plan and/or lump-sum severance payment plan as a defined benefit type of a retirement benefits plan as well as a corporate pension plan as a defined contribution type of a retirement benefits plan. There are some cases in which extra retirement benefits are paid to employees when they retire.

The Company and certain consolidated subsidiaries account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over 10 to 17 years and 5 years, respectively, no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

(p) Reserve for Management Board Benefit Trust

Reserve for Management Board Benefit Trust is provided for the payment of the Company’s shares, etc. to executive officers based on the estimated amount of stock benefit obligations at the end of the fiscal year.

(q) Asset Retirement Obligations

An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

(r) Accruals for Debt Guarantees

The Company and certain domestic consolidated subsidiaries provide Accruals for Debt Guarantees for losses that might occur in relation to guarantees of the indebtedness of others, taking the debtors’ financial condition into consideration.

(s) Income Taxes

The Company and its domestic consolidated subsidiaries are subject to corporate tax, inhabitants' taxes and enterprise taxes. Deferred income taxes are recorded by the asset and liability method based on the differences between the tax bases of assets and liabilities and those as reported in the consolidated financial statements, using enacted tax rates that will be in effect when the differences are expected to reverse.

(t) Recognition of Revenues and Cost of Sales

Revenues and cost of sales relating to finance lease transactions are recognized when lease payments are to be received.

Revenues and cost of sales relating to operating lease transactions are based on the monthly amounts of lease payments to be received under lease agreements over the lease agreement periods. The monthly lease payments corresponding to each period are allocated to revenue for that period. When leased property is sold, the sales amount and carrying amount of such leased property are recognized as revenues and cost of sales, respectively.

(u) Translation of Foreign Currency Assets and Liabilities

1. Translation of foreign currency transactions
   All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the Consolidated Statement of Income as income or expenses.
   Revenue and expense items arising from transactions denominated in foreign currencies are generally translated into Japanese yen at the rates effective at the respective transaction dates.

2. Translation of foreign currency financial statements
   The assets, liabilities, revenues and expenses of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rates at the balance sheet dates of each subsidiary. Differences arising from such translation are shown in either Non-controlling Interests or Foreign Currency Translation Adjustments under Accumulated Other Comprehensive Income in a separate component of Equity.

(v) Derivatives and Hedging Activities

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Interest rate swaps are utilized to manage interest rate risks associated with certain assets and liabilities, including Loans Receivables and Long-term Debt. Short-term Borrowings and Long-term Debt and Foreign currency forward contracts are utilized to reduce risks from fluctuations of foreign currency exchange rates associated with certain assets including Operational Investment Securities and Investment Securities as well as committed transactions denominated in foreign currencies. Interest rate and currency swaps are utilized to manage interest rate risks as well as foreign currency risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the Consolidated Statement of Income and b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense.

Hedging relationship to which "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied – On March17, 2022, the ASBJ issued the PITF No.40 for Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR. The Group applied specific accounting to all hedging relationships which are included in the scope of application of this practical solution. The hedging relationship to which this practical solution is applied are following;

a) Hedge accounting applied – Deferral method is applied. For interest rate swaps which meet specific matching criteria, specific accounting is applied.
b) Hedging instruments – Interest rate swaps, Short-term Borrowings and Long-term Debt
c) Hedged items - Short-term Borrowings, Long-term Debt, Loans Receivables, and Investment Securities
d) Categories of hedges – Hedge of the exposure to variability in quoted price and hedge of the exposure to variability in cash flows

(w) Per Share Information

Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits. Cash dividends per share shown in the Consolidated Statement of Income are the amounts applicable to the respective fiscal years including dividends to be paid after the end of the year.

(x) Accounting Policy Disclosures, Accounting Changes and Error Corrections

Under ASBJ Statement No. 24, "Accounting Standard for the revised ASBJ Statement No.24 (revised 2020) Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections," accounting treatments are required as follows: (1) Disclosure of Accounting Policies – Significant accounting policies are disclosed in the case where the related accounting standards are not clarified. (2) Changes in Accounting Policies - When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions in which case the entity shall comply with the specific transitional provisions. (3) Changes in Presentation - When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (4) Changes in Accounting Estimates - A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (5) Corrections of Prior-Period Errors - When an error in prior-period financial statements is discovered, those statements are restated.

(y) New Accounting Pronouncement

Accounting Standard for Current Income Taxes and others — On October 28, 2022, the ASBJ issued ASBJ Statement No. 27, "Accounting Standard for Current Income Taxes," ASBJ Statement No. 25, "Accounting Standard for Presentation of Comprehensive Income," and ASBJ Guidance No. 28, "Guidance on Accounting Standard for Tax Effect Accounting."

In February 2018, ASBJ issued ASBJ Statement No. 28, "Partial Amendments to Accounting Standard for Tax Effect Accounting," which completed the transfer of the Practical Guidance for Tax Effect Accounting by the Japanese Institute of Certified Public Accountants (the "JICPA") to ASBJ. In the course of the deliberations, the following two issues, which were to be discussed again after the release of ASBJ Statement No. 28, etc., were discussed and released.

(1) Classification of tax expense when other comprehensive income is taxed
(2) Treatment of tax effects related to the sale of shares in subsidiaries (shares in subsidiaries or affiliates) when the group tax sharing system is applied.

The Group expects to apply the accounting standards and guidance for the fiscal year beginning on or after April 1, 2024, and is in the process of measuring the effects of applying the accounting standards and guidance in future applicable periods.

(z) Management Board Benefit Trust system (the "BBT")

The Company has introduced a performance-linked stock compensation system (the "Stock Compensation System") for directors and executive officers who are not concurrently serving as director ("Directors, etc."). The Stock Compensation System aims to raise awareness of Directors, etc. to contribute to the improvement of medium- and long-term performance and increase in corporate value, by clarifying the link between compensation for Directors, etc., and the Company's performance and stock value, and sharing with shareholders not only the benefits of increase in stock price but also the risk of decline in stock price.

1. Outline of Stock Compensation System

   The Stock Compensation System is a performance-linked stock-based system where the Company's shares are acquired through a trust by fund contributed by the Company, and the Company's shares and/or the money equivalent to the market value of the Company's shares are paid to Directors, etc., through trusts in accordance with the Company's executive share benefit rules. In principle, Directors, etc., receive the Company's stocks at a certain time each year and receive benefits in the form of cash equivalent to the amount obtained by converting the Company's stocks at market value upon the retirement of the Directors, etc. If Directors, etc. receive benefits in the form of the Company's stocks during their term of office, they enter into a transfer restriction agreement with the Company prior to receiving benefits in the form of the Company's stocks.

2. Shares of the Company held in trust

   Shares of the Company held in trust are recorded as Treasury Stock in Equity at book value in the trust (excluding accompanying expenses). The carrying amount of such Treasury Stock for the year ended March 31, 2024 was ¥1,036 million ($6,846 thousand), while the number of such treasury stock was 1,899,500 shares.

   (Note) The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024. As a result, the above numbers of shares are based on the number of shares after the stock split.

3. Significant Accounting Estimate

Recognition of Allowance for Doubtful Receivables

(a) Carrying amount

Allowance for Doubtful Receivables in Current Assets and Investments and Other Assets ¥7,592 million ($50,148thousand)

(b) Information on the significant accounting estimate

(i) Major assumptions used in the estimate calculation

According to the internally established standards for write-off and allowances, the Group recognizes the necessary amounts of allowances for doubtful receivables for each category of receivables. In determining the category of receivables, the assumption for the debtor's future condition is used.

(ii) Calculation of the estimate

The Group's policy for Allowances for Doubtful Receivables is described in Note 2. Summary of Significant Accounting Policies (l) Allowances for Doubtful Receivables. The Allowance for Doubtful Receivables for general trade receivables is provided based on the estimated credit loss for the one year following the end of the fiscal year. The estimated credit loss is calculated based on the average annual historical default rate during the past three calculation periods. The Allowance for Doubtful Receivables for receivables from doubtful and legally bankrupt debtors is provided based on individual reviews of the possibility of recovery.

(iii) Impact on the consolidated financial statements for the following fiscal year

The assumption used in determining the category of receivables in the above (i) Major assumptions used in the estimate calculation are uncertain. Due to the uncertainty of the assumption and the possible change of business environment in the specific industries, the provision for Allowances for Doubtful Receivables may increase or decrease.

4. Change in Presentation

Prior to April 1, 2023, Foreign Exchange Loss was included in "Other–net" in the Other Income (Expenses) section in the Consolidated Statement of Income. Since this fiscal year ended March 31, 2024, such amount is disclosed separately as the amount exceeded 10/100 of the total amount of Other Expenses. The amount of "Other–net" of ¥114 million in the Other Income (Expenses) section for the year ended March 31, 2023, was restated as Foreign Exchange Loss of ¥141 million and Other–net of ¥255 million.

5. Business Combination

Business combination by acquisition

(1) Overview of the business combination

(a)Name and business of the acquired company

Name	Rent Alpha Pvt. Ltd. ("Rent Alpha")
Main business	Corporate IT equipment, office furniture, and plant and machinery, etc. leasing

(b)Reason for the implementation of business combination

Rent Alpha and its 100% subsidiary Capsave Finance Pvt. Ltd. provide diversified rental solutions, including IT equipment, office furniture, plant & machinery, medical equipment and others, to both large and small to medium sized companies in India. With a team of experienced leasing professionals, Rent Alpha is one of India's leading equipment leasing companies by market share. As stated in "Mid-term Management Plan 2025", the Company aims to expand its business field through inorganic in the global field. The Company made this acquisition in order to acquire its first foothold in India and continue to pursue business expansion in India's high growth potential market.

(c)Date of the business combination

June 30, 2023

(d)Legal form of the business combination

Acquisition of shares in consideration for cash

(e)Name after the business combination

It will not change.

(f)Ratio of voting rights acquired

Ratio of voting rights acquired on the date of the business combination	51%
Ratio of voting rights after the acquisition	51%

(g)Reason to have determined the acquiring company

It is based on the fact that the Company acquired the shares with cash consideration.

(2) The period for which the operations of acquired company included in consolidated financial statements

From April 1, 2023 to December 31, 2023

(3) Acquisition cost of the acquired company and its breakdown

	(Millions of yen) 2024	(Thousands of U.S. dollars) 2024
Acquisition consideration (cash)	¥10,056	$66,425
Total	¥10,056	$66,425

(4) Main acquisition related costs

Advisory fee of ¥429 million ($2,838 thousand)

(5) Amount and cause of goodwill, amortization method and period

Amount of goodwill	¥4,931 million ($32,572 thousand)
Cause of goodwill	As the acquisition costs exceed the fair value of the net assets acquired at the time of the business combination, the difference is recognized as goodwill.
Amortization method and period	Amortized on a straight-line method over 12 years

(6) Assets accepted and liabilities assumed at the date of the business combination and its main components

	(Millions of yen) 2024	(Thousands of U.S. dollars) 2024
Current Assets	¥40,362	$266,596
Non-Current Assets	1,659	10,963
Total Assets	42,022	277,559
Current Liabilities	18,905	124,869
Long-term Liabilities	13,067	86,312
Total Liabilities	¥31,972	$211,181

6. Operational Investment Securities and Investment Securities

(1) Available-for-sale Securities whose fair values are readily determinable as of March 31, 2024 and 2023 were as follows:

Available-for-sale Securities

Securities with carrying amounts exceeding acquisition costs

(Millions of yen)

	2024			2023		
	Carrying amount	Acquisition cost	Unrealized gain	Carrying amount	Acquisition cost	Unrealized gain
Equity Securities Bonds	¥21,111	¥8,012	¥13,098	¥14,547	¥7,764	¥6,783
Corporate Bonds	70,271	67,421	2,849	52,600	50,250	2,350
Other	37,317	32,722	4,594	32,476	28,520	3,956
Total	¥128,700	¥108,157	¥20,542	¥99,624	¥86,534	¥13,090

(Thousands of U.S. dollars)

	2024		
	Carrying amount	Acquisition cost	Unrealized gain
Equity Securities Bonds	$139,440	$52,925	$86,515
Corporate Bonds	464,145	445,323	18,822
Other	246,483	216,134	30,349
Total	$850,068	$714,382	$135,686

Securities with carrying amounts not exceeding acquisition costs

(Millions of yen)

	2024			2023		
	Carrying amount	Acquisition cost	Unrealized loss	Carrying amount	Acquisition cost	Unrealized loss
Equity Securities Bonds	¥1,940	¥1,965	¥(25)	¥680	¥852	¥(172)
Corporate Bonds	45,138	45,600	(461)	33,027	33,400	(372)
Other	3,406	3,406	-	3,121	3,121	-
Total	¥50,485	¥50,972	¥(486)	¥36,828	¥37,373	¥(545)

(Thousands of U.S. dollars)

	2024		
	Carrying amount	Acquisition cost	Unrealized loss
Equity Securities Bonds	$12,816	$12,984	$(168)
Corporate Bonds	298,141	301,189	(3,048)
Other	22,503	22,503	-
Total	$333,460	$336,676	$(3,216)

(2)Proceeds from sales of Available-for-sale Securities for the years ended March 31, 2024 and 2023 were ¥1,610 million ($10,639 thousand) and ¥1,810 million, respectively. Gross realized gains on these sales were ¥250 million ($1,653 thousand) and no gross losses were incurred for the year ended March 31, 2024. Gross realized gains and losses on these sales were ¥72 million and ¥347 million for the year ended March 31, 2023.

(3)The Group recorded impairment losses on investment securities of ¥28 million ($189 thousand) and ¥14 million for the years ended March 31, 2024 and 2023, respectively.

7. Operating Assets

(1)Operating Assets as of March 31, 2024 and 2023 consisted of the following:

	(Millions of yen) 2024	(Millions of yen) 2023	(Thousands of U.S. dollars) 2024
Leasing and Installment Sales:			
Finance Lease	¥1,050,711	¥1,122,211	$6,939,968
Operating Lease	539,846	378,300	3,565,696
Installment Sales (*1)	104,359	95,296	689,295
Leasing and Installment Sales total	1,694,916	1,595,808	11,194,959
Finance	1,097,477	984,328	7,248,861
Other	66,504	-	439,262
Total Operating Assets	¥2,858,898	¥2,580,137	$18,883,082

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

(2) The total amounts of new contracts for the years ended March 31, 2024 and 2023 were as follows:

	(Millions of yen) 2024	(Millions of yen) 2023	(Thousands of U.S. dollars) 2024
Leasing and Installment Sales:			
Finance Lease	¥264,562	¥267,801	$1,747,439
Operating Lease	357,116	186,646	2,358,762
Installment Sales (*1)	54,003	34,680	356,694
Leasing and Installment Sales total	675,682	489,128	4,462,895
Finance	792,759	981,356	5,236,193
Total Operating Assets	¥1,468,441	¥1,470,485	$9,699,088

8. Investment Property

Certain domestic consolidated subsidiaries own certain rental properties such as commercial facilities with land in Tokyo and other areas. Net rental income for these rental properties for the years ended March 31, 2024 and 2023 was ¥3,890 million ($25,700 thousand) and ¥4,789 million, respectively. Rental income and operating expenses are mainly recognized as "Revenues" and "Cost and Expenses", respectively.
Gain on sales of rental properties for the years ended March 31, 2024 and 2023 was ¥2,832 million ($18,711 thousand) and ¥1,188 million, respectively. Proceeds from sales of rental properties and costs are recognized as "Revenues" and "Cost and Expenses", respectively, otherwise net gain on sales is recognized as "Other Income (Expense)".

The carrying amounts, changes in such balances and market prices of such properties are as follows:

(Millions of yen)

Carrying Amount			Fair Value
April 1, 2023	Increase	March 31, 2024	March 31, 2024
¥263,116	¥141,139	¥404,256	¥441,249

(Millions of yen)

Carrying Amount			Fair Value
April 1, 2022	Increase	March 31, 2023	March 31, 2023
¥217,421	¥45,694	¥263,116	¥277,869

(Thousands of U.S. dollars)

Carrying Amount			Fair Value
April 1, 2023	Increase	March 31, 2024	March 31, 2024
$1,737,888	$932,231	$2,670,119	$2,914,463

(*1) Carrying amount recognized in the Consolidated Balance Sheets is net of accumulated depreciation.
(*2) "Increase" for the year ended March 31, 2024 and 2023 primarily represents the acquisition of certain properties for ¥329,866 million ($2,178,772 thousand) and ¥152,744 million, respectively.
(*3) Fair values of properties are mainly determined by appraisal reports issued by real estate appraisers.

9. Other Assets

On March 31, 2020, Mizuho-TOSHIBA Leasing Company, Limited (hereinafter "MTL"), the Company's consolidated subsidiary, filed suit against NS Solutions Corporation (hereinafter "NS Solutions") in the Tokyo District Court, claiming that MTL has a legitimate right to charge the sales price in the sales contract for system server and its peripheral devices concluded with NS Solutions (hereinafter "the Contract"), though NS Solutions intended to cancel the Contract in November 2019. The Receivable amounts equivalent to the sales price, amounting to ¥10,620 million ($70,148 thousand) as of March 31, 2024 and 2023, are included in "Other" of Investments and Other Assets in the accompanying consolidated balance sheet.

10. Pledged Assets

Assets pledged as collateral as of March 31, 2024 were as follows:

	(Millions of yen) 2024	(Thousands of U.S. dollars) 2024
Lease Receivables and Investments in Lease	¥23,370	$154,365
Loans	22,176	146,478
Operational Investment Securities	22,551	148,953
Leased Assets	49,781	328,805
Own-used Assets	7,002	46,251
Investment Securities	17	116
Total	¥124,900	$824,968

Liabilities secured by the above assets as of March 31, 2024 were as follows:

	(Millions of yen) 2024	(Thousands of U.S. dollars) 2024
Short-term Borrowings	¥10,196	$67,351
Current Portion of Long-term Debt	24,383	161,050
Long-term Debt	50,947	336,509
Total	¥85,527	$564,910

11. Short-term Borrowings and Long-term Debt

(1) "Short-term Borrowings" as of March 31, 2024 and 2023 was as follows:

	(Millions of yen) 2024	(Millions of yen) 2023	(Thousands of U.S. dollars) 2024	Weighted average interest rate 2024
Short-term Borrowings				
Short-term Borrowings from banks and other financial institutions	¥524,116	¥418,440	$3,461,799	1.05%
Commercial Paper	655,400	692,900	4,328,930	0.07%
Payables under securitized lease receivables	55,650	94,676	367,570	0.21%
Total	¥1,235,166	¥1,206,016	$8,158,299	
Current Portion of Long-term Debt				
Bonds payable, Japanese Yen	¥35,000	¥23,000	$231,176	0.040%~0.914%
Bonds payable, Indian Rupee	1,723	-	11,384	0.040%~0.914%
Long-term Debt from banks and other financial institutions	328,051	249,009	2,166,784	1.19%
Total	¥364,774	¥272,009	$2,409,344	

(2) "Long-term Debt" as of March 31, 2024 and 2023 was as follows:

	(Millions of yen)		(Thousands of U.S. dollars)	Weighted average interest rate
	2024	2023	2024	2024
Long-term Debt				
Bonds payable, Japanese Yen	¥359,200	¥274,200	$2,372,523	0.040%~0.914%
Bonds payable, U.S. Dollar	7,418	6,543	49,002	2.745%
Bonds payable, Indian Rupee	127	-	839	0.040%~0.914%
Long-term Debt from banks and other financial institutions	833,231	747,654	5,503,512	1.15%
Payables under securitized lease receivables	42,509	31,131	280,774	0.59%
Total	¥1,242,486	¥1,059,528	$8,206,650	

(*1) The Group has entered into overdraft contracts with 51 financial institutions that provide the Group with credit facilities amounting to ¥987,997 million ($6,525,740 thousand) and ¥931,961 million as of March 31, 2024 and 2023, respectively. The unused facilities maintained by the Group as of March 31, 2024 and 2023 amounted to ¥486,558 million ($3,213,727 thousand) and ¥518,320 million, respectively.
(*2) "Payables under securitized lease receivables" is a type of financing based on the law for the regulation of specific claims. The lease receivables sold under this law as of March 31, 2024 and 2023 were ¥124,339 million ($821,266 thousand) and ¥153,599 million respectively.
(*3) The aggregate annual maturities of "Long-term Debt" as of March 31, 2024 were as follows:

Years Ending	(Millions of yen)	(Thousands of U.S. dollars)
March 31	2024	2024
2026	¥340,402	$2,248,364
2027	268,232	1,771,684
2028	185,555	1,225,595
2029	226,699	1,497,353
2030 and thereafter	221,597	1,463,654
Total	¥1,242,486	$8,206,650

12. Retirement and Pension Plans

Outline of plans

The Company and certain consolidated subsidiaries have a corporate pension plan and/or lump-sum severance payment plan as a defined benefit retirement benefits plan as well as a corporate retirement plan as a defined contribution retirement benefits plan. There are some cases in which extra retirement benefits are paid to employees when they retire.

Defined benefit plan

(1) The changes in defined benefit obligation for the years ended March 31, 2024 and 2023, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Balance at beginning of year	¥7,095	¥6,776	$46,868
Current service cost	482	430	3,184
Interest cost	28	26	186
Actuarial losses	6	66	45
Benefits paid	(264)	(205)	(1,746)
Balance at end of year	¥7,348	¥7,095	$48,537

(*1) Certain consolidated subsidiaries that have lump-sum severance payment plans use the simplified method in determining the projected benefit obligations.

(2) The changes in plan assets for the years ended March 31, 2024 and 2023, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Balance at beginning of year	¥5,446	¥5,283	$35,972
Expected return on plan assets	10	31	72
Actuarial losses	1,014	2	6,699
Contributions from the employer	242	235	1,601
Benefits paid	(102)	(107)	(675)
Balance at end of year	¥6,611	¥5,446	$43,669

(3) Reconciliation between the liability recorded in the Consolidated Balance Sheet and the balances of defined benefit obligation and plan assets as of March 31, 2024 and 2023, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Defined benefit obligation	¥4,925	¥4,686	$32,534
Plan assets	(6,611)	(5,446)	(43,669)
Total	(1,685)	(759)	(11,135)
Unfunded defined benefit obligation	2,422	2,409	16,003
Net liability arising from defined benefit obligation	¥736	¥1,649	$4,868

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Liability for employees' retirement benefits	¥2,422	¥2,409	$16,003
Asset for employees' retirement benefits	(1,685)	(759)	(11,135)
Net liability arising from defined benefit obligation	¥736	¥1,649	$4,868

(4) The components of net periodic benefit costs for the years ended March 31, 2024 and 2023, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Service cost (*1)	¥482	¥430	$3,184
Interest cost	28	26	186
Expected return on plan assets	(10)	(31)	(72)
Recognized actuarial gains	(61)	(70)	(403)
Recognized past service costs	(17)	(17)	(113)
Net periodic benefit costs	¥421	¥338	$2,782

(*1) Service cost includes retirement benefits expenses of certain consolidated subsidiaries that use the simplified method.

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2024 and 2023, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Past service costs	¥(17)	¥(17)	$(113)
Actuarial gains (losses)	946	(136)	6,255
Total	¥929	¥(153)	$6,142

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2024 and 2023, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Unrecognized past service costs	¥17	¥34	$113
Unrecognized actuarial gains	1,775	828	11,727
Total	¥1,792	¥862	$11,840

(7) Plan assets as of March 31, 2024 and 2023, were as follows:
a. Components of plan assets
Plan assets consisted of the following:

	2024	2023
Domestic debt investments	19.2%	19.0%
Domestic equity investments	24.9	23.7
Foreign debt investments	8.2	7.0
Foreign equity investments	22.6	21.6
Insurance assets (general account)	22.2	25.6
Others	2.9	3.1
Total	100.0%	100.0%

b. Method of determining the expected rate of return on plan assets
The expected rate of return on plan assets is determined considering the long-term rates of return that are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2024 and 2023, are set forth as follows:

	2024	2023
Discount rate	0.30 - 0.47%	0.30 - 0.47%
Expected rate of return on plan assets	0.60%	0.60%
Expected rate of future salary increases	3.24 - 6.84%	3.24 - 6.84%

Defined contribution plan
The Group’s contributions to the defined contribution retirement plan for the years ended March 31, 2024 and 2023, were ¥86 million ($571 thousand) and ¥85 million, respectively.

13.Income Taxes

The Company and certain consolidated subsidiaries are subject to a number of taxes based on income, which, in the aggregate, resulted in a normal effective statutory tax rate in Japan of approximately 30.6% for the years ended March 31, 2024 and 2023.

Deferred Tax Assets and Liabilities consisted of the following:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Deferred Tax Assets:			
Allowance for Doubtful Receivables	¥655	¥710	$4,327
Depreciation	760	688	5,020
Liability for Employees’ Retirement Benefits	373	115	2,470
Write-off of Securities	7,140	1,636	47,165
Accrued Enterprise Tax	586	280	3,875
Other	13,847	11,698	91,463
Deferred Tax Assets Subtotal	23,364	15,128	154,320
Valuation Allowance	(6,262)	(1,240)	(41,361)
Total Deferred Tax Assets	17,101	13,888	112,959
Deferred Tax Liabilities:			
Net unrealized gain on Available-for-sale Securities	(8,428)	(5,292)	(55,672)
Investments in Lease	(699)	(503)	(4,619)
Other	(6,872)	(4,297)	(45,391)
Total Deferred Tax Liabilities	(16,000)	(10,092)	(105,682)
Net Deferred Tax Assets	¥1,101	¥3,795	$7,277

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the years ended March 31, 2024 and 2023, are as follows:

	2024	2023
Normal effective statutory tax rate	30.6%	30.6%
Inhabitants tax per capita levy	0.1	0.2
Permanent differences, such as entertainment expenses	1.0	0.6
Amortization of goodwill	0.2	-
Valuation allowance	(0.1)	(0.2)
Equity in Earnings of Associated Companies	(5.6)	(6.4)
Other-net	1.2	1.7
Actual effective tax rate	27.4%	26.5%

14.Commitments and Contingent Liabilities

(1) Commitments
The Company had loan commitment agreements as of March 31, 2024 and 2023 of ¥31,405 million ($207,436 thousand) and ¥31,103 million, respectively. The loans provided under these credit facilities as of March 31, 2024 and 2023 amounted to ¥11,391 million ($75,239 thousand) and ¥19,928 million, respectively. Many of these facilities expire without being utilized and the related borrowings are subject to periodic reviews of the borrowers’ credibility. Any unused amount will not necessarily be utilized in full.

(2) Contingent Liabilities

Contingent Liabilities as of March 31, 2024 were as follows:

	(Millions of yen) 2024	(Thousands of U.S. dollars) 2024
Guarantee Obligations with respect to operating activities (*1)	¥14,032	$92,684
Other Guarantee Obligations	21,210	140,096
Total	¥35,242	$232,780

(*1) The amount includes deposits provided by SoftBank Corp. and others, which are guaranteed by the Company.

15. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividends upon resolution at the shareholders meeting. Additionally, for companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Audit & Supervisory Board members, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet (4) of the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to certain limitations and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserves and additional paid-in capital equals 25% of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserves may be reversed without limitation. The Companies Act also provides that common stock, legal reserves, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

16. Selling, General and Administrative Expenses

Major components of Selling, General and Administrative Expenses were as follows:

	(Millions of yen) 2024	2023	(Thousands of U.S. dollars) 2024
Accruals for Doubtful Receivables	¥2,264	¥653	$14,958
Reversal for Debt Guarantees	(0)	(5)	(6)
Salaries and Wages	11,051	10,244	72,998
Provision for Bonus Payments	1,717	1,304	11,346
Provision for Bonus Payments to Directors	282	231	1,867
Retirement Benefits Costs for Employees	507	423	3,352
Provision for Reserve for Management Board Benefit Trust	229	231	1,516

17. Segment Information

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity whose separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description and revision of reportable segments

The reportable segments of the Group are those for which separate financial information is available and regular evaluation by the Company management is being performed in order to decide periodically how resources are allocated among the Group.

The Group provides total financial services such as leasing business, installment sales and loan business to a wide range of customers from large companies to small and medium-sized companies. The Group has three business segments based on its services: "Leasing and Installment Sales", "Finance" and "Other".

"Leasing and Installment Sales" segment represents leasing business and installment sales business for real estate, industrial machinery, information-related equipment, transportation equipment and environment and energy related equipment. "Finance" segment represents loan business, investment business and factoring business for real estate, aircraft, ship and environment and energy sector. "Other" segment represents buying and selling of used properties business, power generation business and others.

(2) Methods of measurement for the amounts of sales, profit, assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies".

(3) Information about sales, profit, assets, liabilities and other items for the years ended March 31, 2024 and 2023 was as follows:

(Millions of yen)

	2024					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated(*4)
Sales:						
Sales to external customers	¥620,783	¥33,769	¥1,574	¥656,127	¥ —	¥656,127
Intersegment sales and transfers	171	2,351	143	2,666	(2,666)	—
Total	620,955	36,120	1,718	658,794	(2,666)	656,127
Operating Expenses	595,580	16,043	1,454	613,077	3,538	616,616
Segment Profit	¥25,375	¥20,077	¥264	¥45,716	¥(6,205)	¥39,511
Segment Assets	¥1,804,992	¥1,397,462	¥73,879	¥3,276,333	¥87,002	¥3,363,336
Others						
Depreciation and Amortization	15,883	—	—	15,883	2,562	18,445
Capital Expenditure	359,352	—	—	359,352	3,573	362,926

(Millions of yen)

	2023					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated(*4)
Sales:						
Sales to external customers	¥505,000	¥23,563	¥1,135	¥529,700	¥ —	¥529,700
Intersegment sales and transfers	200	1,614	151	1,966	(1,966)	—
Total	505,201	25,178	1,287	531,666	(1,966)	529,700
Operating Expenses	483,791	8,934	899	493,624	4,319	497,944
Segment Profit	¥21,409	¥16,244	¥388	¥38,041	¥(6,285)	¥31,756
Segment Assets	¥1,692,984	¥1,200,065	¥5,594	¥2,898,643	¥55,990	¥2,954,634
Others						
Depreciation and Amortization	14,580	—	—	14,580	2,618	17,199
Capital Expenditure	187,091	—	—	187,091	1,813	188,904

(Thousands of U.S. dollars)

	2024					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated(*4)
Sales:						
Sales to external customers	$4,100,289	$223,048	$10,400	$4,333,737	$ —	$4,333,737
Intersegment sales and transfers	1,135	15,529	951	17,615	(17,615)	—
Total	4,101,424	238,577	11,351	4,351,352	(17,615)	4,333,737
Operating Expenses	3,933,819	105,965	9,607	4,049,391	23,372	4,072,763
Segment Profit	$167,605	$132,612	$1,744	$301,961	$(40,987)	$260,974
Segment Assets	$11,922,009	$9,230,265	$487,976	$21,640,250	$574,652	$22,214,902
Others						
Depreciation and Amortization	104,908	—	—	104,908	16,926	121,834
Capital Expenditure	2,373,532	—	—	2,373,532	23,606	2,397,138

(*1) The details of Reconciliations to Segment Profit for the years ended March 31, 2024 and 2023 were as follows:

	(Millions of yen) 2024	(Millions of yen) 2023	(Thousands of U.S. dollars) 2024
Elimination of intersegment transactions	¥1,203	¥456	$7,946
Administrative expenses not allocated to the reportable segments	(7,408)	(6,742)	(48,933)
Total	¥(6,205)	¥(6,285)	$(40,987)

(*2) The details of Reconciliations to Segment Assets as of March 31, 2024 and 2023 were as follows:

	(Millions of yen) 2024	(Millions of yen) 2023	(Thousands of U.S. dollars) 2024
Elimination of intersegment transactions	¥(74,102)	¥(83,548)	$(489,446)
Corporate assets not allocated to the reportable segments	161,104	139,539	1,064,098
Total	¥87,002	¥55,990	$574,652

(*3) Reconciliations of "Depreciation and Amortization" and "Capital Expenditure" are related to corporate assets not allocated to the reportable segments.
(*4) Segment Profits are reconciled to Operating Income in the Consolidated Statement of Income.

(4) Information about Geographical Areas
Property and Equipment

(Millions of yen)

2024				
Japan	Europe	North America / Latin America	Asia	Total
¥528,819	¥16,231	¥57,104	¥1,603	¥603,758

(Millions of yen)

2023				
Japan	Europe	North America / Latin America	Asia	Total
¥300,464	¥16,203	¥55,456	¥721	¥372,845

(Thousands of U.S. dollars)

2024				
Japan	Europe	North America / Latin America	Asia	Total
$3,492,865	$107,206	$377,174	$10,594	$3,987,839

(*1) Assets are classified by country or region based on the location of the Company and consolidated subsidiaries.
(*2) Information by geographic segment of Sales is not presented as domestic sales exceeded 90% of all segments.

(5) Information about Major Customers

Name of Customers	(Millions of yen) 2024	(Millions of yen) 2023	(Thousands of U.S. dollars) 2024	Related Segment Name
Gravity AH LLC	¥110,133	¥ —	$727,432	Leasing and Installment Sales

(6) Impairment loss of long-lived assets per reportable segment:
Not applicable

(7) Goodwill per reportable segment:

(Millions of yen)

	2024				
	Leasing and Installment Sales	Finance	Other	Elimination/ Corporate	Total
Amortization of goodwill	¥170	¥138	¥ —	¥ —	¥308
Goodwill at March 31, 2024	2,550	2,073	—	—	4,623

(Millions of yen)

	2023				
	Leasing and Installment Sales	Finance	Other	Elimination/ Corporate	Total
Amortization of goodwill	¥ —	¥ —	¥ —	¥ —	¥ —
Goodwill at March 31, 2023	—	—	—	—	—

(Thousands of U.S. dollars)

	2024				
	Leasing and Installment Sales	Finance	Other	Elimination/ Corporate	Total
Amortization of goodwill	$1,123	$913	$ —	$ —	$2,036
Goodwill at March 31, 2024	16,844	13,693	—	—	30,537

In "Leasing and Installment Sales" segment, Gain on bargain purchase amounting to ¥225 million was recorded for the previous fiscal year as a result of the acquisition of Purple Sunbird Leasing Limited shares as a consolidated subsidiary. There was no applicable amount for the current fiscal year.

18.Lease Transactions

Operating Leases as lessee

The minimum rental commitments under non-cancellable operating leases as of March 31, 2024 and 2023 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Due within one year	¥7	¥5	$47
Due after one year	10	5	67
Total	¥17	¥11	$114

Finance Leases as lessor

(1) The net investments in lease were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Lease contract receivables	¥794,370	¥859,091	$5,246,830
Estimated residual value	7,423	169	49,036
Interest income equivalents	(53,198)	(55,872)	(351,378)
Total	¥748,595	¥803,388	$4,944,488

(2) Maturities of Lease Receivables for finance leases that were deemed to transfer ownership of the leased property to the lessee were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2024	2024
2025	¥88,143	$582,188
2026	72,724	480,350
2027	43,427	286,841
2028	26,975	178,171
2029	10,766	71,115
2030 and thereafter	13,370	88,314
Total	¥255,408	$1,686,979

(3) Maturities of Investments in Lease for finance leases that were deemed not to transfer ownership of the leased property to the lessee were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2024	2024
2025	¥232,458	$1,535,394
2026	158,492	1,046,845
2027	120,010	792,673
2028	82,522	545,062
2029	75,267	497,143
2030 and thereafter	125,618	829,713
Total	¥794,370	$5,246,830

Operating Leases as lessor

Future lease receivables under non-cancellable operating leases were summarized as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Due within one year	¥66,176	¥103,567	$437,096
Due after one year	415,299	183,306	2,743,062
Total	¥481,475	¥286,873	$3,180,158

Sub-lease transactions

Among the receivables and obligations relating to the sub-lease transactions, the amounts before deducting interest equivalents and included in the Consolidated Balance Sheet as of March 31, 2024 and 2023 were summarized as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Lease Receivable	¥6,213	¥7,667	$41,041
Investments in Lease	9,372	10,313	61,904
Lease Payable	15,722	18,164	103,844

19.Financial Instruments and Related Disclosures

(1) Policy for financial instruments

The Group provides comprehensive financial services, including leasing, installment sales and loans. From the perspective of financial stability, the Group diversifies its funding sources. In addition to the indirect funding from financial institutions, the Group utilizes direct funding such as issuing bonds, commercial paper and securitization of lease receivables. Further, the Group has an integrated Asset-Liability Management (ALM) program. Derivatives are used to avoid fluctuation risks such as interest rates and to secure stable profits.

(2) Nature and extent of risks arising from financial instruments

Financial assets held by the Group mainly consist of lease receivables and investments in lease, installment sales receivables, loans receivables, and factoring receivables mainly due from domestic business companies. These assets are exposed to the credit risks triggered by a contractual default of a counterparty to the transactions. In the case of deterioration in the credit conditions of counterparties caused by a change in economic conditions or the environment, it is possible that the repayment of obligations under the contract may not be performed. Investment securities, which are mainly comprised of stocks, bonds, preferred equities and investments in partnerships, are exposed to market price fluctuation risks if they are exchange-traded in addition to the credit risk of issuers. Transactions related to real estate finance are exposed to the risk of price fluctuations in the targeted real estate.

Borrowings, bonds and commercial paper are exposed to the interest rate fluctuation risk for floating interest rate funding, and the liquidity risk that ready access to funds may not be available due to a change in the financial market environment. An ALM analysis is employed in order to make stable profit as well as to manage these funding risks.

Derivative transactions are mainly composed of interest rate swaps arranged as a part of ALM. The Group enters into interest rate swap transactions as a hedging instrument and applies hedge accounting to the interest rate fluctuation risk associated with interest bearing debt such as bank loans. It is the Group's basic policy to utilize hedge transactions within the limit of the debt amount to reduce interest rate risks and to improve cash flow from financial activities. The effectiveness of the hedge transactions is assessed by comparing the changes in the market price and cumulative cash flows between the hedging instrument and the hedged item from the beginning of the hedge to the time of assessment.

The Group also utilizes derivative transactions such as foreign currency forward contracts and interest and currency swaps etc. to control the level of the risk associated with the assets and liabilities denominated in foreign currencies.

(3) Risk management for financial instruments

(a)Integrated risk management

The Group places an extremely high priority on integrated monitoring and control of total financial risks, including credit risks and market risks which consist of interest rate risk and share price fluctuation risk. Thus, The Group incorporates an integrated risk management system into its management policy in order to improve the stability of the business. Specifically, the Group manages various quantified risks in an integrated fashion to control the total risk under a certain level of net equity (business capacity) of the company. In addition, a risk analysis is performed monthly, the results of which are reported to the Board of Directors.

(b)Credit risk management

The Group aims to minimize credit costs by optimizing its credit management structure at all stages of each transaction, from entrance to exit to manage the credit risks of business partners.

Firstly, at the initial stage of deal execution, the Group assigns a credit rating to each debtor under its client credit rating system, conducts a strict credit screening and makes judgments on contract arrangements based on the prospects of future value of leasing assets, and from the perspective of the avoidance of excessive concentrations of credit, the Group monitors its credit administration ceiling by using its credit rating monitoring systems. Any large contract or matter requiring complex risk judgment requires the deliberation and decision by the Credit Committee, which enhances the risk control process. When offering new services or new products, the Group thoroughly reviews

the identification and evaluation of inherent risks through the Risk Control Committee.
Furthermore, as an ongoing management measures, the Group provides necessary write-offs or allowances in accordance with the self-assessment rules for assets conforming to "Temporary treatment of accounting and auditing on the application of accounting standard for financial instruments in the leasing industry". Furthermore, regarding credit risk management for the portfolio as a whole, through the quantification of the volume of the risk based on the credit rating of business customers, the Group endeavors to minimize credit costs. Also, the Group periodically follows up on non-performing assets and performs debt collection of assets for which the Group has already provided reserves to facilitate final disposal of non-performing assets.

(c)Market risk management
The Group establishes basic policies (e.g., funding policy, setting commercial paper program, hedging policy and securities trading policy) at the Board of Directors that are designed based on market environments and financial strength meeting to control risks in line with financial operations. In addition, monthly ALM operating policies based on these basic policies, position limits, and loss limits, etc., are determined on a monthly basis at the PM·ALM Committee, and the Group strives to maintain stable earnings by controlling risk factors. Also, with regard to market transactions, in order to maintain a mutual check system, The Group separately established the risk control department that is independent from departments that are responsible for executions or for approval of delivery settlement.

(i)Interest rate risk management
In order to manage interest rate risk, the Group monitors the matching ratio (i.e., proportion of assets that is not exposed to interest rate risk without allocation of the matching fixed/floating interest bearing debt to entire assets) under ALM. Also, the Group quantifies the interest rate and maturity of financial assets and liabilities based on *BPV (Basis Point Value). The Group analyzes and monitors them using statistical techniques such as *VaR (Value at Risk). In addition, compliance with the internal rules etc. is managed by the risk control department.
Sensitivity to interest rate (10BPV) interest rate risk volume (VaR) figures in the Group as of March 31, 2024 and 2023, are as shown below. The Internal Models Approach applied to measure VaR is based on the assumption that past price fluctuations follow a normal distribution and the model calculates variance and covariance, based on which the Group estimates maximum losses statistically (variance/covariance method).

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Sensitivity to interest rate (10BPV)	¥(3,620)	¥(2,780)	$(23,910)
Interest rate risk volume (VaR)	¥7,870	¥6,710	$51,982

The VaR measurement method is as follows:
Variance-covariance model for linear risk
Quantitative criteria:
(1) Confidence interval: 99%;
(2) Holding period of one month; and
(3) Historical observation period of one year

(ii) Price fluctuation risk management of securities such as stock
Relating to the price fluctuation risk of securities, the risk control department captures the volume of the risk using the VaR. In addition, it monitors the status of compliance with our internal rules.
The VaR measurements in the Group as of March 31, 2024 and 2023, are shown below. To measure the VaR, the Group created a model that shows the price fluctuation of each stock based on the stock price index fluctuation. The Group adopted the stock price fluctuation model that sets the stock price index fluctuation ratio represented by the risk factor of general market risk. Also, the inherent fluctuation portion of each stock that is unable to be shown by the stock price index is set as a risk factor of individual risk in our model.

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Price variation risk of stock (VaR)	¥0	¥610	$0

(Note) The VaR value shown above reflects annual realized profit or loss (including impairment loss) and unrealized profit or loss, net of corporate income taxes.

The VaR measurement method is as follows:
Quantitative criteria:
(1) Confidence interval: 99%;
(2) Holding period of one year; and
(3) Historical observation period of one year.

The market price at the measurement date is used for securities with market price. The moving-average acquisition costs or the amortized costs are used for securities without market price. General market risk (risk of suffering losses due to stock market movement) and individual risk (price variance risk due to factors associated with the issuer of stock) are calculated and combined. Individual risk for securities without market price is calculated assuming a fluctuation ratio of 8%.

(iii) Derivative transactions
The derivative transactions carried out by the Group mainly consist of interest rate swaps, entered as a part of ALM, to hedge the interest rate risks. The operating policy of hedging is determined at the monthly PM ALM Committee to control the interest rate risk. Also, from an operational control perspective, in order to ensure a proper review function, the Group has an organizational structure whereby the transaction execution department is clearly separated from the market risk control department, which is responsible for evaluation of the effectiveness of hedging transactions, and the operations department, which is responsible for delivery settlement. For the use of derivative transactions, the Group enters into such transactions only with major financial institutions in order to mitigate counterparty risk.

(d)Other price fluctuation risk management
The risk mainly consists of real estate price fluctuation risks for specified bonds, preferred shares, investments in partnerships, and non-recourse loans relating to a real estate finance vehicle. The risk is managed by estimating the fair value of real estate at exit and monitoring the quantified risk for loss of principal.

(e)Liquidity risk management
The Group manages liquidity risk by diversifying the method of funding and balancing its long-term and short-term funding needs, depending upon the market environment.

(4) Supplemental explanation for quantitative information concerning market risk
Because quantitative information concerning market risk is based on statistical assumptions, the quantitative information may differ depending upon the quantitative basis and measurement method assumed. Also, the quantitative information is a statistical result based on certain assumptions. It is not intended to show the expected maximum losses. Because future market conditions may differ considerably from past conditions, there are many limitations on the quantitative data that is estimated using observation values of past data.

(Glossary)
*BPV: BPV is one of the interest rate risk indices indicating the change in present value of subject assets or liabilities given a basis point (0.01%) change in interest rates. The Group adopts 10 basis points (0.1%) as the basis for change of value.
*VaR: VaR is a technique for estimating the probable maximum portfolio losses as a volume of risk when the market is affected adversely based on the statistical analysis of historical data under a given time and probability (99% one-sided confidence interval).

(5) Supplemental explanation for fair values of financial instruments

Fair values of financial instruments have been calculated based on variable factors, and may differ if calculated based on different assumptions.

Fair values of financial instruments

(Millions of yen)

March 31, 2024	Carrying amount	Fair value	Unrealized gain (loss)
Securities (*2) (*3) Available-for-sale Securities	¥179,176	¥179,176	¥ —
Lease Receivables and Investments in Lease (*3) (*4) (*5)	1,024,504	1,068,441	43,936
Installment Sales Receivables (*3) (*6)	103,545	102,459	-1,085
Loans Receivables (*3)	566,842	608,684	41,841
Factoring Receivables (*3)	166,380	169,393	3,012
Long-term Receivables (*7)	23,074	23,074	—
Assets total	¥2,063,525	¥2,151,230	¥87,705
Short-term Borrowings (*9)	¥1,235,166	¥1,235,206	¥40
Lease Payable	15,785	15,769	(16)
Accounts Payable-trade	27,186	27,076	(109)
Long-term Debt (*8) (*9)	1,607,261	1,590,974	(16,286)
Liabilities total	¥2,885,399	¥2,869,027	¥(16,372)
Hedge accounting is not applied (*10)	¥(2,167)	¥(2,167)	¥ —
Hedge accounting is applied (*10)	(2,979)	(2,979)	—
Derivative transactions total	¥(5,147)	¥(5,147)	¥ —

(Millions of yen)

March 31, 2023	Carrying amount	Fair value	Unrealized gain (loss)
Securities (*2) (*3) Available-for-sale Securities	¥136,441	¥136,441	¥ —
Lease Receivables and Investments in Lease (*3) (*4) (*5)	1,101,821	1,142,955	41,134
Installment Sales Receivables (*3) (*6)	94,520	94,225	(294)
Loans Receivables (*3)	511,507	548,106	36,598
Factoring Receivables (*3)	149,985	152,470	2,485
Long-term Receivables (*7)	20,682	20,682	-
Assets total	¥2,014,958	¥2,094,881	¥79,923
Short-term Borrowings (*9)	¥1,206,016	¥1,205,941	¥(75)
Lease Payable	18,219	18,191	(28)
Accounts Payable-trade	24,512	24,472	(39)
Long-term Debt (*8) (*9)	1,331,538	1,307,529	(24,008)
Liabilities total	¥2,580,287	¥2,556,134	¥(24,152)
Hedge accounting is not applied (*10)	¥(29)	¥(29)	¥ —
Hedge accounting is applied (*10)	(104)	(104)	—
Derivative transactions total	¥(134)	¥(134)	¥ —

(Thousands of U.S. dollars)

March 31, 2024	Carrying amount	Fair value	Unrealized gain (loss)
Securities (*2) (*3) Available-for-sale Securities	$1,183,467	$1,183,467	$ —
Lease Receivables and Investments in Lease (*3) (*4) (*5)	6,766,874	7,057,075	290,201
Installment Sales Receivables (*3) (*6)	683,922	676,750	(7,172)
Loans Receivables (*3)	3,744,008	4,020,375	276,367
Factoring Receivables (*3)	1,098,947	1,118,846	19,899
Long-term Receivables (*7)	152,408	152,408	—
Assets total	$13,629,626	$14,208,921	$579,295
Short-term Borrowings (*9)	$8,158,299	$8,158,567	$268
Lease Payable	104,263	104,156	(107)
Accounts Payable-trade	179,565	178,839	(726)
Long-term Debt (*8) (*9)	10,615,994	10,508,419	(107,575)
Liabilities total	$19,058,121	$18,949,981	($108,140)
Hedge accounting is not applied (*10)	$(14,317)	$(14,317)	$ —
Hedge accounting is applied (*10)	(19,681)	(19,681)	—
Derivative transactions total	$(33,998)	$(33,998)	$ —

(*1) Cash and Cash Equivalents are not presented as the carrying amounts of the deposits approximate their fair values because they are settled in a short period.

(*2) Securities include Operational Investment Securities and Investment Securities.
The following financial instruments are excluded from the disclosure of market value information as they do not have quoted market prices in an active market.
Carrying amount of these financial instruments are following;

	(Millions of yen) 2024	2023	(Thousands of U.S. dollars) 2024
Unlisted Stocks *	¥184,451	¥153,878	$1,218,304
Funds, Investments in Partnerships	—	—	—
Preferred Equities	45,904	44,225	303,198
Other	109	1,712	723
Total	¥230,464	¥199,815	$1,522,225

*The impairment loss on certain unlisted stocks for the year ended March 31, 2024 and 2023 was ¥28 million ($189 thousand) and ¥14 million, respectively. Fair values of investments in funds, partnerships, etc., whose net amount equivalent to the equity interest is recorded on the consolidated balance sheets, are not presented. The amount of investments in partnerships, etc. to which this treatment is applied was ¥215,852 million ($1,425,711 thousand) on the consolidated balance sheets.

(*3) Lease Receivables and Investments in Lease, Installment Sales Receivables, Loans Receivables, Factoring Receivables and Operational Investment Securities are stated net of Allowance for Doubtful Receivables.

(*4) Investments in Lease are stated net of estimated residual value of lease assets for finance leases that are deemed not to transfer ownership of the leased property to the lessee.

(*5) Unearned lease payments received are not included in Lease Receivables and Investments in Lease.

(*6) Installment Sales Receivables are stated net of Deferred Profit on Installment Sales.

(*7) Long-term Receivables are stated net of Allowance for Doubtful Receivables.

(*8) Current Portion of Long-term Debt is included.

(*9) Short-term Borrowings and Long-term Debt include Payables under Securitized Lease Receivables.

(*10) Assets and liabilities incurred resulting from derivative transactions are netted. The net liability is presented in parenthesis.

(6)Maturity analysis for financial assets and securities with contractual maturities

(Millions of yen)

March 31, 2024	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and Cash Equivalents Securities	¥56,194	¥—	¥—	¥—	¥—	¥—
Available-for-sale Securities Bonds						
Corporate Bonds	10,297	22,100	9,500	30,850	16,000	24,487
Other	20,778	23,365	20,273	7,106	9,317	128,916
Lease Receivables and Investments in Lease	327,357	237,627	163,047	107,283	71,951	143,442
Installment Sales Receivables	36,549	29,345	18,731	12,415	8,277	3,810
Loans Receivables	61,447	142,045	123,914	134,015	61,985	43,896
Factoring Receivables	122,479	9,565	4,370	4,654	4,004	21,384
Total	¥635,105	¥464,050	¥339,838	¥296,324	¥171,536	¥365,938

(Millions of yen)

March 31, 2023	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and Cash Equivalents Securities	¥33,453	¥—	¥—	¥—	¥—	¥—
Available-for-sale Securities Bonds						
Corporate Bonds	16,700	3,500	22,100	9,500	30,850	1,000
Other	28,122	19,168	15,668	16,397	7,875	95,982
Lease Receivables and Investments in Lease	321,265	252,014	188,384	117,260	71,965	171,320
Installment Sales Receivables	34,620	23,465	22,141	10,955	4,051	3,287
Loans Receivables	68,801	54,643	106,071	119,667	139,794	22,661
Factoring Receivables	112,592	9,127	5,991	3,050	2,012	17,250
Total	¥615,556	¥361,918	¥360,358	¥276,831	¥256,550	¥311,502

(Thousands of U.S. dollars)

March 31, 2024	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and Cash Equivalents Securities	$371,167	$—	$—	$—	$—	$—
Available-for-sale Securities Bonds						
Corporate Bonds	68,014	145,971	62,748	203,765	105,680	161,742
Other	137,244	154,328	133,909	46,940	61,542	851,495
Lease Receivables and Investments in Lease	2,162,204	1,569,537	1,076,935	708,610	475,241	947,441
Installment Sales Receivables	241,409	193,827	123,724	82,002	54,670	25,167
Loans Receivables	405,864	938,215	818,457	885,173	409,419	289,938
Factoring Receivables	808,981	63,182	28,870	30,741	26,452	141,245
Total	$4,194,883	$3,065,060	$2,244,643	$1,957,231	$1,133,004	$2,417,028

(*1) Please see Note 11 for annual maturities of Long-term Debt.

(7) Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in determining fair value measurements:

Level 1: Fair values measured by using quoted prices in active markets for identical assets or liabilities.
Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities.
Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(a) The financial instruments measured at the fair values in the consolidated balance sheet

(Millions of yen)

March 31, 2024	Level 1	Level 2	Level 3	Total
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥—	¥69,208	¥46,201	¥115,409
Equity securities	18,991	1,300	2,760	23,051
Other	-	39,180	1,534	40,715
Assets total	¥18,991	¥109,689	¥50,496	¥179,176
Derivative transactions:				
currency swaps	¥—	¥—	¥—	¥—
Interest rate swaps	—	1,027	—	1,027
Interest rate and currency swaps	—	(6,174)	—	(6,174)
Derivative transactions total	¥—	¥(5,147)	¥—	¥(5,147)

(Millions of yen)

March 31, 2023	Level 1	Level 2	Level 3	Total
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥—	¥48,990	¥36,637	¥85,627
Equity securities	11,077	768	3,381	15,227
Other	-	33,598	1,987	35,586
Assets total	¥11,077	¥83,356	¥42,007	¥136,441
Derivative transactions:				
currency swaps	¥—	¥18	¥—	¥18
Interest rate swaps	—	927	—	927
Interest rate and currency swaps	—	(1,080)	—	(1,080)
Derivative transactions total	¥—	¥(134)	¥—	¥(134)

(Thousands of U.S. dollars)

March 31, 2024	Level 1	Level 2	Level 3	Total
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	$ —	$457,126	$305,159	$762,285
Equity securities	125,436	8,587	18,234	152,257
Other	-	258,787	10,138	268,925
Assets total	$125,436	$724,500	$333,531	$1,183,467
Derivative transactions:				
currency swaps	$ —	$ —	$ —	$ —
Interest rate swaps	—	6,787	—	6,787
Interest rate and currency swaps	—	(40,785)	—	(40,785)
Derivative transactions total	$ —	$(33,998)	$ —	$(33,998)

(b) The financial instruments other than those measured at the fair values in the consolidated balance sheet

(Millions of yen)

March 31, 2024	Level 1	Level 2	Level 3	Total
Lease Receivables and Investments in Lease	¥ —	¥ —	¥1,068,441	¥1,068,441
Installment Sales Receivables	—	—	102,459	102,459
Loans Receivables	—	—	608,684	608,684
Factoring Receivables	—	—	169,393	169,393
Long-term Receivables	—	—	23,074	23,074
Assets total	¥ —	¥ —	¥1,972,053	¥1,972,053
Short-term Borrowings	¥ —	¥1,235,206	¥ —	¥1,235,206
Lease Payable	—	15,769	—	15,769
Accounts Payable-trade	—	27,076	—	27,076
Long-term Debt	—	1,590,974	—	1,590,974
Liabilities total	¥ —	¥2,869,027	¥ —	¥2,869,027

(Millions of yen)

March 31, 2023	Level 1	Level 2	Level 3	Total
Lease Receivables and Investments in Lease	¥ —	¥ —	¥1,142,955	¥1,142,955
Installment Sales Receivables	—	—	94,225	94,225
Loans Receivables	—	—	548,106	548,106
Factoring Receivables	—	—	152,470	152,470
Long-term Receivables	—	—	20,682	20,682
Assets total	¥ —	¥ —	¥1,958,440	¥1,958,440
Short-term Borrowings	¥ —	¥1,205,941	¥ —	¥1,205,941
Lease Payable	—	18,191	—	18,191
Accounts Payable-trade	—	24,472	—	24,472
Long-term Debt	—	1,307,529	—	1,307,529
Liabilities total	¥ —	¥2,556,134	¥ —	¥2,556,134

(Thousands of U.S. dollars)

March 31, 2024	Level 1	Level 2	Level 3	Total
Lease Receivables and Investments in Lease	$ —	$ —	$7,057,075	$7,057,075
Installment Sales Receivables	—	—	676,750	676,750
Loans Receivables	—	—	4,020,375	4,020,375
Factoring Receivables	—	—	1,118,846	1,118,846
Long-term Receivables	—	—	152,408	152,408
Assets total	$ —	$ —	$13,025,454	$13,025,454
Short-term Borrowings	$ —	$8,158,567	$ —	$8,158,567
Lease Payable	—	104,156	—	104,156
Accounts Payable-trade	—	178,839	—	178,839
Long-term Debt	—	10,508,419	—	10,508,419
Liabilities total	$ —	$18,949,981	$ —	$18,949,981

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Operational Investment Securities and Investment Securities

The fair values of Operational Investment Securities and Investment Securities are classified as Level 1 if an unadjusted quoted price in active markets is available, among the published quoted price such as the quoted market price of the stock exchange or the quoted price obtained from the financial institutions. Listed equity securities are mainly included in it.

The fair values of securities are classified as Level 2 if a quoted price in inactive market is used. Corporate bonds are mainly included in it. The investment trusts that do not have quoted market prices in an active market are classified as Level 2 as there are no material restrictions on cancellation or repurchase requests that would require the payment for the risk by market participants. The fair values of these investment trusts are determined by the net asset values.

If a quoted price is not available, the fair values are determined by discounting the future cash flows, by credit risks categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Fair value information for securities by classifications is included in Note 6. Operational Investment Securities and Investment Securities.

Lease Receivables and Investments in Lease

The fair values of Lease Receivables and Investments in Lease are principally determined by discounting the future cash flows (lease payments received less maintenance fees), by credit risk categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Installment Sales Receivables

The fair values of Installment Sales Receivables are determined by discounting the future cash flows, by credit risk categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Loans Receivables and Factoring Receivables

The fair values of Loans Receivables and Factoring Receivables are determined by discounting the future cash flows, by credit risk categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Long-term Receivables

The carrying values of Long-term Receivables at the balance sheet date (net of Allowance for Doubtful Receivables) approximate fair values because the Allowance for Doubtful Receivables is determined based on the amount that is expected to be recovered from collateral and guarantees. They are classified as Level 3 as the impact of unobservable inputs of Allowance for Doubtful Receivables to measure the fair values is significant.

Derivatives
Derivative transactions are mainly composed of over-the-counter transactions and the fair values are based on the prices obtained from the financial institutions. They are classified as Level 2 as the fair values are determined using observable inputs.

Short-term Borrowings
Short-term Borrowings from banks and other financial institutions
The fair values of Short-term Borrowings from banks and other financial institutions are measured at the amount of principal plus interest to be paid at maturity discounted at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Commercial Paper
The fair values of Commercial Paper are measured at the amount of principal plus interest to be paid at maturity discounted at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Payables under Securitized Lease Receivables
The fair values of Payables under Securitized Lease Receivables are determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus spread for securitization. They are classified as Level 2 as the impact of unobservable inputs of a spread for securitization to measure the fair values is immaterial.

Lease Payable
The fair values of Lease Payable are principally determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Accounts Payable - trade
The carrying values of Accounts Payable - trade approximate fair value because they are settled within a short period. The fair values of long-term Accounts Payable are determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Long-term Debt
Bonds Payable
The fair values of Bonds Payable are principally determined by a published quoted price. They are classified as Level 2 as a quoted price in inactive market is used.

Long-term Debt from banks and other financial institutions
The fair values of Long-term Debt from banks and other financial institutions are measured at the amount of interest and principal to be paid at maturity discounted at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Payables under Securitized Lease Receivables
The fair values of Payables under Securitized Lease Receivables are determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus spread for securitization. They are classified as Level 2 as the impact of unobservable inputs of a spread for securitization to measure the fair values is immaterial.

The following is an information about the Level 3 fair value of financial instruments measured at fair values on the consolidated balance sheet

(i) Quantitative information on significant unobservable inputs

March 31, 2024	Valuation technique	Significant unobservable inputs	Range of inputs
Operational Investment Securities and Investment Securities:			
Available-for-sale Securities			
Bonds	Discounted cash flow	Discount rate	0.06-0.74%
Equity securities	Discounted cash flow	Discount rate	0.26-0.56%
Other	Discounted cash flow	Discount rate	0.73-1.02%

March 31, 2023	Valuation technique	Significant unobservable inputs	Range of inputs
Operational Investment Securities and Investment Securities:			
Available-for-sale Securities			
Bonds	Discounted cash flow	Discount rate	0.06-0.51%
Equity securities	Discounted cash flow	Discount rate	0.08-0.44%
Other	Discounted cash flow	Discount rate	0.72-1.02%

(ii) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current period as of March 31, 2024.

(Millions of yen)

March 31, 2024	Balance at beginning of year	Earnings of the period (*1)	Other comprehensive income (loss) (*2)	Net amount of purchase, sale, issuance and settlement
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥36,637	¥ —	¥23	¥9,540
Equity securities	3,381	—	(120)	(500)
Other	1,987	(0)	(1)	(450)

(Millions of yen)

March 31, 2024	Transfer to Level 3 (*3)	Transfer from Level 3 (*4)	Balance at end of year	Net unrealized gains (losses) on financial assets and liabilities held at the consolidated balance sheet date among the amount recognized in the earnings of the current period.
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥ —	¥ —	¥46,201	¥ —
Equity securities	—	—	2,760	—
Other	—	—	1,534	—

(Millions of yen)

March 31, 2023	Balance at beginning of year	Earnings of the period (*1)	Other comprehensive income (loss) (*2)	Net amount of purchase, sale, issuance and settlement
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥14,216	¥ —	¥1,646	¥20,775
Equity securities	5,678	—	(215)	(2,080)
Other	2,481	—	4	(498)

(Millions of yen)

March 31, 2023	Transfer to Level 3 (*3)	Transfer from Level 3 (*4)	Balance at end of year	Net unrealized gains (losses) on financial assets and liabilities held at the consolidated balance sheet date among the amount recognized in the earnings of the current period.
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥ —	¥ —	¥36,637	¥ —
Equity securities	—	—	3,381	—
Other	—	—	1,987	—

(Thousands of U.S. dollars)

March 31, 2023	Balance at beginning of year	Earnings of the period (*1)	Other comprehensive income (loss) (*2)	Net amount of purchase, sale, issuance and settlement
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	$241,992	$ —	$155	$63,012
Equity securities	22,338	—	(798)	(3,306)
Other	13,128	(3)	(12)	(2,975)

(Thousands of U.S. dollars)

March 31, 2023	Transfer to Level 3 (*3)	Transfer from Level 3 (*4)	Balance at end of year	Net unrealized gains (losses) on financial assets and liabilities held at the consolidated balance sheet date among the amount recognized in the earnings of the current period.
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	$ —	$ —	$305,159	$ —
Equity securities	—	—	18,234	—
Other	—	—	10,138	—

(*1) The amounts shown in the table above are included in the Revenues of the Consolidated Statements of Income.
(*2) The amounts shown in the table above are included in the Unrealized Gain on Available-for-sale Securities in Other Comprehensive Income of the Consolidated Statement of Comprehensive Income.
(*3) There was no transfer from Level 2 to Level 3 for the year ended March 31, 2024 and 2023. The transfer is made at the end of the fiscal year in which it occurs.
(*4) There was no transfer from Level 3 to Level 2 for the year ended March 31, 2024 and 2023. The transfer is made at the end of the fiscal year in which it occurs.

(c) Description of the fair value valuation process
At the Group, the risk control department, the finance department and the accounting department establish policies and procedures for the calculation of fair value, and each department which holds financial instruments calculates fair value in accordance with such policies and procedures. In measuring fair value, the Group uses different valuation models that most appropriately reflect the nature, characteristics, and risks of each asset. If quoted prices obtained from third parties are used, those values are verified by confirming the valuation technique and the inputs used by the third parties or trend analysis and other appropriate methods.

(d) Description of the sensitivity of the fair value to changes in significant unobservable inputs
Discount rate is a significant unobservable input used for measurement of the fair value of stocks, bonds and others. Discount rate is an adjustment rate regarding interbank market rate, and it is constituted from risk premium that market participants need against uncertainty of cash flow produced mainly by credit risks. In general, a significant increase or decrease in discount rate would result in a significant increase or decrease in a fair value.

20.Derivatives

Fair values of derivative transactions were as follows. The fair value is measured at quoted prices obtained from the financial institutions. The contract amounts shown in the tables are the notional amounts of derivatives and do not indicate the Company’s exposure to credit or market risks:

Derivative transactions to which hedge accounting is not applied:
(1) Interest rate and currency swaps

(Millions of yen)

At March 31, 2024	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized (Loss) Gain
Payment - floating rate in Japanese Yen, receipt - floating rate in U.S. dollars	¥2,243	¥ —	¥(791)	¥(791)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	¥13,854	¥13,854	¥(1,375)	¥(1,375)

(Millions of yen)

At March 31, 2023	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized (Loss) Gain
Payment - floating rate in Japanese Yen, receipt - floating rate in U.S. dollars	¥2,243	¥2,243	¥(430)	¥(430)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	¥14,410	¥14,410	¥401	¥401

(Thousands of U.S. dollars)

At March 31, 2024	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized (Loss) Gain
Payment - floating rate in Japanese Yen, receipt - floating rate in U.S. dollars	$14,819	$ —	$(5,228)	$(5,228)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	$91,509	$91,509	$(9,089)	$(9,089)

Derivative transactions to which hedge accounting is applied:

(1) Foreign currency forward contracts

(Millions of yen)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts Buying, U.S. dollars	Committed transactions in foreign currencies	¥ —	¥ —	¥ —
Foreign currency forward contracts Buying, Indian Rupee	Committed transactions in foreign currencies	¥ —	¥ —	¥ —

(Millions of yen)

At March 31, 2023	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts Buying, U.S. dollars	Committed transactions in foreign currencies	¥5,453	¥ —	¥33
Foreign currency forward contracts Buying, Indian Rupee	Committed transactions in foreign currencies	¥3,483	¥ —	¥(14)

(Thousands of U.S. dollars)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts Buying, U.S. dollars	Committed transactions in foreign currencies	$ —	$ —	$ —
Foreign currency forward contracts Buying, Indian Rupee	Committed transactions in foreign currencies	$ —	$ —	$ —

(2) Interest rate swaps

(Millions of yen)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate, receipt - floating rate	Short-term Borrowings, Long-term Debt	¥120,330	¥104,353	¥1,372
Payment - floating rate, receipt - fixed rate	Long-term Debt	¥22,827	¥17,827	¥(109)
	Bonds Payable	¥14,000	¥14,000	¥(235)

(Millions of yen)

At March 31, 2023	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate, receipt - floating rate	Short-term Borrowings, Long-term Debt	¥131,200	¥110,168	¥1,350
Payment - floating rate, receipt - fixed rate	Long-term Debt	¥24,841	¥19,841	¥(179)
	Bonds Payable	¥22,000	¥14,000	¥(243)

(Thousands of U.S. dollars)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate, receipt - floating rate	Short-term Borrowings, Long-term Debt	$794,786	$689,257	$9,068
Payment - floating rate, receipt - fixed rate	Long-term Debt	$150,773	$117,748	$(723)
	Bonds Payable	$92,470	$92,470	$(1,557)

(3) Interest rate and currency swaps

(Millions of yen)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate in Japanese Yen, receipt - fixed rate in U.S. dollars	Operational Investment Securities	¥8,429	¥8,082	¥(2,686)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	Operational Investment Securities	¥17,426	¥17,426	¥(1,386)
Payment - fixed rate in Indonesian Rupiah, receipt - floating rate in U.S. dollars	Long-term Debt	¥1,166	¥394	¥65

(Millions of yen)

At March 31, 2023	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate in Japanese Yen, receipt - fixed rate in U.S. dollars	Operational Investment Securities	¥10,451	¥8,429	¥(1,613)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	Operational Investment Securities	¥12,808	¥12,808	¥413
Payment - fixed rate in Indonesian Rupiah, receipt - floating rate in U.S. dollars	Long-term Debt	¥1,625	¥955	¥149

(Thousands of U.S. dollars)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate in Japanese Yen, receipt - fixed rate in U.S. dollars	Operational Investment Securities	$55,674	$53,387	$(17,743)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	Operational Investment Securities	$115,100	$115,100	$(9,160)
Payment - fixed rate in Indonesian Rupiah, receipt - floating rate in U.S. dollars	Long-term Debt	$7,702	$2,608	$434

Interest rate swaps to which specific accounting is applied:

The following interest rate swaps which qualify for hedge accounting and meet specific matching criteria, are not re-measured at market value. However, the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 19 is included in those of the hedged items (i.e. Loans Receivables, Factoring Receivables and Long-term Debt).

(1) Interest rate swaps

(Millions of yen)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year
Payment - fixed rate, receipt - floating rate	Loans Receivables	¥570	¥570
	Long-term Debt	¥233,839	¥203,442

(Millions of yen)

At March 31, 2023	Hedged item	Contract Amount	Contract Amount due after One Year
Payment - fixed rate, receipt - floating rate	Loans Receivables	¥686	¥686
	Long-term Debt	¥234,067	¥216,813

(Thousands of U.S. dollars)

At March 31, 2024	Hedged item	Contract Amount	Contract Amount due after One Year
Payment - fixed rate, receipt - floating rate	Loans Receivables	$3,771	$3,771
	Long-term Debt	$1,544,517	$1,343,740

21.Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2024 and 2023 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2024	2023	2024
Unrealized Gain on Available-for-sale Securities			
Gains arising during the year	¥11,291	¥7,720	$74,584
Reclassification adjustments to profit or loss	(1,048)	(775)	(6,923)
Amount before income tax effect	10,243	6,945	67,661
Income tax effect	3,136	2,126	20,717
Total	¥7,107	¥4,818	$46,944
Deferred Loss on Derivatives under Hedge Accounting			
Losses arising during the year	¥(5,353)	¥(1,675)	$(35,358)
Reclassification adjustments to profit or loss	1,970	1,019	13,017
Amount before income tax effect	(3,382)	(655)	(22,341)
Income tax effect	(1,035)	(203)	(6,837)
Total	¥ (2,347)	¥(452)	$(15,504)
Foreign Currency Translation Adjustments			
Adjustments arising during the year	¥9,572	¥15,347	$63,229
Reclassification adjustments to profit or loss	-	-	-
Amount before income tax effect	9,572	15,347	63,229
Income tax effect	-	-	-
Total	¥9,572	¥15,347	$63,229
Defined Retirement Benefit Plans			
Adjustments arising during the year	¥1,007	¥(65)	$6,658
Reclassification adjustments to profit or loss	(78)	(87)	(516)
Amount before income tax effect	929	(153)	6,142
Income tax effect	284	(46)	1,881
Total	¥645	¥(106)	$4,261
Share of Other Comprehensive Income in associates			
Income arising during the year	¥4,148	¥1,927	$27,403
Reclassification adjustments to profit or loss	475	(77)	3,142
Total	¥4,624	¥1,849	$30,545
Total Other Comprehensive Income	¥19,602	¥21,457	$129,475

22.Supplemental Information on Changes in Equity

(1) The increase of 382 shares of treasury stock is due to the purchase of shares less than one unit. The decrease of 212,500 shares of treasury stock is due to the payment from BBT mentioned above. Issued shares in common stock at the end of fiscal year include treasury stock of 379,900 shares held by the Company's BBT. (See Note 2 (z) for details on BBT.)

(2) Although the Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024, the above figures are based on the number before the split.

23.Supplemental Information of Cash Flows

As described in Note 5, the Company acquired shares of 51% in Rent Alpha Pvt. Ltd. and included the accounts of Rent Alpha Pvt. Ltd. and its wholly owned subsidiary Capsave Finance Pvt. Ltd. in the scope of the consolidation. The net payment for the acquisition was calculated as the difference between the acquisition price and the cash and cash equivalents received. The details of the calculation, assets acquired and liabilities assumed at the date of the acquisition were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2024	2024
Current Assets	¥40,362	$266,596
Fixed assets	1,659	10,963
Goodwill	4,931	32,572
Current Liabilities	(18,905)	(124,869)
Long-term Liabilities	(13,067)	(86,312)
Non-controlling Interests	(4,924)	(32,525)
Acquisition cost of shares of subsidiaries	10,056	66,425
Cash and Cash equivalents	(1,949)	(12,878)
Net Expenditure	¥8,107	$53,547

24.Related-Party Disclosures

Transactions of the Group with related parties, i.e., a major shareholder, parent company of a major shareholder, unconsolidated subsidiaries, and fellow company for the years ended March 31, 2024 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2024	2024
Borrowing funds	¥4,025,044	$26,585,498
Securitization of receivables	373,772	2,468,774
Issuance of commercial paper	927,500	6,126,156
Payment of interest	6,371	42,084
Receipt of interest	2	14
Issuance of bonds payable	120,000	792,602

The balances due to or from these companies at March 31, 2024 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2024	2024
Prepaid expenses	¥1	$8
Short-term borrowings	207,970	1,373,653
Commercial paper	30,600	202,114
Payables under securitized lease receivables	27,868	184,075
Current Portion of Long-term debt	63,484	419,316
Current Portion of Bonds Payable	35,000	231,176
Bonds payable	359,200	2,372,523
Long-term debt	61,017	403,020
Long-term payables under securitized lease receivables	9,182	60,650
Accrued expenses	442	2,922

25.Per Share Information

Details of basic net income attributable to owners of the parent per share ("EPS") for the years ended March 31, 2024 and 2023 were as follows:

	(Millions of yen)	(Thousands of shares)	(Yen)	(U.S. dollars)
For the year ended March 31, 2024:	Net income attributable to owners of the parent	Weighted- average shares	EPS (*1)	
Basic EPS				
Net income available to common shareholders	¥35,220	242,790	¥145.07	$0.96
For the year ended March 31, 2023:				
Basic EPS				
Net income available to common shareholders	¥28,398	242,000	¥117.35	$0.78

(*1) The Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024. Each of the numbers above is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

26.Subsequent Events

Appropriation of Retained Earnings

The following appropriation of Retained Earning at March 31, 2024, was approved at the Company's shareholders' meeting on June 25, 2024:

	(Millions of yen)	(Thousands of U.S. dollars)
Year-end cash dividends, ¥109.00 ($0.72) per share	¥5,341	$35,279

Note: Although the Company enacted a five-for-one stock split of its common stock with an effective date of April 1, 2024, Year-end cash dividends per share presented above are based on the number before the split.

Stock split and corresponding partial amendment of articles of incorporation

Based on the resolution at the meeting of the Board of Directors held on November 8, 2023, the Company implemented a stock split and made a corresponding partial amendment to the articles of incorporation on April 1, 2024.

(1)Purpose of stock split

By implementing the stock split to lower the amount per investment unit, in consideration of the start of the new NISA program in Japan, the company intends to create an environment where individual investors can invest more easily and improve the liquidity of the market.

(2) Overview of stock split

(a) Method of stock split

The Company split the shares of its common stock owned by shareholders entered or recorded in the final shareholder registry as of March 31, 2024 (effective as of March 29, 2024, due to the shareholder registry date of March 31, 2024 being a holiday.) in the proportion of 1 share into 5 shares.

(b) Number of shares increased through the stock split

Total number of issued shares before the stock split	49,004,000 shares
Number of shares increased through the stock split	196,016,000 shares
Total number of issued shares after the stock split	245,020,000 shares
Total number of authorized shares after the stock split	700,000,000 shares

(c) Schedule of the stock split

Date of public notice of record date:	March 15, 2024
Record date:	March 31, 2024
Effective date:	April 1, 2024

(d) Effect on per share information

The effect on per share information is described in Note 25 Per Share Information.

(3) Partial amendment of articles of incorporation in correspondence with a stock split

(a) Reason for amendment

In connection with the stock split, the total number of authorized shares stipulated in Article 6 of the articles of incorporation was amended effective April 1, 2024, in accordance with Article 184, Paragraph 2 of the Companies Act.

(b) Details of amendment

The details of the amendment are as follows:

Before the amendment	After the amendment
(Total Number of Authorized Shares) Article 6. The total number of authorized shares to be issued by the Company shall be 140 million shares.	(Total Number of Authorized Shares) Article 6. The total number of authorized shares to be issued by the Company shall be 700 million shares.

(c) Schedule of amendment

Effective date of amendment of the articles of incorporation: April 1, 2024

Execution of capital and business alliance agreement and issuance of new shares through third-party allotment

At the meeting of the Board of Directors held on May 14, 2024, the Company resolved to enter into a capital and business alliance ("Capital and Business Alliance") with Marubeni Corporation ("Marubeni"), and to issue new shares through third-party allotment (the "Capital Increase by Third-Party Allotment") to the planned allottee Marubeni and Mizuho Financial Group Inc. ("Mizuho FG").

On the same date, the Company executed an agreement for a capital and business alliance and issued new shares with a payment date of June 18, 2024.

(1) Outline of the Capital and Business Alliance

(a) Details of the business alliance, etc.

In order to further improve the corporate value of the two companies, the Company and Marubeni will discuss collaboration in a wide range of areas, without geographical or business sector limitations, through active personnel exchange and establishing sales alliance structures at the company-wide level.

Specific discussions have already begun regarding areas such as environment and energy, real estate, aircraft and vessel, information and logistics, and XaaS in Japan and overseas. In addition to the above, the Company and Marubeni will also strive to create new value in a wide range of areas by combining their respective client networks, business development and operational know-how, technologies, etc.

Marubeni may, upon request from the Company, recommend director candidates to the Company. However, the Company is not obliged to nominate that person as a director candidate.

(b) Details of the capital alliance, etc.

In order to materialize the effects of the business alliance as soon as possible, Marubeni subscribed for a part of the Capital Increase by Third-Party Allotment and also acquired the common stock of the Company held by existing shareholders through an off-market bilateral transaction. As a result, Marubeni owns 20.00% of the total outstanding shares of the Company after the Capital Increase by Third-Party Allotment, including its existing shareholding. The Company became an associated company accounted for under the equity method of Marubeni.

(2) Outline of the offering for issuance of new shares through the Capital Increase by Third-Party Allotment

(a) Payment date	June 18, 2024
(b) Number of new shares to be issued	37,646,300 shares of Common stock
(c) Issue price	Issue price per share of ¥1,107 ($7) Total issue price of ¥41,674,454,100 ($275,260,595)
(d) Amount of funds to be raised	¥41,308,454,100 ($272,843,158) (Estimated amount of net proceeds)
(e) Amount to be incorporated into stated capital	Amount to be incorporated into stated capital: ¥553.50 ($3.66) per share Aggregate amount to be incorporated into stated capital: ¥20,837,227,050 ($137,630,298)
(f) Method of allotment	The following shares were allotted by way of third-party allotment to: Marubeni 28,785,800 shares Mizuho FG 8,860,500 shares

Corporate Information/Stock Information

Corporate Profile (As of March 31, 2024)

Company Name	Mizuho Leasing Company, Limited
Head Office	2-6 Toranomon 1-chome, Minato-ku, Tokyo 105-0001, Japan Tel: +81-3-5253-6511 (main exchange)
Date of Establishment	December 1, 1969
Paid-in Capital	¥46,925.26 million
Number of employees	Consolidated: 2,176; Non-consolidated: 811
Business Description	Integrated financial services

Business Sites (As of June 30, 2023)

Head Office	2-6 Toranomon 1-chome, Minato-ku, Tokyo 105-0001 +81-3-5253-6511
Sapporo Branch	1-44, Kita 3-jo Nishi 3, Chuo-ku, Sapporo, Hokkaido 060-0003 +81-11-231-1341
Sendai Branch	4-1, Ichiban-cho 2-chome, Aoba-ku, Sendai, Miyagi 980-0811 +81-22-223-2611
Corporate Business Dept. (Metropolitan Area No. 2)	65-2, Naka-cho 2-chome, Omiya-ku, Saitama, Saitama 330-0845 +81-48-631-0751
Toyama Branch	5-13, Sakurabashi-dori, Toyama, Toyama 930-0004 +81-76-444-1080
Shizuoka Branch	5-9, Miyuki-cho, Aoi-ku, Shizuoka, Shizuoka 420-0857 +81-54-205-3330
Nagoya Branch	11-11, Nishiki 1-chome, Naka-ku, Nagoya, Aichi 460-0003 +81-52-203-5891
Kyoto Branch	659, Tearaimizu-cho, Nishikikozi-agaru, Karasuma-dori, Nakagyo-ku, Kyoto, Kyoto 604-8152 +81-75-223-1545
Osaka Business Dept.	1-1, Koraibashi 4-chome, Chuo-ku, Osaka, Osaka 541-0043 +81-6-6201-3981
Hiroshima Branch	1-22, Kamiyacho 2-chome, Naka-ku, Hiroshima, Hiroshima 730-0031 +81-82-249-4435
Takamatsu Branch	6-8, Bancho 1-chome, Takamatsu, Kagawa 760-0017 +81-87-823-7321
Fukuoka Branch	13-2, Tenzin 1-chome, Chuo-ku, Fukuoka, Fukuoka 810-0001 +81-92-714-5671

Management (As of July 1, 2024)

Directors	Director and Chairman (Chairman of the Board)	Shusaku Tsuhara
	President and CEO	Akira Nakamura
	Deputy President	Hiroshi Nagamine
	Deputy President	Mutsumi Ishizuki
	Senior Managing Director	Masahiko Abe
	Managing Director	Noboru Otaka
	Independent Outside Director	Naofumi Negishi
	Independent Outside Director	Mari Sagiya
	Outside Director	Hajime Kawamura
	Independent Outside Director	Takayuki Aonuma
	Independent Outside Director	Hirozumi Sone
	Independent Outside Director	Natsumi Watanabe
Corporate Auditors	Standing Audit & Supervisory Board Member	Hidehiko Kamata
	Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Koji Arita
	Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Shingo Suwabe
	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Hideki Amano

Executive Officers

Senior Managing Executive Officer	Takanori Nishiyama	Executive Officers	Kunihiro Mio
Managing Executive Officers	Toshiyuki Takezawa		Koki Minami
	Masanobu Kobayashi		Nobufusa Takeuchi
	Nobuhisa Zama		Naoto Moriya
	Takashi Yamada		Masashi Takahata
	Yasuhiko Hashimoto		Naoyuki Machinaga
	Kazuomi Funakawa		Ryuji Fujiwara
	Kensuke Sato		Taketo Imai
	Hirohide Ishiyama		Masato Matsui
	Norio Sumi		Kenji Wakui
	Hiroyuki Kudo		Toshiya Matsuo
	Akira Kinoshita		Yoichi Ninomiya
	Takashi Yao		Hiroya Uchimura
	Akira Tanaka		Toshihiko Moriya

Stock Information (As of March 31, 2024)

Number of Shares Authorized 140,000,000

(Note) Pursuant to a resolution of the Board of Directors held on November 8, 2023, the Company amended its Articles of Incorporation in accordance with a stock split effective April 1, 2024, increasing the total number of authorized shares by 560,000,000 shares to 700,000,000 shares.

Number of Shares Issued 49,002,719 (excluding treasury stock)

(Notes) 1. As a result of a resolution passed at the Board of Directors meeting held on November 8, 2023, the Company conducted a stock split at a ratio of 5 shares for each common share on April 1, 2024,the total number of issued shares increased by 196,016,000 shares to 245,020,000 shares.
2. In addition, as a result of a third-party allotment of new shares with a payment due date of June 18, 2024, the total number of issued shares increased by 37,646,300 shares to 282,666,300 shares.

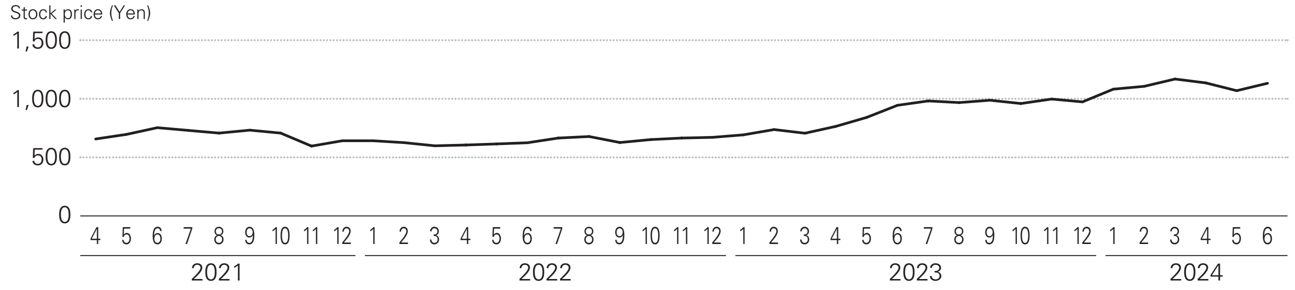
Number of Shareholders	61,992
Stock Exchange Listing	Tokyo Stock Exchange, Prime Market
Securities Code	8425
Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd.
(Office Location)	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Major Shareholders (Top 10)

Shareholders	Number of Shares Held (1,000 shares)	Shareholding Ratio (%)
Mizuho Financial Group, Inc.	11,283,600	23.03
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,151,400	8.47
Marubeni Corporation	2,157,500	4.40
RICOH LEASING COMPANY, LTD.	1,500,000	3.06
The Dai-ichi Life Insurance Company, Limited	1,465,000	2.99
Custody Bank of Japan, Ltd. (Trust Account E)	1,302,100	2.66
DOWA HOLDINGS CO., LTD.	1,120,000	2.29
Meiji Yasuda Life Insurance Company	1,001,400	2.04
IINO KAIUN KAISHA, LTD.	666,000	1.36
Custody Bank of Japan, Ltd. (TOSHIBA CORPORATION Retirement Benefit Trust Account re-entrusted by the Mitsui Sumitomo Trust & Banking Co., Ltd.)	600,000	1.22

(Note) The shareholding ratio is calculated excluding treasury stock (1,281 shares). Note that treasury stock does not include 379,900 shares acquired through the Stock Benefit Trust (BBT-RS).

Stock Performance



(Note) On April 1, 2024, the company split its common stock at a ratio of 5 for 1. The above share price has been retroactively adjusted to take into account the stock split.

Major Group Companies (As of June 30, 2024)

<Consolidated Subsidiaries>

Company Name	Location	Paid-in Capital or Investment Business	Activity	Ownership
Dai-ichi Leasing Co., Ltd.	Japan	¥2,000 million	General leasing	90%
Mizuho-Toshiba Leasing Company, Limited	Japan	¥1,520 million	General leasing	90%
ML Estate Company, Limited	Japan	¥10 million	Real estate leasing	100%
Mizuho Auto Lease Company, Limited	Japan	¥386 million	Auto leasing	100%
Universal Leasing Co., Ltd.	Japan	¥50 million	General leasing	90%
MIRAIZ CAPITAL Co., Ltd.	Japan	¥15 million	Financing	100%
ML Shoji Company, Limited	Japan	¥310 million	Used equipment sales	100%
ML Office Service Company, Limited	Japan	¥10 million	Office services	100%
ML Power Company, Limited	Japan	¥10 million	Environment and Energy	100%
Mizuho Leasing (China) Ltd.	China	US$30,000 thousand	General leasing	100%
Mizuho Leasing (Singapore) Pte. Ltd.	Singapore	US$50,000	General leasing	100%
PT Mizuho Leasing Indonesia Tbk	Indonesia	IDR568,735,399 thousand	General leasing	67%
Rent Alpha Pvt. Ltd.	India	INR3,050 thousand	General leasing	55%
Capsave Finance Pvt. Ltd.	India	INR189,620 thousand	General leasing	55%
Mizuho Leasing (UK) Limited	United Kingdom	GBP6,000 thousand	General leasing	100%
IBJ Air Leasing (US) Corp.	USA	US$100	Aircraft leasing	75%
IBJ Air Leasing Limited	Bermuda	US$1	Aircraft leasing	75%

28 other companies

<Equity method affiliates>

Company Name	Location	Paid-in Capital or Investment Business	Activity	Ownership
Mizuho Marubeni Leasing Corporation	Japan	¥4,390 million	General leasing	50%
RICOH LEASING COMPANY, LTD.	Japan	¥7,896 million	General leasing	20%
Nippon Steel Kowa Real Estate Co., Ltd.	Japan	¥19,824 million	Real Estate	22%
Mizuho Capital Co., Ltd.	Japan	¥902 million	Financing	15%
GECOSS CORPORATION	Japan	¥4,397.5 million	Temporary construction materials	20%
Krungthai Mizuho Leasing Co., Ltd.	Thailand	THB100,000 thousand	General leasing	49%
PLM Fleet, LLC	USA	US$72,933 thousand	Trailer Leasing	50%
Aircastle Limited	Bermuda	US$178	Aircraft leasing	25%
Vietnam International Leasing Co., Ltd.	Vietnam	VND580,000 million	General leasing	18%
Affordable Car Leasing Pty Ltd	Australia	AUD40 million	Financing	50%

1 other company

Link to Annual Report of Mizuho Leasing Company, Limited
https://www.mizuho-ls.co.jp/en/ir/library/securities.html

Mizuho Leasing Company, Limited
2-6 Toranomon 1-chome, Minato-ku, Tokyo 105-0001, Japan
https://www.mizuho-ls.co.jp/en/index.html