



NEC Capital Solutions Limited

# INTEGRATED REPORT 2025



- Publication  
January 2026 (Published annually)
- Contact IR & PR Department for inquiries  
about the report

### Cover Artwork: **Asu eno Omoiari** by Yamazaki

We sponsor Paralymp Art, an initiative supporting artists with disabilities to enable their dreams to come true through art. Employees voted to select the piece above based on two themes: (1) “Company,” which means a business organization and a group of colleagues (partners) that shares the same values (page 9) as outlined in our Group Vision 2030, “Be a solution company leading the next-generation circular economy;” and (2) the new sense of “solidarity” of the Group following the change in major shareholders in October 2024.

This piece of artwork, in which the warm-hued earth gently embraces society and nature, not only evokes a sense of unity that is characteristic of the Group, but also overlaps with our corporate philosophy of “Helping Societies Advance.”



Paralymp Art Office,  
SHOUGAISHA  
JIRITSU SUISHIN KIKOU  
ASSOCIATION

# NEC Capital Solutions, - From Here. From Now.

Helping Societies Advance through “Capital Solutions”  
 This corporate philosophy inspires us  
 To pursue our vision:  
 “Be a solution company leading the next-generation circular economy.”  
 To walk with society,  
 And to create shared value together(CSV: Creating Shared Value).

In October 2024, NEC Capital Solutions became part of the SBI Shinsei Bank Group.

We will continue to face our customers’ issues  
 and address the concerns of society head-on.

Because we believe:  
 small steps matter. Small steps become progress.  
 And progress becomes the future.  
 The SBI Shinsei Bank Group brings innovation,  
 financial strength, and a diverse base of customers.  
 Together, these strengths help us carry each step  
 further, wider, deeper — as new possibilities for society.

With the trust built with NEC,  
 and the innovation of the SBI Shinsei Bank Group at our back,  
 we accelerate — with all of our stakeholders.  
 From here. From now. Each step may be small.  
 Yet each step is sure. And with our “Company”, we move forward —  
 believing in the future we will build together.

NEC Capital Solutions Limited  
 President  
 Masaaki Suganuma



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Masaaki Suganuma, President      Katsuya Kawashima, President and Chief  
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### Editorial Policy

Among our management issues and medium- to long-term goals, the booklet contains a report that is focused on crucial information, mainly information on our material issues. To enhance comprehension of the Group, we invite the reader to visit our website.

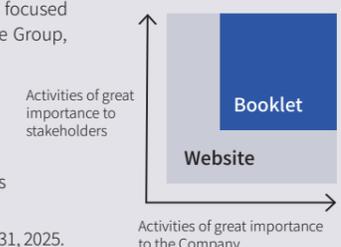
<https://www.necap.co.jp/csv/report/index.html>  
 (available in Japanese only)

### Scope

**Organization:** NEC Capital Solutions Limited and its consolidated subsidiaries and equity-method affiliates

**Period:** Data represent results from April 1, 2024 to March 31, 2025 (including most recent activities)

Our fiscal year ends in March, so “FY2025/3” refers to the period from April 1, 2024, to March 31, 2025.



## Maximizing business synergies through collaboration with the SBI Shinsei Bank Group to achieve sustainable growth and enhance corporate value.

In October 2024, NEC Capital Solutions became part of the SBI Shinsei Bank Group following changes in its major shareholders. What kind of business synergies do NEC Capital Solutions expect to gain through collaboration with SBI Shinsei Bank and its Group companies? What kind of growth scenarios have both companies envisioned for the future? In this section, we speak to President Masaaki Suganuma, and President and Chief Executive Officer Katsuya Kawashima of SBI Shinsei Bank.

(This meeting took place in June 2025 at the head office of NEC Capital Solutions.)

**A wealth of ICT knowledge accumulated through the Leasing Business of NEC products, with a robust customer base comprising of national and local governments**

— **NEC Capital Solutions was founded in 1978 as the financial services company of the NEC Group. Please give us a brief history of the Company to date.**

**Suganuma** At NEC Capital Solutions, we started as a company handling sales finance for NEC products, steadily building our foundations as a manufacturer affiliated leasing company. From around 2003, we expanded our business domain to include ICT services, and were listed on the Tokyo Stock Exchange in 2005.

In 2008, to provide comprehensive financial services alongside our Leasing Business, we changed our name to NEC Capital Solutions Limited. We have expanded our range of solutions regarding finance and real estate, including the conversion of RISA Partners, Inc. into our subsidiary in 2010.

In April 2023, we formulated the Group Vision 2030. We are working toward the realization of the next-generation circular economy by promoting CSV (Creating Shared Value) management and are currently in the middle of the Medium-term Plan 2025 (FY2024/3–FY2026/3), which is the first year of the three-year period of our challenging transformation plan.

We currently operate in four business segments—Leasing Business, Finance Business, Investment Business, and Other Business—and in the fiscal year ended March 31, 2025, the Leasing Business accounted for 44% of the operating income composition ratio\*<sup>1</sup>, the Finance Business for 29%, the Investment Business for 22%, and the Other Business for 5%.



**Masaaki Suganuma**  
President

**Katsuya Kawashima**  
President and Chief Executive Officer of SBI Shinsei Bank

— **What are the current trends in the leasing industry, where does NEC Capital Solutions stand in the industry, and what are its strengths?**

**Suganuma** In FY2025/3, the lease transaction volume across the industry increased 10.7% year on year. Transactions in information and communication equipment, the Company's main leasing business, increased 18.7% year on year, showing a growth rate surpassing that of the industry overall\*<sup>2</sup>. On the other hand, when looking at corporate bankruptcies, although total liabilities in FY2025/3 decreased year on year, the rising number of bankruptcies, primarily among SMEs, is a future risk factor\*<sup>3</sup>.

One of our strengths is the wealth of ICT expertise that we have accumulated through the Leasing Business, with a focus on NEC's ICT equipment. The handling ratio of

ICT equipment accounts for around 80% of our business transactions. Another strength is the solid relationships we have built with the national and local governments leveraging NEC's customer base and technological capabilities, which led to the establishment of a stable sales base. We currently have around 1,800 customers in the national and local governments.

**High business compatibility and complementarity in a collaborative relationship with the SBI Shinsei Bank Group and the potential for further growth and improvements in corporate value**

— **Due to changes in major shareholders, NEC Capital Solutions became a part of the SBI Shinsei Bank Group in October 2024. What is the background to the business and capital alliance and what are the potential challenges?**

**Suganuma** In October 2024, a portion of the Company's shares held by NEC and Sumitomo Mitsui Finance and Leasing Company was transferred to SBI Shinsei Bank, and SBI Shinsei Bank became our largest shareholder.

In our efforts to transition from a manufacturer affiliated leasing company to a financial services company, we have improved our corporate value and established a unique position within the domestic leasing industry. However, to further expand our business areas as a financial services company and achieve sustainable growth, in addition to leveraging the sales channels of the NEC Group, we recognized the need for the sales channels, knowledge, and know-how of a comprehensive financial group, and have explored the potential for new third-party collaborations.

Amid these developments, we realized that working with SBI Shinsei Bank would enable us to accelerate our growth strategies through a highly compatible and complementary partnership while maintaining our financial business partnership with the NEC Group, and in turn further improve our corporate value. We therefore progressed with the relevant discussions.

When I first heard of the idea and discussed it several times, I knew that our different customer bases and product focus areas would lead to a highly complementary business alliance for both parties. Moreover, it was clear to see the sincere and friendly manner of management and various other individuals at SBI Shinsei Bank, while I also felt similarities in our atmospheres and cultures. Accordingly, I held high expectations for the major business collaborations that would result from the changes in our major shareholders.

I also need to explain that the core businesses of our main shareholder, NEC, are in ICT Service Business and Social Infrastructure Business, and it is currently working to concentrate its management resources on these two areas. In light of this, we are determined that aiming for

\*1 The operating profit composition ratio is calculated excluding adjustments for operating profit (company-wide costs not allocated to each segment).

\*2 According to the Japan Leasing Association's "Lease Statistics"

\*3 According to "Bankruptcy Report" on the TEIKOKU DATABANK homepage.

medium- to long-term business growth and improved profitability through collaborations with financial companies with whom we could generate maximum synergies would be the best way forward.

— **What was the objective of SBI Shinsei Bank in acquiring shares of NEC Capital Solutions and making it into an equity-method affiliate?**

**Kawashima** As mentioned by President Suganuma, put simply, it was the complementary business relationship that would stem from our collaboration. One of our Group companies at SBI Shinsei Bank is Showa Leasing, a comprehensive leasing company. However, there is almost no overlap between the business domains and customer bases of Showa Leasing and NEC Capital Solutions.

NEC Capital Solutions has a robust customer base, including government agencies as well as major companies among its main customers. Its strength lies in providing various services that utilize its ICT expertise. On the other hand, Showa Leasing's main customers are SMEs, and to date it has focused on strengthening its businesses in leasing and renting assets in construction equipment and industrial factory equipment fields.

I intuitively sensed the potential of this unique combination and knew that once harmony among employees progresses, the synergistic effects would be massive.

Moreover, with NEC as the mediator, we were able to discuss various matters in a straightforward manner, which in turn enabled the share acquisition and business alliance to progress smoothly.

— **What are your impressions of the personnel and corporate culture at NEC Capital Solutions?**

**Kawashima** Although we are the major shareholder of NEC Capital Solutions with more than 40% of shares, it is not simply our intention to place the Company under the SBI Shinsei Bank Group's umbrella. Rather, our real intention is to utilize our respective strengths to ensure mutual business growth and enhance corporate value.

When we joined the SBI Group, all officers and employees at SBI Shinsei Bank experienced first-hand the challenges that come with combining different cultures, placing us in a position to brace ourselves for this new collaboration with NEC Capital Solutions. Having actually visited the frontline operations and observed our employees' collaboration and mutual consideration, I have a strong sense that our collaboration will be a success.

**Generated collaborative projects leading to business synergies worth 90.0 billion yen in just six months after conclusion of the business alliance, with exponential increases expected in the future**

— **Approximately six months have passed since NEC Capital Solutions became part of the SBI Shinsei Bank Group. Please tell us about your efforts to produce business synergies since the collaboration began.**

**Suganuma** We are proactively progressing with collaboration in areas that leverage each company's strengths, and we have seen excellent results particularly in real estate finance and renewable energy. Due to restrictions specified in the Banking Act, both are areas in which it can be difficult for banks to invest directly or conduct business operations, and as such we have seen remarkable progress in our collaborative projects.

In terms of collaboration with Showa Leasing, we are making progress with multiple initiatives including participation in the formation of a green building development fund, and the cooperative leasing of construction equipment.

Moving forward, we plan to launch full-scale operation of, so-called introduction-based sales, by introducing our ICT asset management services, an area in which we excel, to the clients of SBI Shinsei Bank and Showa Leasing.

**Kawashima** While I'm not sure we can consider this an achievement as it has only been six months since the start of our business and capital alliance, we have already generated business worth around 90.0 billion yen by simply introducing our respective customers and projects to each other as an initial step. In line with this, I anticipate that our collaboration will lead to significant achievements in the future. As such, it is still somewhat premature to highlight our accomplishments.

Due in part to our receipt of public funding<sup>\*4</sup>, it is difficult for SBI Shinsei Bank to engage in businesses that use vast amounts of capital. The nature of our business as a bank is primarily to provide loans to customers and businesses. Conversely, NEC Capital Solutions has capabilities in fields that we could not engage in even if we wanted to, such as equity financing and mezzanine financing. In this sense, our respective functions are highly complementary and are working well together.

That said, the fact that we have achieved so much in just six months suggests that we will see exponential growth in both business and revenue.

— **While interaction among employees is progressing through regular consultative meetings, what other effects have you seen outside of project introductions and collaborations?**

**Suganuma** As I have already mentioned, SBI Shinsei Bank employees have been incredibly genuine and friendly, while they have also been very quick in making decisions and taking action in terms of business. It has been great to see them provide rapid proposals on what NEC Capital Solutions can and should do from our perspective, and I cannot thank them enough for their efforts.

In other areas, we still have a great deal to learn in terms of financial risk management and we have benefited from the advice of SBI Shinsei Bank. We will engage in personnel exchange activities going forward to acquire additional knowledge. At this moment, plans are underway for an employee from Showa Leasing to come and work with us, and from our side, there have been many employees who have expressed their interest to go and work at SBI Shinsei Bank. Sending a large number of employees will of course be difficult, but it would be great if we could engage in some personnel exchange with a limited number of employees.



**One-stop solution for corporate financing needs through the combination of loans and financial services  
Expansion of PFI/PPP business through collaboration**

— **As business partners, what sort of growth scenarios do you envision for the future?**

**Suganuma** As President Kawashima explained, the combination of SBI Shinsei Bank's lending capabilities with our equity and mezzanine financing capabilities will enable us as a Group to provide one-stop solutions to corporate financing needs. Our aim is to use this advantage to win projects and increase revenue.

On the basis of our track record of conducting business with the national and local governments, we have developed the PFI and PPP businesses to provide public services through public-private partnerships. To date, we have built up numerous projects primarily related to regional education business and cultural facilities. The PFI and PPP businesses often involve collaboration with regional banks, and working with SBI Shinsei Bank in this area will enable us to respond to an even wider range of financing needs from regional governments.

While maintaining and developing our business partnership with NEC as before, we will also work with SBI Shinsei Bank to pioneer new markets mainly in financial area. In doing so, we hope to be able to develop into a company with dual specialties.



\*4 As of the end of July 2025, SBI Shinsei Bank has completed repayment of approximately 230.0 billion yen of public funds.

**Kawashima** One of the biggest advantages of the collaboration between NEC Capital Solutions and SBI Shinsei Bank is the fact that we are a bank.

Growing a leasing business naturally requires capital. While borrowing money in a zero-interest-rate environment was relatively easier, rising interest rates aimed at normalizing financial conditions have made it impossible to borrow money without limits at low cost. Moreover, as the shift from savings to investments gains momentum and individuals' capital flows into stock markets, financial institutions are focusing again on collecting deposits.

On the other hand, SBI Shinsei Bank currently has around 15 trillion yen in deposits, allowing us to respond to financing needs in a flexible manner. For NEC Capital Solutions to have a bank as a capital partner is highly significant in supporting its future growth.

In addition, as we aim to further increase our transactions with corporate customers as a bank, the ability to seamlessly offer the outstanding services of NEC Capital Solutions to our customers will have major benefits for the Group.

Also, capital is a prerequisite in the event of restructuring in the leasing industry in the future, and another advantage lies in our ability to provide the relevant financial support.

— **Thank you for your encouraging comment. Could you please describe your commitment to enhance corporate value and achieving sustainable growth for investors.**

**Suganuma** One point that often comes up in our dialogue with investors is our low profitability (capital efficiency). In the fiscal year ended March 31, 2025, our ROE was 5.6%, which is low among companies listed on the Prime Market of the Tokyo Stock Exchange. We therefore recognize the need to make quick improvements.

To help investors recognize our growth, we first aim to produce numerical results by widening our sales channels outside the NEC Group through our collaboration with SBI Shinsei Bank. As part of the "Medium-term Plan 2025," we are targeting an ROE of 8% this fiscal year. We will accelerate various initiatives as we strive to surpass this target and achieve our higher goal of 10%.

**Kawashima** This collaboration will naturally involve us supporting one another's businesses. On the other hand, with a leasing company coming together with a bank that has a different leasing company within its group, the volume of data we handle will increase significantly. As we know, generative AI improves as the volume of training data increases. I also hope to work with NEC Capital Solutions in the area of data utilization.

I speculate about what kind of leasing needs and views corporate customers have regarding lending. I look forward to leveraging our combined data to create new strategies and opportunities for new proposals.

**Suganuma** Thank you for your time today. We look forward to working with you and will continue to do everything in our power to meet your expectations.



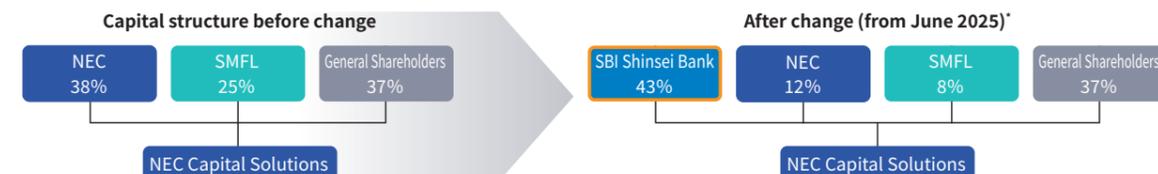
Masaaki Suganuma  
President

Katsuya Kawashima  
President and Chief Executive Officer of SBI Shinsei Bank

## SBI Shinsei Bank became the largest shareholder

In October 2024, NEC Capital Solutions became an equity-method affiliate of SBI Shinsei Bank, Limited (hereinafter, "SBI Shinsei Bank"). SBI Shinsei Bank acquired a portion of the shares held by NEC Corporation (hereinafter, "NEC"), which was the largest shareholders then, and Sumitomo Mitsui Finance and Leasing Company (hereinafter, "SMFL"). Subsequently, SBI Shinsei Bank acquired additional shares of the Company in June 2025, bringing its shareholding ratio to 43%. NEC continues to hold 12% and SMFL 8% of the Company's shares.

As the SBI Shinsei Bank Group has a customer base and many financial functions that we did not have access to before, we will carry out activities aimed at creating business synergies to expand our customer base and revenue opportunities. We also entered into a business collaboration agreement, etc. with NEC, and will continue to work closely with NEC as a business partner to achieve Medium-term Plan 2025 and Group Vision 2030.



### Major press releases, etc.

Date	Key details and URLs of related press releases, etc.
Jul. 12, 2024	<ul style="list-style-type: none"> <li>SBI Shinsei Bank announced the acquisition of shares from NEC and SMFL</li> <li>Entered into a basic agreement on a business collaboration with SBI Shinsei Bank and Showa Leasing Co., Ltd.</li> <li>Entered into a business collaboration agreement, etc. with NEC <a href="https://pdf.irpocket.com/C8793/k9D3/M6Qe/llMp.pdf">https://pdf.irpocket.com/C8793/k9D3/M6Qe/llMp.pdf</a></li> </ul>
Sep. 30, 2024	<ul style="list-style-type: none"> <li>Entered into a business collaboration with SBI Shinsei Bank and Showa Leasing Co., Ltd. <a href="https://pdf.irpocket.com/C8793/n85z/r17y/X0UL.pdf">https://pdf.irpocket.com/C8793/n85z/r17y/X0UL.pdf</a></li> </ul>
Oct. 2, 2024	<ul style="list-style-type: none"> <li>Change in major shareholders completed, with SBI Shinsei Bank becoming the largest shareholder holding 33.32% of the Company's shares (transferred from the NEC Group to the SBI Shinsei Bank Group) <a href="https://pdf.irpocket.com/C8793/n85z/r17y/g4ds.pdf">https://pdf.irpocket.com/C8793/n85z/r17y/g4ds.pdf</a></li> </ul>
Dec. 12, 2024	<ul style="list-style-type: none"> <li>Held an Extraordinary General Shareholders' Meeting. An outside director was appointed from SBI Shinsei Bank following the resignation of an outside director from NEC. The Company shifted to a new structure following a resolution at the General Shareholders' Meeting</li> </ul>
May 26, 2025	<ul style="list-style-type: none"> <li>SBI Shinsei Bank announced its intent to acquire additional shares of the Company (tender offer) <a href="https://pdf.irpocket.com/C8793/hZTq/XLrP/AA53.pdf">https://pdf.irpocket.com/C8793/hZTq/XLrP/AA53.pdf</a></li> </ul>
Jun. 24, 2025	<ul style="list-style-type: none"> <li>SBI Shinsei Bank acquired 43.48% of the Company's shares <a href="https://pdf.irpocket.com/C8793/OtX6/MlSh/TBzJ.pdf">https://pdf.irpocket.com/C8793/OtX6/MlSh/TBzJ.pdf</a></li> </ul>

## Business collaboration with SBI Shinsei Bank and Showa Leasing

Following a change in major shareholders, etc. in October 2024, we entered into a basic agreement on business collaboration with SBI Shinsei Bank and Showa Leasing Co., Ltd. (Chuo-ku, Tokyo; President and CEO: Shinsuke Yasuyama; hereinafter, "Showa Leasing"), a consolidated subsidiary of SBI Shinsei Bank.

Showa Leasing, a consolidated subsidiary of SBI Shinsei Bank, has small and medium-sized enterprises (SMEs) as its main customers. In 2019, it acquired Shinko Lease (currently Shinsei Kobelco Leasing) as a subsidiary, and has been working to strengthen its asset business in the construction equipment and industrial machine tools fields, establish a ZEH (Net Zero Energy House) housing development fund and green building development fund, and expand real estate (building) leasing operations.

Showa Leasing has a different customer base and strengths from the Company, which mainly serves the government agencies and large corporations, and excels in services that utilize ICT. Going forward, by promoting collaboration and cooperation, we will further accelerate both companies' profitability and the advancement of

sustainability management by promoting collaboration and partnership going forward.

## Synergies with the SBI Shinsei Bank Group

Since the conclusion of the business collaboration agreement in October 2024, our collaboration with the SBI Shinsei Bank Group has been steadily gaining momentum through regular consultative meetings. In the fiscal year ended March 31, 2025, the scale of collaboration under consideration reached approximately 90.0 billion yen (as of April 2025). We steadily accumulated operating assets in fields such as real estate finance, renewable energy, and structured finance. Several projects are still in the execution stage, and the highly effective results of our collaboration are beginning to emerge.

In addition, as discussions are already underway on a number of pipeline projects and strategic themes for the fiscal year ending March 31, 2026, we expect our collaboration to produce further benefits. The two companies plan to further strengthen the collaboration in order to maximize business synergies over the medium- to long-term.

# Aiming to build a next-generation circular economy where every employee contributes to society through

# economy where every our business

Leasing enables the collection and reuse of used products and the recycling of resources. We aim to contribute to society through our business and realize a next-generation circular economy. The next-generation circular economy that we envision for 2030 and beyond, not only simply reducing environmental impact through a better resource efficiency, but also it describes a society where resources are continuously reused and where new value is created through this circular process. Our Group will continue to innovate capital solutions to develop and deliver a wide range of circular economy-oriented services.



## Helping Societies Advance through “Capital Solutions\*”

\* Capital Solutions: The Company's own term referring to the provision of solutions (“Solutions”) for a wide range of issues related to customers' managerial resources (“Capital”).

## Be a solution company\* leading the next-generation circular economy

\* “Company” means a business organization and a group of colleagues (partners) that shares the same values.

- Business activities**
  - Promotion of decarbonized society and circular economy
  - Promotion of establishment of social and ICT infrastructure
  - Creation of new services and businesses to resolve social issues
- Management foundation**
  - Investment in human capital
  - Pursuit of corporate governance that supports improved corporate value
- Advance (Co-creation with customers)**

Take up the challenge of strengthening and developing services and creating new businesses, while continuing to resolve issues for customers and society.
- Deepen (Deepen relationships with customers)**

Improve the quality of operations through IT utilization and digitalization, and build solid relationships of trust with customers.
- Update (Corporate culture)**

Each individual employee embraces diversity and makes the most of their own potential.
- True value (Corporate value)**

Aim to improve corporate value continuously by creating social value and economic value.

## ● Image of the “next-generation circular economy”



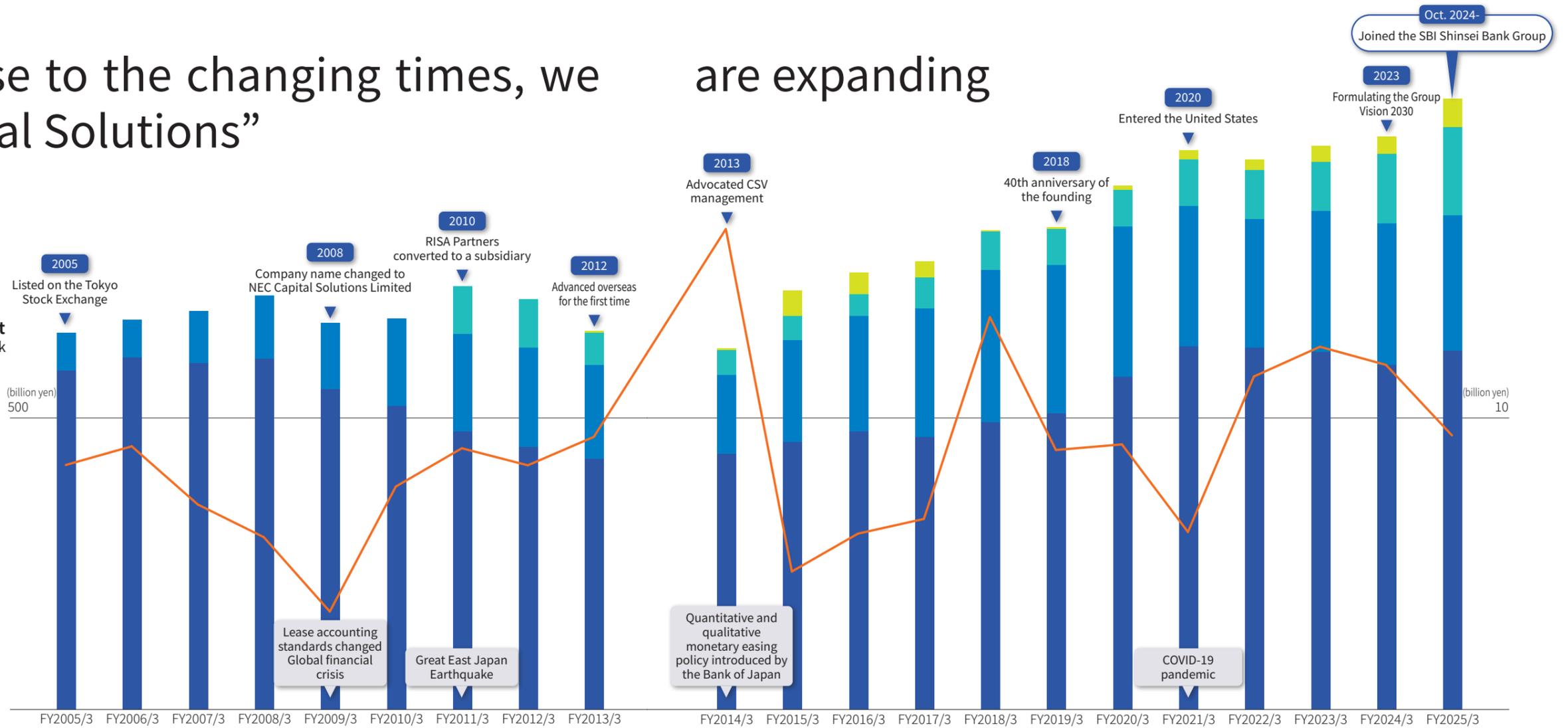
# In response to the changing times, we our “Capital Solutions”

# are expanding

## Trends in operating asset balance and ordinary profit (after listing on the Tokyo Stock Exchange in 2005)

- Operating asset balance (left axis) (billion yen)
- Leasing Business (formerly, Leasing and Installment Sales Business)
- Finance Business (formerly, Loan Business)
- Investment Business (formerly, RISA Business)
- Other Business
- Ordinary profit (right axis)

\* In connection with the revision of reportable segments, the data presented was retrospectively modified for the segments after the revision for the period from the fiscal year ended March 31, 2017 to the fiscal year ended March 31, 2021.



**Business topics**

- Established in 1978** as a company that takes on a sales finance function for NEC products. Steadily growing our transaction volume centered on the leasing of NEC products, we settled into a role as a manufacturer affiliated leasing company.
- Pursued our growth potential** and distinctive character on the occasion of listing on the Tokyo Stock Exchange. Accumulated our ICT expertise by advancing our unique efforts, such as the diversification of products we handled and the life cycle management service of ICT equipment.
- Expanded our efforts for financial services** with the aim of shifting to higher value-added business, and changed the company name to NEC Capital Solutions. Enhanced solutions to a broad range of sophisticated finance by promoting multifaceted business activities, including the conversion of RISA Partners into a subsidiary.
- Developed a Group Vision in 2013** that expresses what we aspire to be in 10 years. We have been aiming to achieve CSV management that solves societal issues through our business by providing services that combine the strengths of the Group.
- Since formulating the Group Vision 2030 in April 2023**, we have been practicing CSV management with the aim of realizing a next-generation circular economy.
- Joined the SBI Shinsei Bank Group in October 2024.** We will promote transformation toward realizing sustainable growth by making the most use of the SBI Group’s customer base, financial ecosystem, and pioneering functions.

**Sustainability topics**

<p>1999 Acquiring ISO 14001 environmental management systems (EMS) certification</p>	<p>2004 Receiving prize for excellence in environmental management, the “2nd Japanese Environmental Management Grand Prize” of Mie Prefecture</p> <p>2006 Acquiring ISO/IEC 27001 certification, an international standard for information security management system (ISMS)</p> <p>2007 Launch of Waku-waku (exciting) Children’s Pond Project, a biotope construction, social action program</p> <p>Information website for Waku-waku (exciting) Children’s Pond Project <a href="https://www.necap.co.jp/company/biotop/index.html">https://www.necap.co.jp/company/biotop/index.html</a> (available in Japanese only)</p>	<p>2010 Election of independent director</p> <p>2011 Business Continuity Plan (BCP) formulation</p> <p>2012 Launch of environmental/restoration support syndicated loans (terminated in 2018)</p>	<p>2013 Top prize awarded for both “the 15th Green Purchasing Grand Award” competition and “the Minister of Environment Prize” competition</p> <p>2018 Quality Management System (QMS) ISO 9001 certification obtained</p>	<p>2020 Acquiring PrivacyMark</p> <p>2022 Issuing sustainability bonds (for the first time)</p> <p>Acquiring certification as a DX-certified operator (for the first time)</p> <p>Announcing support for the Task Force on Climate-Related Financial Disclosures (TCFD)</p> <p>2023 Carbon Neutrality Commitment Recognized as a Health &amp; Productivity Management Outstanding Organization (for the first time)</p>
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# The “capital solutions” Shinka we have

The phrase “capital solutions,” as seen in our Company name, is our own expression that signifies provision of solutions to a wide range of management issues centered on the capital (management resources) of our customers. We introduce innovations to capital solutions based on three main solution areas.

Capital Solutions	Characteristics
<p><b>Vendor finance</b></p> <p>Based on the sales finance and business know-how cultivated in the NEC Group through business with the government agencies, we offer finance programs to various manufacturers and distributors, and help them strengthen their sales capabilities. We also promote the launch of joint ventures with manufacturers and distributors.</p>	<p><b>Business with the government agencies</b> (Average for the past 3 years)</p> <p>Approx. 60%</p> <p><b>Ratio of NEC sales channels</b> (Average for the past 3 years)</p> <p>Approx. 60%</p>
<p><b>ICT/professional services</b></p> <p>Leveraging our strengths in handling a large number of ICT equipment, we are engaged in an ICT-related service business that provides one-stop support for the entire life cycle of ICT assets, ranging from procurement and deployment to operation, removal, and disposal.</p>	<p><b>Ratio of ICT equipment handled*</b> (Average for the past 3 years)</p> <p>Approx. 80%</p> <p><b>Recycling rate of ICT equipment</b></p> <p>More than 98%</p>
<p><b>Financial products</b></p> <p>Based on our broad range of financial solutions capabilities, including those of the SBI Shinsei Bank Group, we provide financial services focusing on investment and loan, as well as advisory services in various fields including real estate, corporate firms, infrastructure, healthcare, overseas business, renewable energy, ventures, and receivables.</p>	<p><b>Broad range of financial solutions</b></p> <p>SBI 新生銀行, RISA PARTNERS INC., NVenture Capital, NCS RE Capital</p>

# cultivated continues.

## Leasing Business

Operating profit **4.4 billion yen**

### Main characteristics

- Having grown together with NEC, we have a customer base that includes the government agencies, and large corporations. We have strengths in the handling of ICT equipment, which account for about 80% of our leases.
- The leasing business accounts for roughly 60% of our operating assets, serving as our stable source of revenue.

## Finance Business

Operating profit **2.9 billion yen**

### Main characteristics

- We provide business loans, and conduct factoring and securities investments aimed at generating dividend revenue, among other operations. Revenue fluctuates due to the sale of securities, the recording of credit costs, etc.
- We are actively replacing our operating assets to increase profitability. The volume of short-term factoring is decreasing as a result.

## Investment Business

Operating profit **2.2 billion yen**

### Main characteristics

- In addition to investing in business ventures, we operate businesses such as the asset, real estate and advisory services businesses handled by RISA Partners, our consolidated subsidiary. While profit margins are high due to the sale of investees, etc., volatility tends to be high.
- We are working to acquire operating assets with the aim of securing stable source of revenue.

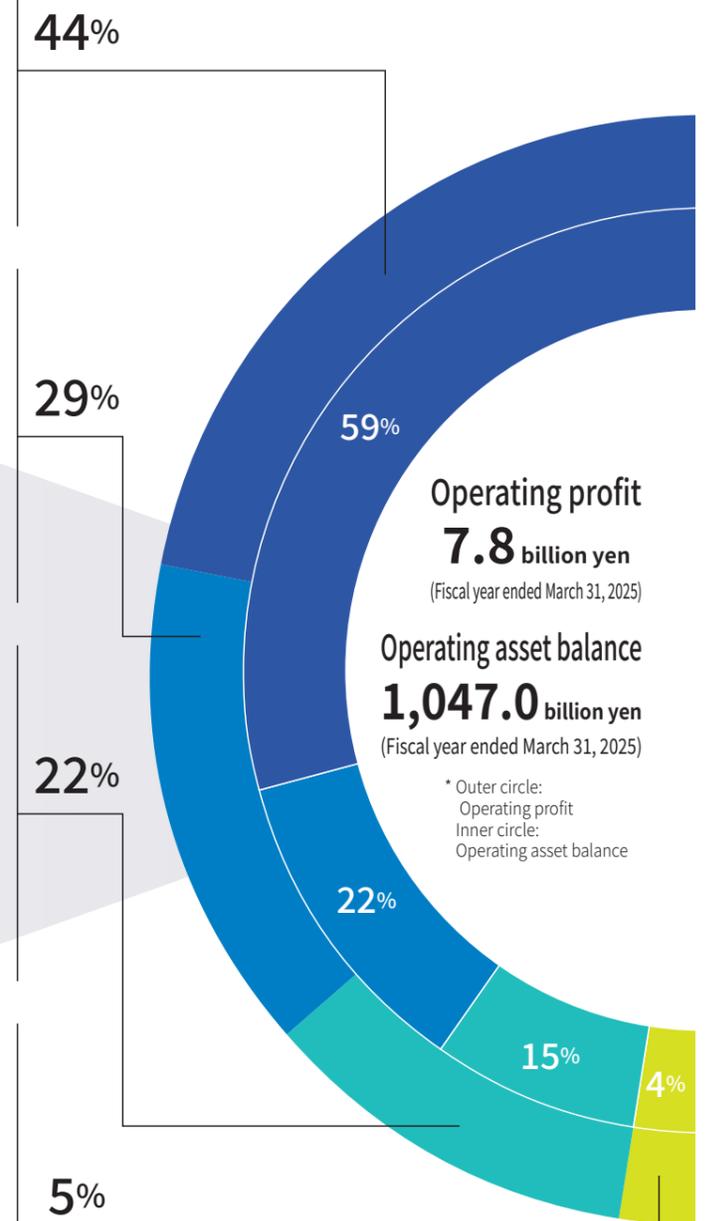
## Other Business

Operating profit **0.5 billion yen**

### Main characteristics

- In addition to revenue from real estate-related businesses such as the renewable energy power generation and healthcare warehousing businesses conducted by consolidated subsidiary NCS RE Capital Limited (hereinafter, “NCS RE Capital”), we record commission income, such as from PFI and PPP business and corporate advisory services.
- In real estate-related operations, assets are predominantly held for sale. PFI and PPP business, corporate advisory services, etc. do not involve holding assets.

## Business Segments



\* The operating profit composition ratio is calculated excluding adjustments for operating profit (company-wide expenses not allocated to each segment).

# We practice CSV\*<sup>1</sup> management to solve social issues by creating and providing “circular economy-oriented” services

Group vision **Be a solution company leading the next-generation circular economy**

### Input

(as of the end of March 2025)

#### Financial capital

Operating asset balance  
**1,047.0 billion yen**

Kept the highest-ever level as we did in the previous fiscal year

Equity ratio  
**9.9%**

#### Human capital

Number of employees (consolidated)  
**860**

A distance that enables employees to recognize each other

Percentage of mid-career employees and female employees (non-consolidated)  
**Approx. 50% and Approx. 40%**

Corporate culture based on extensive diversity

#### Social relations capital

Number of the public-sector customers  
**Approx. 1,800**

Stable customer base

Network of RISA Partners, Inc.  
**Approx. 180**

Strong relations with local financial institutions

Collaboration with SBI Shinsei Bank  
**43%\***

Broad range of financial solutions of the SBI Group

Collaboration with NEC  
**12%\***

Strategic partnership with NEC

Orchestrating a brighter world

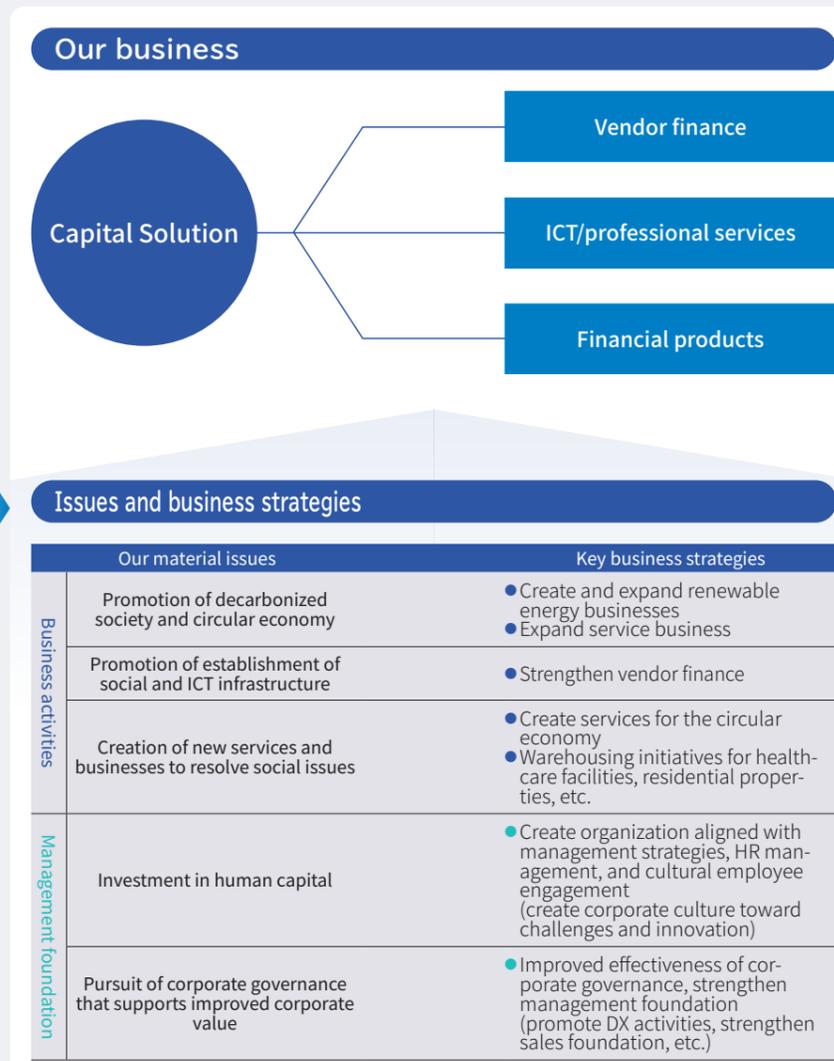
#### Intellectual capital

Ratio of ICT equipment handled (Average for the past 3 years) (component ratio of contracts executed by equipment in the Leasing Business)  
**Approx. 80%**

Wealth of knowledge on ICT equipment

Ratio of NEC sales channels (Average for the past 3 years) (component ratio of contracts executed by purchaser in the Leasing Business)  
**Approx. 60%**

Our vendor finance function honed over many years



Medium-term Plan 2025

### Output

#### Economic Value

Improved stock price, brand recognition, and brand power  
Improved profitability

Medium-term Plan 2025 Targets (FY2026/3)

Profit attributable to owners of parent  
**10.0 billion yen**

ROA  
**0.9%**

ROE  
**8%**

#### Social Value

Contribute to the achievement of SDGs

- Value creation, business model reforms
- Response to climate change and biodiversity

### Next-generation circular economy

(The society we envision in 2030)

- Progress with efforts to achieve the SDGs
- A super-smart society brought by Society 5.0\*<sup>2</sup>
- New value creation through DX and business model reforms
- Increased demand for environmental considerations
- Cyclical use of resources, a circular economy

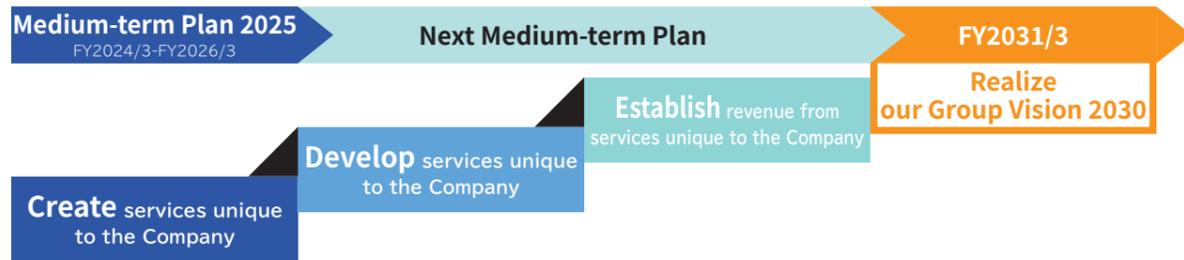
\*1 CSV stands for Creating Shared Value. It is a business strategy framework that was advocated by Michael Porter, an American business scholar, in 2006. It means achieving a balance between activities to earn economic profit and the creation of social value (= solving social issues).

\*2 Society 5.0: A human-centered society that balances economic development with the resolution of social problems by a system that highly integrates cyberspace and physical space. This refers to a new society following the hunting society (Society 1.0), agricultural society (Society 2.0), industrial society (Society 3.0), and information society (Society 4.0). The Cabinet Office advocates Society 5.0 as a future society that Japan should aspire to.

\*3 Provisional voting rights ratio taking into account the additional acquisition of the Company's shares by SBI Shinsei Bank in June 2025

# Medium-term Plan 2025

## Road map to realizing our Group Vision



### Positioning of Medium-term Plan 2025

- The first three years, during which we will take on challenges to transform ourselves in order to realize the next-generation circular economy set forth in the Group Vision
- Aim to create “circular economy-oriented” services that are unique to the Company to practice CSV management and achieve a next-generation circular economy

## Strategic framework of Medium-term Plan 2025

The Medium-term Plan 2025 is aimed at improving profitability through a four-quadrant strategy matrix of markets (existing/new) and products (existing/new). The strategy also reflects the material issues of our business activities and management foundation.

## Strategy overview and key progress of the current fiscal year

Our material issues	Strategy	Key initiatives	Progress of the current fiscal year	
			Business activities	Management foundation
Promotion of decarbonized society and circular economy	<b>Business Strategy (I)</b> <b>Expand service business and create new “circular economy-oriented” services</b> We will create new services and develop new markets in order to realize the “next-generation circular economy” set forth in the Group Vision.	<ul style="list-style-type: none"> <li>Enhancement of existing services and businesses (renewable energy power generation, warehousing, IT asset management, PFI, tourism, and other businesses) → P.19</li> <li>Create new “circular economy-oriented” services                             <ul style="list-style-type: none"> <li>Create services leading to cyclical use of products</li> <li>Create services leading to virtuous circle for local economies and societies → P.21</li> <li>Create services leading to virtuous circle for corporate growth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Warehousing business                             <ul style="list-style-type: none"> <li>Expanded rental residence business with developers, began leasing under the “CLARITIA” brand → P.20</li> </ul> </li> <li>Renewable energy power generation                             <ul style="list-style-type: none"> <li>Increased opportunities to acquire power source development and secondary projects through expansion of partners → P.28</li> </ul> </li> <li>Circular economy-oriented business                             <ul style="list-style-type: none"> <li>Developed a service that provides refurbished PCs that come with a manufacturer’s warranty using products previously used as lease/rental products, and began full-scale sales activities. → P.22</li> </ul> </li> </ul>	Business activities
Promotion of establishment of social and ICT infrastructure	<b>Business Strategy (II)</b> <b>Accelerate growth through strategic investment in core businesses</b> We will increase revenue through initiatives aimed at new markets by developing and strengthening our existing Leasing Business (rental) and Finance Business.	<ul style="list-style-type: none"> <li>Expand scale of business through high added value for ICT-related services → P.21                             <ul style="list-style-type: none"> <li>Enhancement of services related to PC-LCM*1 through system tie-ups with customers and vendors and strengthening of planning functions, expansion of rental services, BPO*2 and consulting services</li> </ul> </li> <li>Expand and refine scope for financial products in Japan and overseas → P.19                             <ul style="list-style-type: none"> <li>Expand financial product and investment targets, with a focus on investments/loans and advisory services, and increase revenue and profit</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>ICT services area                             <ul style="list-style-type: none"> <li>Increased profitability by providing added value through collaboration with external vendors and in-house service development to meet customer needs, including for LCM services and others</li> </ul> </li> <li>Corporate finance area                             <ul style="list-style-type: none"> <li>Accumulated LBO mezzanine financing projects and acquired origination projects</li> <li>Strengthened monitoring functions and management structure</li> </ul> </li> <li>RISA Partners                             <ul style="list-style-type: none"> <li>Expanded domestic finance initiatives</li> <li>Developed overseas real estate business, primarily in Southeast Asia</li> <li>Accumulated income assets and established a revenue base to cover fixed costs → P.20</li> </ul> </li> </ul>	Business activities
Creation of new services and businesses to resolve social issues	<b>Business Strategy (III)</b> <b>Strengthen vendor finance and expand customer base</b> By providing high value-added services based on the existing Leasing and Finance Business, we will promote the deepening of transactions with existing customers and improve profitability. → P.21	<ul style="list-style-type: none"> <li>Provide capital solutions aligned with vendors and customers</li> <li>Improve profitability and create revenue opportunities by strengthening relationships with vendors</li> <li>Cultivate transactions by developing and offering solutions for customers’ issues</li> </ul>	<ul style="list-style-type: none"> <li>Vendor solution area                             <ul style="list-style-type: none"> <li>Phase two of the GIGA School Program is underway → P.22</li> <li>Promoted activities aimed at shifting from purchasing to leasing by strengthening upstream processes and vendor relationships</li> </ul> </li> </ul>	Business activities
Investment in human capital	<b>Management foundation strategy</b> We will strengthen our management foundation to achieve these three business strategies.	<ul style="list-style-type: none"> <li>Create organization, and introduce HR management system aligned with management strategies, and create corporate culture conducive to ongoing challenges and innovation → P.31</li> <li>Improved effectiveness of corporate governance → P.37</li> <li>Implement measures to achieve carbon neutrality (bring Scope 1 + 2 on a consolidated basis effectively to zero by FY2041/3) → P.28</li> <li>Launch core system as DX foundation and promote DX activities</li> <li>Strengthen foundation for sales operations based on digitalization of operating process and use of digital information</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced operational quality and efficiency through DX promotion, IT personnel development, and process standardization                             <ul style="list-style-type: none"> <li>Began initiatives to strengthen DX personnel development</li> <li>Currently building our next core system (scheduled for release in May 2026)</li> </ul> </li> <li>Accelerated organizational, HR, and corporate culture transformation                             <ul style="list-style-type: none"> <li>Implemented various measures, including the introduction of a new HR system</li> </ul> </li> <li>Improved customer service capabilities through strengthened collaboration between staff and sales                             <ul style="list-style-type: none"> <li>Completed organizational transition procedures following the change in major shareholders</li> </ul> </li> <li>Strengthened the Group compliance management structure by supporting NCS RE Capital in building its business structure, obtaining licenses and permits, and formulating regulations</li> </ul>	Management foundation
Pursuit of corporate governance that supports improved corporate value				Management foundation

\*1 PC-LCM: A one-stop IT equipment provision service from procurement through to operation and management.

\*2 BPO (Business Process Outsourcing): A management strategy that aims to improve operational efficiency and reduce costs by partially outsourcing a company’s business processes.

## Financial indicators

We will improve profitability and accelerate pursuit of sustainability management through realizing a next-generation circular economy. We are promoting various measures aimed at increasing profitability.

	FY2023/3 (Actual)	FY2024/3 (Actual)	FY2025/3 (Actual)	FY2026/3 Plan
Profit attributable to owners of parent	6.4 billion yen	7.0 billion yen	6.6 billion yen	10.0 billion yen
ROA*	0.7%	0.7%	0.6%	0.9%
ROE	6%	6%	6%	8%

\* Consolidated net income/average balance for consolidated operating assets

## Non-financial indicators(excerpts)

We set material issue-based indicators aimed at improving corporate value over the medium- to long-term. With the exception of “improve employee engagement” (see P.31-), progress has been generally steady.

	Objective	Description	FY2023/3 (Actual)	FY2024/3 (Actual)	FY2025/3 (Actual)	FY2026/3 (Target)
Environmental and social issues	CO <sub>2</sub> reductions to achieve carbon neutrality	Scope 1+2: Rate of decline compared to FY2023/3	157t-CO <sub>2</sub>	13% reduction 137t-CO <sub>2</sub>	17% reduction 130t-CO <sub>2</sub>	20% reduction
	Establishment of social infrastructure	Cumulative contracts for government agencies	¥127.8 bn	¥148.4 bn	¥294.4 bn (cumulative)	¥400.0 bn *
	Promotion of cyclical use following expansion of ICT business	Total number of disposals of products whose lease has ended	200,000 units	250,000 units	590,000 units (cumulative)	700,000 *
	Promotion of response to climate change	Renewable energy power generation capacity (power generators owned)	43MW	59MW	90MW (cumulative)	100MW *
Human capital	Promotion of activities contributing to society with natural capital in mind	School biotope education total increase in number of schools	3 schools	3 schools	5 schools (cumulative)	10 schools *
	Improve employee engagement	Employee engagement score	21%	21%	17%	34%
	Promotion of diversity	Ratio of female managers	5.5%	6.7%	8.5%	10%

\* Over three-year period



Takashi Arai Director

## Message from director

### Role within business strategies

Take charge of the financial product sector, with a focus on investments/loans as well as advisory services, which are essential to our growth, as well as advisory services. Moreover, collaborating with internal and external partners including the SBI Shinsei Bank Group and RISA Partners, my role is to provide one-stop and various solutions to customers' diverse management challenges, such as the acceleration of growth, balance sheet improvement, and effective utilization of real estate.

### Relevant strategies

#### Business Strategy (I)

Expand service business and create new "circular economy-oriented" services  
(Expand renewable energy power generation, warehousing, and other service businesses)

#### Business Strategy (II)

Accelerate growth through strategic investment in core businesses  
(Expand and refine scope for financial products in Japan and overseas)

As we move forward with our business strategies, we are giving top priority on listening closely to customer feedback. By siding closely with our customers and accurately gauging their needs, we are working to provide them with one-stop services. These initiatives are leading to the rollout of businesses in various fields.

In real estate business field, for example, in addition to recourse loans for business owners and structured finance for business owners, we are also directly acquiring real estate assets. Moreover, through the asset management functions of SBI Holdings Group and RISA Partners, we are also involved in liquidating real estate. From real estate developers, we have received a request for asset-light strategies since development projects that go on for several years can cause balance sheet imbalances. In response, we began offering the "CLARITIA" brand of rental apartments (as seen on the next page) as part of a joint-development scheme. Thanks to ongoing support from our customers, we have grown the series to 14 properties and to around 20.0 billion yen in scale. We are also engaged in the warehousing business related to development of the assisted living facility for seniors, in which we work with developers newly entering this field to ascertain operators' needs, conduct joint development, and ultimately acquire the facility.

In the renewable energy field, alongside FIT projects through which power companies purchase electricity at a fixed price, we are also proactively engaged in the in-house development of Non-FIT projects. For Non-FIT projects, it is important to ensure business stability based on the demand for green electricity to be sold, selling price and other factors. In recent years, we have seen increasing progress in the

development of Data Centers (hereinafter, "DC"), and there is growing demand of DC operators to make all or some of the electricity used be greenery. Through the selective supply of green electricity from our power plants to meet this demand, we can establish differentiated projects in the infrastructure business in a stable manner through the combination of renewable energy and DCs, which are a form of real estate. In this way, by listening to our customers' demands and combining our various functions, we can provide a range of high-value-added services.

In the corporate financing area, we have been seeing growing demand for advisory and financing services from various perspectives, including capital restructuring to facilitate business succession, accelerate growth, and go private. As a result, our advisory and LBO financing services are expanding rapidly. In terms of corporate acquisitions to accelerate growth, there has been a rise in demand for joint investment to share risk money. As such, we are offering seamless and flexible services, including financing options after completion of our arrangement services.

In the final year of the Medium-term Plan 2025, we will work to quickly complete projects in advance, where possible, to show off the growth potential of our businesses. Throughout the process, we have no doubt that we will be able to showcase the synergies with the SBI Shinsei Bank Group that we did not anticipate when the plan was initially put together. As a responsible officer of an important revenue-driving business, I will do everything in my power to meet expectations.

## Our initiatives

### Establishment of NCS RE Capital

<https://www.necap.co.jp/RE/>  
(available in Japanese only)



In July 2024, we established NCS RE Capital Limited, a strategic subsidiary that took over our real estate-related and renewable energy businesses. The company name, RE is an abbreviation of real estate and renewable energy, and also contains the meaning of "regeneration and circulation."

In the real estate field, we will promote the effective use of real estate and the revitalization of local economies through real estate finance and proprietary investment in rental residences, healthcare facilities, and other real estate. Recently, we launched our own brand "CLARITIA", and have begun initiatives for rental residences in collaboration with condominium developers. We are developing new properties with a focus on high-quality living, primarily in convenient locations in the suburbs of Tokyo. In the renewable energy field, we aim to solve

social issues through investments and loans and the operation of our own power plants. In addition to the existing initiatives, we are developing solar carports and promoting the storage battery business to enable the efficient use of renewable energy and to help stabilize the electric power grid.

With the strength of flexible and swift decision-making capabilities that utilize the networks of NEC Capital Solutions and SBI Shinsei Bank, as well as highly dedicated personnel, we will generate new value flexibly and swiftly, contributing to the improvement of corporate value and realization of the next-generation circular economy.

### Launch of urban residence brand "CLARITIA"

NCS RE Capital entered the residential field in 2023, and has been promoting property development in collaboration with condominium developers. The Company's own brand CLARITIA is a series of rental residences with the theme of "high-quality living." This is a coined word, meaning "clarity" that offers a clear view of the residents' future. The combination of "clarity," which is used as a grade to indicate the transparency of diamonds, with "tia," which represents a place, symbolizes the sense of security and reliability that offers a clear view of the future, and sophisticated beauty. This series offers living spaces with high-grade facilities and design in easily accessible locations in the suburbs of Tokyo. It proposes



housing that combines functionality and comfort to match the lifestyles and diverse values of our residents.

### Initiatives of RISA Partners and the acquisition of income-gain assets

Our consolidated subsidiary RISA Partners utilizes its network with over 180 regional financial institutions nationwide to provide financial corporations and regional companies with "investment and loans" as financial support, and also "advisory services" as professional advice. With these strengths, it operates a private equity fund (RCSF) that aims to improve corporate values, and has made investments of more than 75.0 billion yen in over 40 projects to date. In addition, in collaboration with regional financial institutions and companies, it also invests in and provides management support to domestic accommodations and local companies through the operation of a tourism revitalization fund and advisory services, thereby contributing to the revitalization of local economies. It also operates a fund for medium-sized growing enterprises together with Development

Bank of Japan Inc., based in its overseas subsidiary in Singapore. While striving to improve corporate values through investments and partnerships, it also supports Japanese companies entering the market. Its revenue tends to fluctuate widely as it deals with many investing activities through funds, so it is making efforts to secure the stable source of revenue. During the current fiscal year, it worked to establish a revenue base that would cover fixed costs, holding real estate assets that generate stable revenues as income-gain assets, such as student dormitories. In the fiscal year ended March 31, 2025, it acquired assets worth over 20.0 billion yen and strived to secure steady source of revenue, such as rental income.



RISA PARTNERS INC.

See ▶ P.28 for introduction of initiatives related to renewable energy



Yuichi Tsukada Director

## Message from director

### Role within business strategies

In addition to the vendor field, from this fiscal year I have also been placed in charge of the Business Promotion Division, which is responsible for ICT services, the PFI and PPP area, and back-office and middle-office functions. My role is to supervise everything other than financial products and staff departments, and I am proceeding with the Medium-term Plan 2025 under a new structure with stronger cross-departmental collaboration.

### Relevant strategies

#### Business Strategy (I)

Expand service business and create new circular economy-oriented services (Expand service business including IT asset management and PFI, and create new cyclical services)

#### Business Strategy (II)

Accelerate growth through strategic investment in core businesses (Expand scale of business through high added value for ICT-related services)

#### Business Strategy (III)

Strengthen vendor finance and expand customer base

To achieve the targets in the Medium-term Plan 2025 and ensure long-term improvements in corporate value, we are promoting business activities according to three basic policies: (I) Focus on the Company's proprietary strengths; (II) Generate new income beyond existing interest income; and (III) Improve engagement. We have set targets for the public and private sectors based on these policies, and we are reviewing our frameworks to break down barriers between organizations and departments and promote collaborative business operation.

Specifically, in the public sector our strategy is to "perfect our national government business (sales channels)." During this fiscal year, we expect to take top spot in the industry in terms of the number of PFI projects. Our knowhow in participating in tender offers based on strong relationships with companies in our sales channels, including consortiums, are core strengths accumulated in the vendor area. As the aging of public infrastructure becomes an increasingly serious social problem, the role we are expected to play as a company is growing in importance.

In the private sector, our strategy is to "perfect our ICT business." In recent years, companies' IT systems have been undergoing modernization\*, such as by shifting their internal systems to the cloud, and these efforts often incur significant initial costs. To reduce the burden on our customers, we provide a monthly-fee service that combines these initial costs with the fixed costs required after migration to the cloud.

In terms of customer-oriented services, we are working to establish a unique position as a "PC-LCM (PC lifecycle management) solution integrator," who produces an optimal

solution for life cycle management, from the procurement of PCs to their disposal. We have also recently begun offering a "simplified IT due diligence (simple ITDD)" service, which analyzes customers' IT operation frameworks and rules, and checks for deficiencies in the prevention of information leaks and the management of software licenses. For internal systems, we are proceeding with organizational reviews and employee education to increase the number of employees who can offer more sophisticated proposals. Through initiatives like these, we hope to address the lack of information system personnel and issues related to costs, and in turn contribute to the promotion of DX, which is one of the main management challenges currently facing companies in Japan.

Performance-wise, profitability is improving primarily in national government-related businesses, and we expect continued progress from the acquisition of highly profitable projects. We are seeing particularly smooth progress in contracts related to phase two of the GIGA School Program. We expect to obtain the highest share in the leasing area, which we anticipate will generate income from the next fiscal year onward. We must restore profitability in the private sector, and so during this fiscal year, we will work to strengthen our systems and create a business foundation that focuses on our unique strengths. In our operational processes, we have begun reviews of everything from sales to back-office operations, and are implementing AI-based process reforms and working to generate new income opportunities at the end of leasing and rental terms through sales expansion of recycled PCs, for example. We will continue driving initiatives to achieve the targets in the Medium-term Plan 2025.

\*Modernization: The optimization of aging IT systems through use of state-of-the-art technologies

## Our initiatives

### Activities for the full-fledged Phase Two of the GIGA School Program

The GIGA School Program is an establishment plan proposed in 2019 by the Japanese Ministry of Education, Culture, Sports, Science and Technology (MEXT) to develop educational ICT environments. Against the backdrop of the COVID-19 pandemic's rapid spread, the program was introduced quickly. Many local governments introduced this program through leasing, and we also conduct business with a large number of them.

Five years after its introduction, "phase two of the GIGA School Program" is currently underway, as the next phase.

Since the devices introduced then are now approaching the time for replacement, we expect replacement demand to peak between the current fiscal year and the fiscal year ending March 31, 2026. While some local governments purchase the GIGA devices, we are emphasizing the convenience of leasing to boards of education of local governments, and promoting activities aimed at winning orders for GIGA School Programs in collaboration with dealers.

### Transactions with the national and local governments, and initiatives of PFI and PPP

In recent years, PFI and PPP projects have been drawing increasing attention, as they enable high-quality public services while reducing costs by utilizing private funds and capabilities in the construction and operation of public facilities, etc., which have previously been managed by the government. We have participated in a variety of projects since 2011, starting with the construction of a school lunch center in Yachiyo City, Chiba Prefecture. PFI and PPP business is undertaken through the collaboration among companies with

expertise in each of the following areas: design, construction, operation, and maintenance. We provide financial advisory (FA) services to support these companies in areas such as financing enabling them to maximize their capabilities throughout the project. As we have accumulated a track record, we have also been appointed as the representative company in some projects. So far, we have undertaken over 60 projects in total (as of the end of March 2025).

### Refurbished PC Initiative Recognized under the Principles for Financial Action for the 21st Century

In 2024, we began to offer refurbished PCs with manufacturer's warranty, which had previously been used as lease/rental PCs, in collaboration with NEC Personal Computers. These products have been refurbished after being diagnosed and serviced by the manufacturer, and come with a six-month warranty, a new battery replacement, etc., making them both environmentally friendly and convenient. This is also an example of our unique services for achieving a next-generation circular economy that leverage our strengths in ICT cultivated in the NEC Group.

In 2025, this initiative received Executive Committee Chairman's Award as a best practice case under the "Principles for Financial Action for the 21st Century" for its contribution to the effective use of scarce resources, the reduction of CO<sub>2</sub> emissions, and the realization of a circular economy. We received high praise for our



At the award ceremony, with President Suganuma in the middle

pioneering initiatives to achieve both environmental friendliness and profitability in our mainstay Leasing Business.

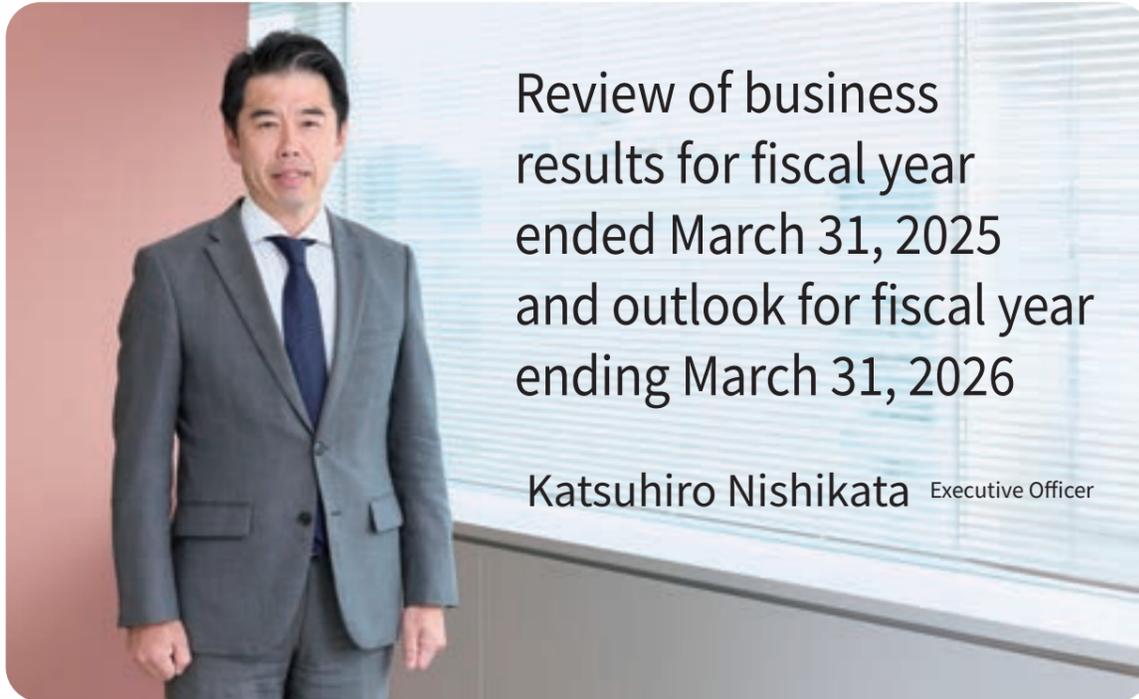
### "Simplified ITDD" service to help visualize IT risks in the M&A field

We began providing M&A advisory services in 2012, and have continued to build a track record, including being ranked in the "Japan Mid-Market M&A Financial Advisory Review" announced by the London Stock Exchange Group.

In recent M&A activities, there has been an increasing number of situations where the actual state of the acquired company's IT systems, security, contract status, etc. directly affects post-acquisition business operations, costs, and risk management.

In light of this situation, as a financial services company with strengths in the ICT field, we launched a "Simplified ITDD" service. This service examines the target company's IT

assets, operational structure, security, contract details, and other matters, in a short period of time, clearly identifying and assessing IT risks that are often overlooked. This service will support the decision-making of M&A stakeholders as a solution that offers practicality, flexibility, and speed, thereby meeting the needs of those on the front lines wanting to confirm the minimum level of IT risks even within a limited time.



## Review of business results for fiscal year ended March 31, 2025 and outlook for fiscal year ending March 31, 2026

Katsuhiko Nishikata Executive Officer

### Trends in the business environment and leasing industry

#### Domestic lease transaction volume increased year on year amid the shift away from deflation toward an inflationary economy

The fiscal year ended March 31, 2025, was a year in which the Japanese economy furthered its return to normality having moved on from the effects of COVID-19. After the end of negative interest rates in March 2024 and two ensuing interest rate hikes, there are signs that Japan has moved away from deflation and toward an inflationary economy. The Nikkei Stock Average reached a record high in July, and the recovery in personal consumption and rising inbound demand has led to indications of major improvements in the economic outlook. However, as shown by plummeting stock prices in August and the subsequent sideways movement, the weak yen, domestic labor shortages, and slowdowns in overseas economies mean that Japan has not fully escaped deflation. Since the interest rate hike in January 2025, the stock market has shifted to a bearish phase. Moreover, with Japan's ruling party losing its majority in the lower-house election in October, and former president Donald Trump's reelection in the U.S. presidential election in November, there are growing political and economic uncertainties both in Japan and overseas. Considering these changes in the domestic and international environment, we will need to continue paying close attention to the outlook for future economic activities.

In the Japanese leasing industry in which the Group conducts business, in FY2025/3, leasing transactions increased by 9.8% year on year to 5,084.7 billion yen (according to the Japan Leasing Association's "Lease

Statistics" published on May 29, 2025), reflecting the increasing normalization of economic activities.

### Business results

#### Year-on-year decline in profit attributable to owners of parent

In terms of the Group's financial results in the fiscal year ended March 31, 2025, although revenues in the Leasing Business increased year on year, overall revenues decreased mainly due to large-scale asset sales recorded in the previous fiscal year in the Finance Business. Moreover, with large-scale asset sales that were expected for the fourth quarter now being deferred to the next fiscal year, as well as the temporary increase in funding costs caused by changes in major shareholders, gross profit decreased year on year. Elsewhere, the rise in system-related costs caused a year-on-year decrease in operating profit, while ordinary profit and profit attributable to owners of parent also decreased year on year.

#### Overview of consolidated business results (billions of yen)

	FY2024/3	FY2025/3	YoY change
Revenues	255.9	254.9	-0.4%
Operating profit	11.7	7.8	-33.5%
Ordinary profit	11.8	9.4	-20.1%
Profit attributable to owners of parent	7.0	6.6	-6.0%
Net income per share	326.66 yen	306.98 yen	-

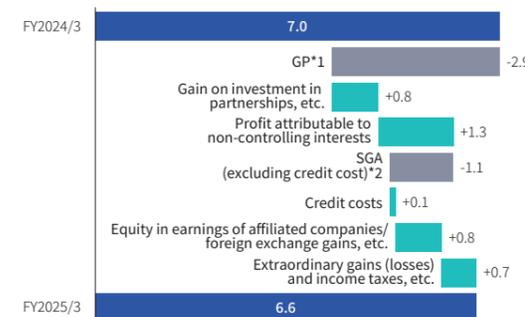
The main factor behind the decline in profit attributable to owners of parent was a year-on-year decrease of 2.9 billion yen in gross profit. This can be attributed mainly to a decrease of 0.9 billion yen in profit from the sale of leased buildings recorded in the previous fiscal year, a decrease of 1.0 billion yen in profit due to a decline in equity projects and opportunities for the sale of loans receivables, and 0.6 billion yen of temporary funding costs due to fund-raising related to changes in major shareholders.

However, we recognize these as one-time factors, including the change in recording periods. In terms of the increase in funding costs brought on by rising interest rates, we are absorbing the increase through quick price pass-through measures in the Leasing and Finance Businesses.

Despite the recording of allowances in the Investment Business, credit costs improved 0.1 billion yen year on year due to the recording of significant credit costs in the Finance Business in the previous fiscal year. On the other hand, selling, general, and administrative expenses increased 1.0 billion yen year on year, mainly due to costs associated with the development of next-generation core systems.

In other areas, there was a year-on-year increase in gain on investment in partnerships of 0.8 billion yen, in profit attributable to non-controlling interests of 1.3 billion yen, in equity in earnings of affiliated companies and foreign exchange gains of 0.8 billion yen, and in extraordinary income and income tax decreases of 0.7 billion yen. As a result of the above, profit attributable to owners of parent fell 0.4 billion yen year on year. (See chart below for more details.)

#### Main factors for year-on-year changes in profit attributable to owners of parent (billions of yen)



\*1 GP: Gross profit

\*2 SGA: Selling, general, and administrative expenses

### Business results by business

#### Decrease in profit caused by one-time factors but steady achievements through various initiatives

Although revenues in our mainstay Leasing Business increased steadily, operating profit decreased year on year. This was mainly due to the large-scale sale of rental assets recorded in the previous fiscal year, and temporary increases in funding costs and selling, general and administrative expenses caused by changes in major shareholders. In the Finance Business, revenues decreased year on year due to a fall in dividend income

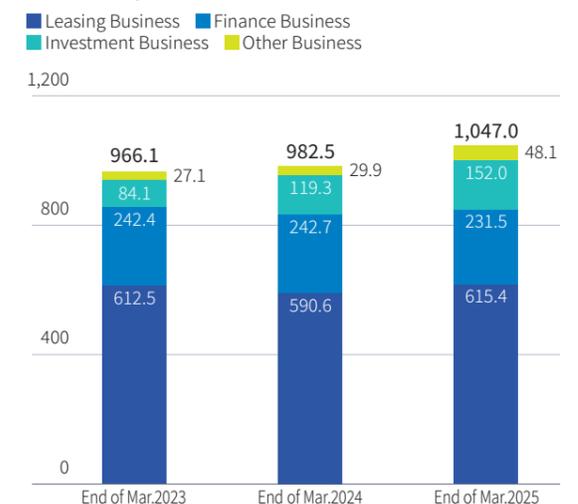
and other factors. Although credit costs decreased, operating profit declined year on year due to the temporary increase in funding costs in line with changes in our major shareholders. Meanwhile, in the Investment Business, despite the large-scale sale of operational investment securities in the previous fiscal year, revenues increased year on year thanks to income from the sale of real estate for sale, rental income from rental real estate, and interest income from loan assets. However, operating profit decreased year on year due mainly to an increase in credit costs. In the Other Business, despite recording of revenues from the healthcare warehousing business, solar power generation, PFI business and other commission income, overall revenues declined year on year due to the recording of the sale of real estate for sale in the previous fiscal year. Operating profit also fell year on year due to an increase in selling, general and administrative expenses and other factors.

#### Consolidated revenue by business (billions of yen)

		FY2024/3	FY2025/3	YoY change
Leasing Business	Revenues	228.4	229.2	+0.3%
	Gross profit	16.5	16.0	-3.2%
	Operating profit	5.5	4.4	-20.1%
Finance Business	Revenues	9.1	7.6	-16.5%
	Gross profit	6.5	4.8	-26.6%
	Operating profit	3.3	2.9	-13.1%
Investment Business	Revenues	13.7	13.8	+0.8%
	Gross profit	7.5	6.9	-8.1%
	Operating profit	4.1	2.2	-46.1%
Other Business	Revenues	4.7	4.4	-6.7%
	Gross profit	2.1	2.1	-0.5%
	Operating profit	0.6	0.5	-16.5%
Total	Revenues	255.9	254.9	-0.4%
	Gross profit	32.6	29.7	-9.0%
	Operating profit	11.7	7.8	-33.5%

\* Excluding adjustments for operating profit (company-wide costs not allocated to each segment).

#### Consolidated operating asset balance (billions of yen)



### Steady progress in the transition to high-quality assets

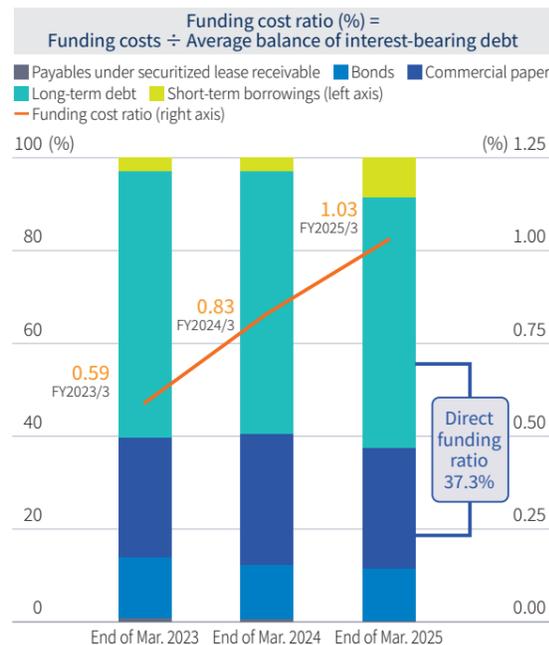
Operating assets increased 64.5 billion yen year on year to 1.047 trillion yen. Rather than needlessly increasing our operating asset balance, we are focusing on replacing our current assets with high-quality assets in line with our equity ratio and other factors. In the Leasing Business, although there had been an ongoing decrease in our asset balance following the drop in special demand associated with the GIGA School Program, it turned to an increase in line with the recording of assets from large-scale national governments projects. Assets in the Finance Business decreased year on year, but we continued to make progress with our switch to highly profitable assets. In the Investment Business, asset balance increased year on year. In addition to the acquisition of income-gain assets, operating assets increased due to ongoing progress with investment activities and financing. Assets also increased year on year in the Other Business thanks to progress in initiatives for residences and other real estate and solar power. Meanwhile, NCS RE Capital Limited, our strategic subsidiary, also began acquisition of its own-brand rental residences, which was recorded in our operating assets.

#### Fund procurement

### Limited impact of the rise in funding cost ratio on business

The funding cost ratio this fiscal year has risen 0.2% year on year to 1.03%. In terms of foreign currency-denominated funding, it is essential that we pay attention to future trends as the Trump administration's policies might lead to long-term interest rate rises in the U.S. market amid gradual cuts in U.S. policy interest rates. For our foreign-currency denominated operating assets, however, in principle we use fixed-rate funding for fixed-rate operating assets to hedge against interest rate fluctuation risks. With yen funding, too, the Bank of Japan has implemented gradual interest rate increases since the lifting of negative interest rates at its in March 2024, and so we must pay attention to future trends. The market interest rate is also on an upward trend, but we do not anticipate any problems due to our continued high hedge ratio against interest rate risks. By continuing to negotiate funding conditions for fund-raising, including through collaboration with our new shareholders SBI Shinsei Bank, and by ensuring stable and diversified fund-raising through direct funding, we will strive to limit any impact on our business. There are no issues on capital resources and the fund liquidity, and cash flows are normal.

### Consolidated interest-bearing debt composition (left axis) and funding cost ratio (right axis)



#### Forecast for the fiscal year ending March 31, 2026

### Aiming for a new record high of 10.0 billion yen

For the fiscal year ending March 31, 2026, on a consolidated basis, we project revenues at 295.0 billion yen, operating profit at 15.5 billion yen, ordinary profit at 16.0 billion yen and profit attributable to owners of parent at 10.0 billion yen.

We are striving to secure sustainable growth in the Leasing Business and Finance Business, increase revenue in the Investment Business and promote our business partnership with the SBI Shinsei Bank Group. While aiming for a new record high profit, we are also working to increase revenue over the medium- to long term. In the Leasing Business, we are gradually improving our profitability base. Profitability is also improving in line with increases in gross profit due to improved yield from existing contracts and a decrease in credit costs. Going forward, we will work to improve added value, such as by strengthening vendor financing, and aim for further revenue expansion. In the Finance Business, we believe we can achieve sustainable growth through successful closing of projects whose recording timing has been deferred to the next fiscal year, and through the acquisition of capital gains while replacing assets. In the Investment Business, we will aim to enhance the value of the projects we have already invested in and to maximize returns in our businesses both through RISA Partners, Inc., and venture fund businesses. In addition, at RISA Partners, we will aim to increase profit through the combination of diverse revenues, including the further acquisition of income gains. In the Other Business, we believe we will be able to continue securing revenue in a stable manner in the renewable energy and healthcare fields. We also believe

we can increase opportunities through collaboration with the SBI Shinsei Bank Group. Moreover, as in the Finance Business, we consider it as our achievement that we have accumulated the skills and expertise to earn capital gains while replacing assets.

One factor that can have a significant impact on our financial results is credit cost. Although normal economic activities are returning, with the lifting of special COVID-19-induced measures, our client companies' management environments are undergoing drastic change. Profitability and risk are closely related. We will work to further strengthen our capabilities as well as our risk management functions as necessary in order to achieve profitability improvement steadily as per our Medium-term Plan 2025.

### The annual dividend is planned to be 150 yen, similar to that of the previous fiscal year

In the fiscal year ended March 31, 2025, the annual dividend was 150 yen per share, as per our plan. Similarly, for the fiscal year ending March 31, 2026, we plan to pay an annual dividend of 150 yen per share (including an interim dividend of 75 yen). While upholding our basic policy of maintaining a stable dividend, we have set the return of profits in line with the profit levels set forth in Medium-term Plan 2025.

### Business results for the fiscal year under review and forecasts for the next fiscal year (billions of yen)

	FY2025/3 Results	FY2026/3 Forecast
Revenues	254.9	2,950
Operating profit	7.8	15.5
Ordinary profit	9.4	16.0
Profit attributable to owners of parent	6.6	10.0
Net income per share	306.98 yen	464.25 yen
Annual dividends per share	150.00 yen	150.00 yen

\* Forecast is as of July 31, 2025.

Financial Information and Business Results  
<https://www.necap.co.jp/english/ir/financial/index.html>



### Measures to realize management with an awareness of the cost of capital and stock prices

## Aiming to achieve sustainable improvement in profitability and enhance PBR

In our efforts to realize management with an awareness of the cost of capital and stock prices, we will conduct necessary reviews alongside discussions relating to the next medium-term plan, during the fiscal year ending March 31, 2026, the final year of the Medium-term Plan 2025. The excerpt below was announced in August 2023.

To achieve sustainable growth and improve corporate value over the medium- to long-term, the Group places emphasis on management with an awareness of return on capital, which involves formulating and implementing revenue plans and capital policies based on an accurate understanding of the Company's cost of capital. To achieve this, we appropriately consider the review of our business portfolio and the allocation of management resources, including investments in human capital and systems, in conjunction with the formulation of our Medium-term Plan and annual budget, and reflect them in our business plan. When formulating the Medium-term Plan 2025, the Group deemed it essential to secure a level of revenue that would sustainably exceed the cost of capital to improve market valuation, including PBR and PER. It also determined that sustainably increasing profitability would lead to further improvement in corporate value. In formulating a concrete profit plan, in addition to increasing the absolute amount of profits, we held repeated discussions on the profitability that the Company should aim for, with a focus on sustainably increasing profitability. As a result, we set an ROE target of 8% for FY2026/3, the final year of our Medium-term Plan 2025, and a target of 10.0 billion yen

for profit attributable to owners of parent. In addition to improving profitability (improve ROE), we will carry out return measures in line with our profit level while drawing up growth strategies unique to the Group, such as grasping revenue opportunities through our strengths in ICT and sound risk-taking capabilities. In doing so, we hope to capture growth expectations from the market (improve PER) and improve PBR, which is calculated using the formula ROE x PER.

Moreover, the Group has formulated and announced non-financial indicators that go alongside the financial indicators in the Medium-term Plan 2025. In addition to initiatives related to environmental and social issues, we will work to improve employee engagement by strengthening investments and initiatives related to human capital. This will lead to an improvement in profitability through the accumulation of non-financial capital.

While weighted average cost of capital (WACC) and cost of shareholders' equity represent typical indicators used in the analysis of cost of capital, the Group uses cost of shareholders' equity from the perspective of placing importance on investors' expected returns, and undertakes analysis by comparing it with ROE.

# Sustainability

We are working to practice CSV management in which our management strategy is directly linked to the Company's sustainability. Establishing our Group Vision with a goal of 2030, we aim to contribute to the achievement of the SDGs by making efforts to enhance social value through our business. This Integrated Report focuses on the "promotion of decarbonized society and circular economy," "investment in human capital," and "pursuit of corporate governance that supports improved corporate value," which have been identified as material issues. Please refer to our website for more details on other sustainability topics.

## Basic policy

In April 2023, in conjunction with the formulation of the Group Vision 2030, we revised our material issues by evolving issues to be addressed through our business activities and our existing CSV management, which are tied to our growth strategy aimed at realizing the Vision.

The new material issues have been incorporated into the Medium-term Plan 2025, non-financial indicators have been set, and they have been linked to department targets, etc., with progress being checked monthly.

Our material issues	
Business activities	Promotion of decarbonized society and circular economy ▶P.28
	Promotion of establishment of social and ICT infrastructure
	Creation of new services and businesses to resolve social issues
Management foundation	Investment in human capital ▶P.31
	Pursuit of corporate governance that supports improved corporate value ▶P.37

Non-Financial indicators	
Environmental and social issues	CO <sub>2</sub> reductions to achieve carbon neutrality
	Establishment of social infrastructure
	Promotion of cyclical use following expansion of ICT business
	Promotion of response to climate change
Human capital	Promotion of activities contributing to society with natural capital in mind
	Improve employee engagement
	Promotion of diversity

See ▶P.18 for progress on non-financial indicators for the fiscal year ended March 31, 2025.

## The process of identifying material issues

We closely examined existing issues, evaluated both the "priority for the Company" and the "priority for stakeholders," and further verified the mapping, including reflecting discussions with internal and external stakeholders.

We consolidated five top-priority issues based on their impact on growth strategies, deepening CSV management towards a next-generation circular economy, taking on challenges to create new value, and strengthening the foundation of corporate value. Furthermore, we identified material issues based on our initiatives in the areas such as sustainability and ESG,

which were decided on by the Management Conference and the Board of Directors after deliberations by the Sustainability Committee.

We will continue to exchange opinions with stakeholders on each theme, conduct periodic reviews in conjunction with the Group Vision and the Medium-term Plan while also considering contributions to the SDGs, changes in social conditions, market trends, and more, and make necessary adjustments as appropriate.

Revising material issues  
<https://www.necap.co.jp/csv/material.html>  
 (available in Japanese only)



## Sustainability implementation system

We established the Sustainability Committee, an organization to discuss sustainability within the Group. This committee is chaired by the president and consists of full-time directors, executive officers in charge of relevant departments, and general managers.

In principle, the Sustainability Committee holds two meetings per year. It discusses the development of policies and plans relating to sustainability as well as the state of the implementation of the PDCA cycle.

The results of committee discussions are deliberated by the Management Conference, and reported to the Board of Directors each time, and important matters are resolved by the Board of Directors and reflected in

Medium-term Plan and business strategies as appropriate. The following is a diagram of the implementation system.



## Material issues

# Promotion of decarbonized society and circular economy

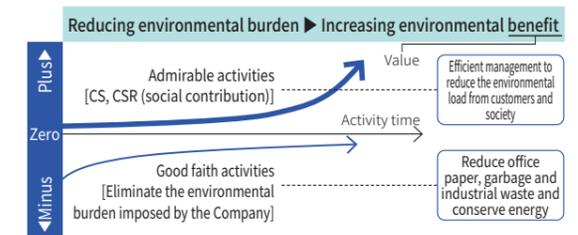
In 1999, we were certified under the ISO 14001 international environmental management standard, ahead of other companies in the leasing industry in Japan, and have since been promoting environmental management. Our business activities have a smaller environmental burden than manufacturing or other types of business. We thus place emphasis on increasing environmental benefits (values) for customers and society. Based on the concepts of "Realizing a low-carbon society through Eco-Leasing/Eco-Financing" and "Recycling resources through leasing," we have been actively developing business that helps solve environmental issues to positively impact all of society.

We announced our support for the Task Force on Climate-related Financial Disclosures (TCFD) in September 2022. We are taking steps to disclose climate change-related information in line with the TCFD recommendations.

## CDP score of "A-" for second consecutive year

As part of our initiatives, we began responding to the Carbon Disclosure Project (CDP) Climate Change Questionnaire in 2022, and scored an "A-," which is at a leadership-level, for 2023 and 2024 consecutively.

## Conceptual diagram of environmental benefit and environmental burden



## Environmental Policy

- In order to contribute to the creation of a carbon-neutral, next-generation circular economy, we will engage in business that solves social issues and create economic value together with the value chain.
- We will work to improve our operational quality that contributes to sustainable business activities, as well as improve the efficiency of these operations.
- We will actively promote the creation of a society and environment that can recycle resources to enable our co-existence with nature.
- We will comply with environmental laws and regulations and other requirements to which we agree.

## Column Expansion of NCS RE Capital's renewable energy business

### Strengthening initiatives to realize a decarbonized society from PPA\* to storage batteries

As a strategic subsidiary of the NEC Capital Solutions Group, NCS RE Capital Limited is working to provide services that create a virtuous cycle between the environment and the economy through investments and loans in renewable energy-related businesses and support for the installation of solar power generation equipment.

In 2024, NCS RE Capital launched an on-site PPA\* business in collaboration with ShirokumaPower Co., Ltd. and established NaF LLC. As their first project, solar power generation equipment was installed in the parking lot and premises of Yorozu Oita Corporation, and is expected to generate approximately 1.3 million kWh of power and reduce approximately 400 tons of CO<sub>2</sub> each year. The Joyful Honda Chiba Newtown store will also be equipped with one of Japan's largest solar carports, with plans to increase the store's electricity self-sufficiency rate to 20%. Joint venture partner ShirokumaPower is a power company specializing in renewable energy, with an extensive track record in the PPA\* field. Its strengths lie in its ability to handle all processes from power generation to transmission and sales in-house.



Solar carport installed at Joyful Honda Chiba Newtown store

In 2025, NCS RE Capital built a new storage battery facility in Omuta City, Fukuoka Prefecture, making a full-fledged entry into the energy storage business. By contributing to the stable supply of renewable energy and reducing the loss of revenue from power sales due to output restrictions, we will further strengthen our initiatives aimed at realizing a decarbonized society.

\* PPA (Power Purchase Agreement): An initiative in which a company installs a solar power generation system on its own unused land, rooftop, or other such space, and purchases the electricity generated there under a long-term contract.

Information disclosure based on the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations

Governance

We established the Sustainability Committee, an organization to discuss sustainability within the Group. The Sustainability Committee was held three times during the current fiscal year. The main agenda items were as follows.

- Confirmation of progress towards non-financial indicators and material issues
- Status of climate change response initiatives
- Status of human capital initiatives
- Status of human rights initiatives (implementation of human rights due diligence, etc.)
- Establishment of the “NEC Capital Solutions Group’s Sustainable Investment and Loans Policy”

\* A matter resolved by the Board of Directors

See ▶P.27 for sustainability implementation system

See ▶P.45 for sustainable investment and loans policy

Strategy

We conduct scenario analyses from a company-wide perspective, identify risks and opportunities, and reflect them in our business strategies.

• Overview of scenario analysis and consideration of response measures

In the scenario analysis, we examined risks and opportunities for the 2030 and 2050 time axis from both qualitative and quantitative perspectives, referring to the “4°C scenario,” which assumes no further action against climate change is taken, causing the intensity of extreme weather events to increase, and the “1.5°C scenario,” which assumes more ambitious measures to tackle climate change are taken in a bid to achieve decarbonization. Although a certain level of risk is expected in either scenario, the impact on our business is limited. In fact, we concluded that climate change is likely to increase our business opportunities, such as increased demand for Information and Communication Technology and leasing, new services and the expansion of new investment opportunities.

Please see our website for further details on our analysis.

Risks and opportunities organized by scenario  
<https://www.necap.co.jp/csv/environment/pdf/scenario.pdf>  
 (available in Japanese only)



Based on the results of the scenario analysis indicating a high potential for increasing business opportunities, in the previous fiscal year, discussions were held with each executive officer to formulate business strategies that would appropriately address the business opportunities.

During the current fiscal year, we reflected the results in our business strategies, set internal KPIs, etc. Going forward, we will continue to proceed with reflecting them to our business strategies, reviewing KPIs, etc., and implementing highly effective climate change measures, while linking them to the growth of the Group’s businesses.

Risk management

We believe climate-related risks are key management risks. From the perspective of overall risk management, the Sustainability Committee chaired by the president manages these risks in an integrated manner. Specifically, we will formulate and review our climate change response policies including medium- to long-term policies based on macro trends and external surveys, formulate annual measure plans including risk responses, and implement the PDCA cycles of execution, monitoring, evaluation, and verification.

When it is expected that climate-related risks will significantly impact\* the Group, we will swiftly discuss a response policy. The situation will be assessed by the Management Conference and a resolution will be submitted to the Board of Directors. Decisions will be incorporated into business plans as appropriate.

\* Significant impact refers to an impact that reaches the level of the timely disclosure standards of the Tokyo Stock Exchange (estimated amount of impact on profit, etc.).

See ▶P.44 for risk management

Metrics and Targets

As a medium- to long-term environmental target, we aim to achieve net carbon neutrality by the fiscal year ending March 31, 2041. In addition to “CO<sub>2</sub> reductions to achieve carbon neutrality,” the Medium-term Plan 2025 also includes “Promotion of cyclical use following expansion of ICT business,” “Promotion of response to climate change,” etc. as part of our non-financial indicators.

• Medium- to long-term environmental target (achieving net carbon neutrality by the fiscal year ending March 31, 2041)

As medium- to long-term environmental target, we have set the goal of reducing the CO<sub>2</sub> emissions (Scope 1, 2, the Company + RISA Partners) generated from our business activities by 20% in the fiscal year ending March 31, 2026, and by 50% in the fiscal year ending March 31, 2031, compared to the results of the fiscal year ended March 31, 2023. We aim to achieve net zero CO<sub>2</sub> emissions (Scope 1, 2) on a consolidated basis including our overseas subsidiaries by the fiscal year ending March 31, 2041.

• Scope 1, 2 emissions

	FY2023/3 Results	FY2024/3 Results	FY2025/3 Results	FY2026/3 Target	FY2031/3 Target	FY2041/3 Target
CO <sub>2</sub> emissions from our business activities (Scope 1, 2, the Company + RISA Partners)	157t-CO <sub>2</sub>	137t-CO <sub>2</sub>	130t-CO <sub>2</sub>	—	—	Net zero * On a consolidated basis including our overseas subsidiaries
Reduction rate (compared to FY2023/3 results)	—	13%	17%	20%	50%	—

• Calculation of Scope 3 emissions

During the previous fiscal year, we underwent third-party verification of previously disclosed figures and calculated emissions for Category 13.

For Category 13, calculations for the previous fiscal year were limited to a portion of information and communication equipment, and the results were then expanded to cover all sales by estimate.

For the fiscal year ended March 31, 2024, we did not perform expanded estimates, but instead limited our calculations to construction machinery, for which we

were able to determine 100% of the units in operation in the fiscal year ended March 31, 2024 and which has higher CO<sub>2</sub> emissions per unit than information and communication equipment. We also underwent third-party verification for all calculated categories.

As a result, Scope 3 emissions of the Group for the previous fiscal year were 620,181t-CO<sub>2</sub> (verified by a third party). We will continue to work on refining the calculation of our Scope 3 emissions as an issue to consider. Scope 3 emissions for the current fiscal year will be released on our website separately.

• Non-financial indicators in the Medium-term Plan 2025

Objective	Target	FY2025/3 (Actual)	FY2026/3 (Target)
CO <sub>2</sub> reductions to achieve carbon neutrality	Scope 1+2: Reduction rate compared to FY2023/3 results	17% reduction	20% reduction
Promotion of cyclical use following expansion of ICT business	Total number of disposals of products whose lease has ended	590,000 units (cumulative)	700,000 units (cumulative)*
Promotion of response to climate change	Renewable energy power generation capacity (power generators owned)	90MW (cumulative)	100MW (cumulative)*

\*Three-year cumulative total

See Non-financial (non-consolidated) on ▶P.47-48 for our CO<sub>2</sub> emission details

Column Climate change risks associated with credit costs

Based on the TCFD scenario analysis for the banking sector released by the Ministry of the Environment of Japan, we created a scenario in which borrowers’ ability to repay their loans deteriorated due to the occurrence of physical and transition risks. Then, taking into account the Company’s characteristics, we calculated

the impact on credit costs based on credit balance for the fiscal year ended March 31, 2025. As a result, as with the previous year, the impact on gain and losses from a rise in credit costs due to physical risk for the periods being analyzed was negligible, and we did not observe any additional credit costs as a result of transition risk.

• Overview of our analysis scenarios

(millions of yen)

Risk incident	Physical risk			Transition risk			
	Floods	Policy changes, changes in the supply-demand balance					
Applied scenarios	◆ 1.5°C scenario IEA Net Zero Emissions by 2050/RCP2.6/Sustainable Development Scenario						
Analysis scope	Corporations			Energy, electric vehicles, steel sectors (excluding renewable energy)			
Region	Global						
Analysis period	2050						
Increase in credit costs	Scenario	1.5°C	4°C	Scenario	1.5°C	4°C	
	FY2023/3	Single fiscal year	37	51	Single fiscal year	—	—
	FY2024/3	Single fiscal year	24	31	Single fiscal year	—	—
	FY2025/3	Single fiscal year	23	29	Single fiscal year	—	—
	Total through 2050		574	728	Total through 2050	—	—

# Investment in human capital

## Message from executive officer responsible for human resources



**Koji Shibata** Executive Officer

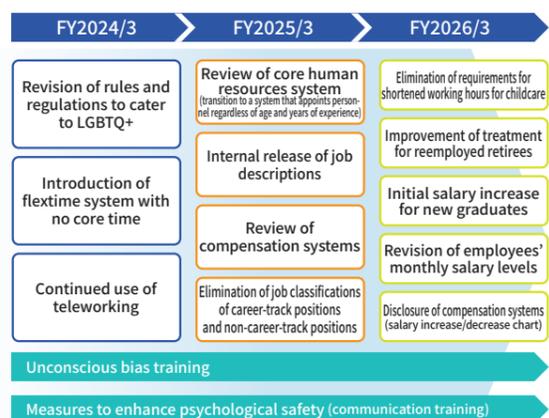
### A company that believes in the growth potential of each employee and interacts with them in a warm and kind manner

It has now been two years since the start of the Corporate Culture Transformation & Human Resources Medium-term Plan that aims to become “a company that employees can take pride in.” In this section, we interview Executive Officer Koji Shibata, responsible for human resources, about the current state of the Company’s human resource strategies and the future outlook.

**Q** Please tell us about the plan’s progress to date.

We are a company that sees “human resources as our most important capital.” As the Company’s business itself undergoes a major transformation, the Company and each employee are also called upon to change. We believe that the growth of each employee and the maximization of their capabilities can lead to organizational growth and development and creation of platforms and opportunities for them to grow. To drive this virtuous growth cycle, we have focused on creating an organization where diverse human resources can flourish and where everyone can achieve growth across these past two years, and reviewed our systems and sought to change mindset across the organization with a sense of speed. FY2026/3, the final year of the Corporate Culture Transformation & Human Resources Medium-term Plan, will be an important year for steadily implementing the Plan based on systems and mechanisms we have worked on to date and successfully transforming it to our cultural employee engagement.

**● Key initiatives**



**Q** What challenges have you encountered to date?

Up until now, our systems for human resources have been based on a conventional employee profile. For example, our systems for ratings, assessments, and rotations were based on rigorous criteria of “how it should be,” while there were also requirements for certain types in terms of workstyles and achievements. As a result, employees who did not fit these types struggled to fully demonstrate their capabilities, which in some cases led to them leaving the Company altogether. Although we promoted the idea that human resources were our most important capital, we need to reflect on the fact that we were not fully realizing their potential. As such, we focused on the creation of comfortable workplace systems that would enable individuals with diverse values and backgrounds to maximize their capabilities.

**Q** Please tell us about the Company’s initiatives to promote employees’ skills development and growth.

Alongside the creation of comfortable workplace systems, we have also worked to “create an organization where everyone can achieve growth.” For employees to be glad to work for the Company, in addition to a comfortable working environment, it is also paramount that they can gain a sense of self-growth. This is why we promote measures for “career autonomy.” Specifically, we aim to encourage employees understand their strengths and values, and independently think, make selections, and take action for their careers based on this understanding. Our role in promoting career autonomy is to work alongside our employees, provide them with the relevant information and opportunities,

and support them through internal systems. Specifically, we offer career meetings, internal open recruitment systems, internal internship program, and more. We also take care to allow employees to accumulate experience that is in line with their interests and values. It is when employees feel that they are with us out of choice that their confidence and trust in the Company increases. Our aim is to build an organization in which employee growth and company growth go hand in hand.

**Q** What was behind your decision to set the employee engagement score as a non-financial indicator?

We believe that enhancing employees’ autonomy can improve entire organizational engagement, and in turn lead to new ideas and innovation. The Company underwent significant transformation with changes in its major shareholders during this fiscal year. This might have created a sense of unease among employees about the future. To counter this, we held numerous detailed discussions between management and the workforce. As a result, we feel that, over the course of six months, this sense of unease has gradually lifted. Recently, we have set up an engagement improvement taskforce under the direct control of the President and are rolling out the cross-departmental initiatives. While continuing to analyze the factors that contribute to

lower engagement scores, we will move forward with companywide activities and workplace initiatives.

**Q** What makes “a company that employees can take pride in”?

“A company that employees can take pride in” contains our ideal workplace vision we aim for. We want to create a company that employees can boast about to their families and friends with words like “The company I work for is nice,” or “I’m happy to be in this company.” Fundamental to this is, in a rather old-fashioned phrase, “a company that values its employees.”

This of course does not mean a company that is soft on its employees. With full belief in the growth potential of each of our employees, we expect them to dedicate themselves to their expected roles and achievements. We then interact with them in a warm and kind manner and work to grow alongside them. It is relationships of trust like this that can create “a company that employees can take pride in.” That is, one where they find meaning in their work and one that they are inspired to talk about. This is the key to driving the Company forward. It may take time for this approach to thoroughly take root. That said, we will steadily move forward with initiatives toward achievement of the Group Vision 2030.

## Message from outside director

### Career self-reliance to facilitate innovation and challenges—Creating workplaces to be proud of

In the final year of the Medium-term Plan 2025, which pursues “innovation and challenges,” the achievement of the “Corporate Culture Transformation & Human Resources Medium-term Plan,” which was formulated in line with the Company’s business strategies, is growing in importance. As major changes in our business environment continue, the key to growth and development is creating “a company that employees can take pride in.” The Company continues to actively engage in various activities to enhance its organizational capabilities, including dialog between the management team and employees, introduction of various human resource measures, and employee support for career self-reliance.

I recently had an opportunity to interact directly with employees who all had an interest in developing their careers. I have a strong expectation that those diverse individuals, regardless of gender, age group, and background, who had a strong desire to grow and improve their contribution to the organization, can drive organizational reform. In the future, I look forward to the Company’s ongoing efforts to



**Takako Hagiwara**  
Representative Director of DDD Corporation

build internal workplace relationships that support employees’ personal growth.

In the era of so-called career self-reliance, aligning individual growth with corporate development can lead to improved engagement, which in turn can be the driving force behind the improvement of corporate value. It is important that the organization’s course of action and vision is in line with employees’ motivation, and that there is constant communication to support this association. This leads to supporting ambitious employees who are not afraid to change, who believe in themselves, and who are willing to continue taking on new challenges. I look forward to seeing that a motivated workforce seeking constant growth will become the driver of the Company’s continuous reform, growth, and development.

Basic policy

We have identified “investment in human capital” as one of the material issues to realize our Group Vision, and we are working on formulating a human resources portfolio in line with our business strategy and implementing measures to fill gaps.

For investment in human capital, we are mainly carrying out initiatives in the following areas: ensuring diversity of HR; HR and organization development to achieve sustainable growth; and improvements to engagement.

Basic policy for HR development

Human resources are the greatest asset in the Group’s businesses. We aim to improve corporate value over the medium- to long-term by bringing the most value out of human resources. To this end, we will develop HR, organization, and corporate culture transformation strategies that are linked to our business strategies. Based on these strategies, we will strive to be a company in which diverse personnel can maximize their potential, feel satisfied in, and can take pride in. In other words, a company and organization filled with highly engaged employees. To achieve our Group Vision of “Be a solution company leading the next-generation circular economy” formulated in April

2023, we aim to be a company that is chosen by diverse personnel by improving the well-being of employees that continue to take on challenges and grow.

Workplace environment improvement policy

Based on our basic policy for HR development, we will develop an in-house environment in which diverse personnel can maximize their potential and play an active role. In doing so, we will implement a variety of measures with the aim of becoming a company that employees can take pride in (a company and organization filled with highly engaged employees).

Creating an organization where diverse personnel can play an active role

Ensuring diversity of HR

We have hired talent with expertise and experience in various fields through business expansion into new business areas. As a result, our organization is made up of diverse personnel. We will further promote the creation of an environment in which diverse personnel can truly play an active role from both aspects of systems and corporate culture.

used regardless of the child’s age. We also introduced a remote work system that allows employees with individual circumstances, such as nursing care for relatives, to continue working. Through these measures, we are striving to create an environment where employees with various circumstances can continue working.

Expanding systems that support flexible workstyle

In addition to actively utilizing the remote work system to accommodate diverse workstyles, we have also introduced a system that allows for flexible workstyles, enabling employees to leave work in the middle of the workday (such as to take time off work for childcare). In April 2025, in order to meet the needs of employees facing various childcare issues, we removed the age limit for the reduced working hours for childcare system, which had previously been limited to children up to the third grade of elementary school, revising the system so that it can be

Becoming a company where women can play a more active role

While the ratio of female managers has improved, diversity in decision-making remains an issue. We consider this as one of our top priority management issues, and have set it as a non-financial indicator (achieve a 10% ratio of female managers as of the end of March 2026). To achieve this, we are working to improve both the workplace environment and the recruitment and systematic development of employees.

Creating systems and environments that support the active participation of senior personnel and people with disabilities

In April 2025, we revised the compensation of senior employees utilizing our employment extension system after retirement, now offering them the same level of compensation as pre-retirement employees according to their roles and performance. These changes are designed to keep up their motivation to take on challenges. In the employment of people with disabilities, we are working to provide a comfortable work environment. In addition to employing them at our own farm for farming jobs, we also have workplace adaptation supporters within the Company (job coaches stationed in-house).

● Status of employee diversity (non-consolidated)

	End of 2023/3	End of 2024/3	End of 2025/3
Ratio of mid-career recruits	47%	49%	47%
Ratio of female employees	37%	39%	41%
Ratio of female managers	5.5%	6.7%	8.5%
Ratio of employees with disabilities	2.38%	2.53%	2.43%

Non-financial indicator

Creating an organization where everyone can grow

HR and organization development to support sustainable growth

We are committed to developing human resources who can continue to contribute to the Company’s transformation and growth by taking on challenges on their own and also excel in pursuing customer satisfaction, with the aim of empowering each and every employee to acquire a high level of expertise, the ability to act autonomously, and the ability to respond to changes in the market environment. Based on the Group Vision 2030, we will formulate a human resources portfolio in line with our business strategy and systematically work on human resources and organizational development to fill the gaps. We will actively invest in the personnel necessary to achieve this.

HR management measures to support the transformation of organizational culture

To realize Group Vision 2030, we are developing employees that take on the challenge of transforming themselves and continue to grow. To this end, we have established standards of behavior expected of employees and introduced a behavioral evaluation system based on these standards. We are also transforming our personnel and compensation systems to focus on work-centered HR management.

Further details on our key initiatives  
<https://www.necap.co.jp/csv/employees.html>  
 (available in Japanese only)



● Key initiatives

Establishment of standards of behavior and introduction of behavioral evaluation	We have outlined five categories in the standards of behavior: “customer oriented,” “self-development,” “taking on challenges,” “speed,” and “open communication,” and are encouraging behavioral change through evaluation and feedback.
Transition to a role-based grading system (from Oct. 2024)	Role-based grades and compensation, regardless of age or experience, promoting flexible talent deployment by eliminating job category distinctions.
Internal release of job descriptions throughout the Company	Improving transparency in career development by clearly indicating the expected results and required skills for each job type and rank.
Review of the compensation system	Shift to a compensation system that increases job satisfaction, including salary increases based on market levels, revisions to starting salaries for new graduates, and an increase in the monthly salary ratio.
Continued implementation of management training (from FY2024/3)	Strengthening of management capabilities related to evaluation and development and support to instill the systems in the workplace.
Systematic development of future executive officer candidates	Annual review of future executive officer candidates, sharing and discussions of the status of their abilities, skills, and experience, as well as future growth and development challenges among management executives, and sending employees for training and implementing job assignments.

Column Shifting to a compensation system that enhances job satisfaction —Reviewing the grading and compensation systems—

With the aim of transforming our organizational culture and promoting human capital management, in FY2025/3 we changed from the previous skill-based grading system to a role-based grading system based on roles, and revised our system to appoint and provide compensation for the most suitable personnel regardless of age or years of experience. Starting from FY2026/3, we visualized the salary increase framework, and clarified the amount of salary increase or

decrease based on the evaluation at each grade. We have also increased the ratio of employees’ monthly salary to their annual salary, creating an environment where employees can grow and take on challenges without being affected by fluctuations in business performance. We are taking measures to create an organization where each employee can experience growth and where diverse personnel can sustainably demonstrate their abilities.

Expanding HR development systems that promote autonomous career development

Based on the belief that the growth of each employee leads to the growth of the Company, we are working to create an environment where each employee can proactively think about their own career and grow.

training as nationally certified career consultants, thereby creating a system where employees can receive advice and consulting from in-house experts whenever necessary. This encourages employees to think for themselves about the direction of their personal growth

① “The sense of security that there is a place to talk about career concerns”

— Establishment of a career support desk

To support employees in autonomously developing their careers, we established a career support desk in July 2024 provided by in-house career experts that have completed



Career consultants who support employees in their career autonomy

and career development in the future, and encourages them to take the first steps toward achieving fulfilling careers. Employees have commented that “Just being able to talk to someone about my career made me feel more positive” and “It gave me the courage to take the first step.” We also revised the system that had previously been implemented as a self-reporting system. We provide employees with an opportunity to share their goals and career path with their superiors in the form of a career sheet that allows them to take career inventory and organize their roles and growth challenges.

**2 “The Joy of Taking on Work I Want to Do”**  
— Introduction and expansion of the HR open recruitment system

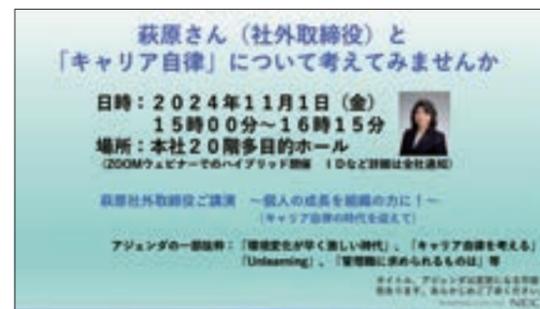
We believe that, “people perform at their full potential and that they can see things through to the end even in difficult situations, when they are assigned to work that they want to do.” In keeping with this, in addition to the company-led personnel transfers based on the self-reporting system implemented up until now, we introduced an HR open recruitment system in FY2023/3, which enables employees to proactively request personnel transfers. The number of departments and positions available has increased with each open recruitment, growing to 29 departments and 52 positions in FY2025/3.

**3 “Experiencing the work of other departments broadened my horizons”**  
— Launch of internal internship program

In FY2025/3, we started implementing an internal internship program that allows employees to gain short-term experience working in other departments and learn about the work, people, and attractiveness of the workplaces of these departments. We received applications from 82 employees, more than 10% of our entire workforce, which exceeded our initial expectations. Through this program, we were able to meet our

employees’ expectations for the creation of growth opportunities. Participating employees commented that the program was not only useful for considering their career path, but also beneficial in improving their current job performance by learning about work in other departments that is related to their current work.

**4 Lecture on thinking about career autonomy**  
We held a lecture led by outside director Hagiwara, which was attended by 350 employees. The lecture delivered a powerful message about the importance of paving one’s own career path and of each individual being a key player in the workplace in the current era of career autonomy.



Internal announcement signage for the lecture

**HR development systems that promote career autonomy**

Initiatives	FY2025/3 Results
Career support desk	Used by 18 employees
Internal internship program	Openings in 27 departments/ 82 applicants
Internal open recruitment system	52 positions open in 29 departments/24 applicants
Lecture on thinking about career autonomy	350 participants

**Column Expanding HR open recruitment system**

**Employee interview** > **Employee A** Used the HR open recruitment system to transfer from the vendor finance department to a real estate-related department (at NCS RE Capital) in 2024.

**Q What motivated you to use the system?**

**A** During the four and a half years in my previous department, I was able to learn the basics of leasing and installment sales. I wanted to develop my expertise in a different area next, so I started by working in three departments through the internal internship program. Experiencing the work of other departments was very helpful in choosing the department I wanted to work in. In the end, I applied through the HR open recruitment system, which allowed me to choose my own career path.

**Q What changed after your transfer?**

**A** The content of my work has changed significantly, to the point where it feels like I have changed

jobs. Now that I am involved in the real estate field, the project review process is complex and I learn something new every day, but I find it very rewarding. In the future, I would like to propose new schemes that meet customer needs and become more deeply involved in the business.

**Q How did you feel going through this system?**

**A** I feel that our HR systems have continued to evolve over the years, giving employees more career options. With our diverse range of businesses, there are many opportunities to take on new challenges. These internal programs allow employees to pursue what they want to do and provide a chance to build a new career within the company.

**Transforming into a Company Employees Can Take Pride In — Enhancing Engagement —**

**Management-led initiatives to improve engagement**

The Company regularly conducts employee engagement surveys to monitor our reforms to be a company where employees feel satisfied in and can take pride in, as outlined in our basic policy for HR development, and make improvements under the PDCA cycle. We share the company-wide engagement score and key points for improving the engagement score among all members of senior management. We also share the results of each division and department among the executive officers and general managers (of divisions and departments) in charge to improve these scores on a company-wide and individual workplace basis. The Company also has a system that links employee engagement scores to the performance evaluations used to determine the full-time directors’ compensation, and our management team are also committed to improve these scores.

In FY2026/3, the final year of the current Medium-term Plan, we will continue improvement efforts with the goal of ranking in the top quartile among participating companies in Japan in the engagement survey. In addition to company-wide and workplace-level initiatives, we will establish cross-functional task force teams of mid-level employees to drive engagement improvement across the company.

**Employee engagement score (non-consolidated)**

FY2023/3	FY2024/3	FY2025/3	FY2026/3 (Target)
21%	21%	17%	34%

*Non-financial indicator*

\* Based on a survey by Mercer, a global HR consulting firm. The score of 34% represents the score level for the top 25th percentile of the Japanese company participants.

**Column A culture of trust and taking on challenges born from open dialogue**

In FY2024/3, we started holding dialogue sessions with directors for all employees. In FY2025/3, with the aim of achieving more open dialogue, we limited the number of participants to 10 people per session and devised a way to divide them by rank, and held a total of 74 dialogue sessions. We will continue this initiative as theme-specific dialogue sessions in FY2026/3, with

in-depth discussions on topics such as (1) business synergies with the SBI Shinsei Bank Group, (2) our future vision and direction, (3) our next Medium-term Plan, (4) HR management and development, and (5) HR systems. Through open communication, we will steadily foster a culture in which management and employees unite to take on challenges to realize our Vision.



**Column Recognized as a Health & Productivity Management Outstanding Organization 2025 (large enterprise category) for third consecutive year**

As our energetic employees are the source of our business activities, we believe that the mental and physical health and safety of all our employees is of utmost importance. Based on this belief, we are promoting related initiatives with our President as a responsible officer. In the fiscal year ended March 31, 2025, we waived out-of-pocket costs for health checkups and cancer screenings, and continued health literacy initiatives, including training and seminars such as an external online wellness program (“Cradle”) and mental health training. As a result, we were recognized as a Health & Productivity

Management Outstanding Organization 2025 (large enterprise category) for the third consecutive year.



Health & Productivity Management Outstanding Organization 2025 (large enterprise category)  
<https://pdf.irpocket.com/C8793/KHnJ/KYtd/OF56.pdf>  
 (available in Japanese only)

See ▶P.45 for initiatives for respecting human rights

Material issues

# Pursuit of corporate governance that supports improved corporate value

## Corporate governance

We have identified the “pursuit of corporate governance that supports improved corporate value” as one of the material issues to realize our Group Vision. In order to improve corporate value, we are particularly promoting improving effectiveness, respect for human rights, thorough compliance, and enhancement of risk management. We have also implemented measures within our capital structure to consider protection of minority shareholders.

### Corporate governance system

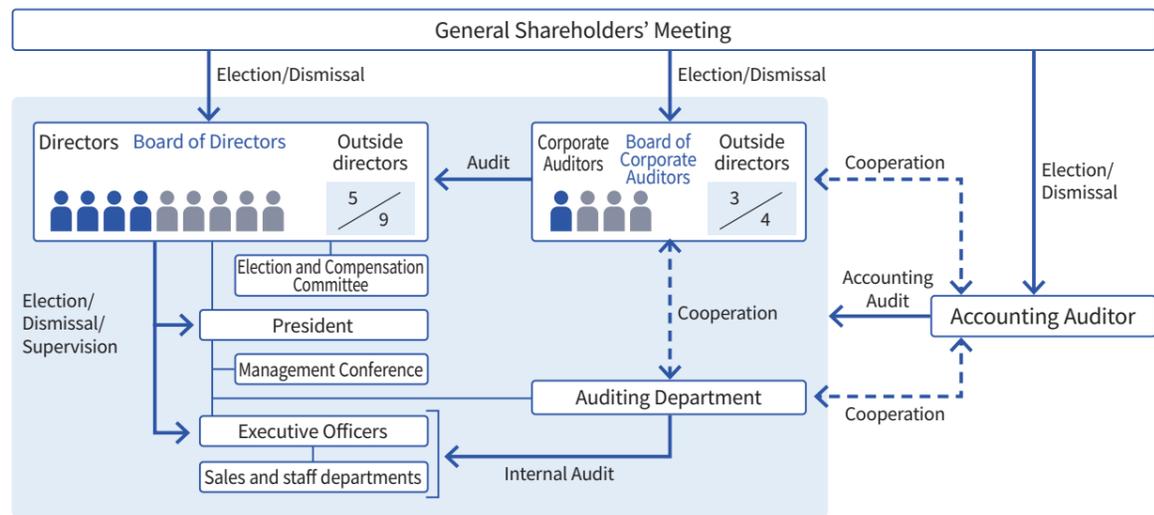
In addition to general shareholder meetings, we have instituted a Board of Directors, a Board of Corporate Auditors and an Accounting Auditor under the Companies Act. We have also introduced an executive officer system to accelerate decision-making, and the Board of Directors supervises and monitors them.

History of corporate governance improvements	
Jun. 2004	Implemented executive officer system
Mar. 2010	Elected one independent director
Jul. 2011	Added one independent director for a total of two
Apr. 2012	Established voluntary Compensation Committee
Nov. 2018	Established voluntary Election and Compensation Committee
Jun. 2021	Added one independent director for a total of three
Dec. 2024	Appointed an independent outside director to chair the voluntary Election and Compensation Committee

### Corporate governance system schematic diagram

(as of the end of June 2025)

Internal directors    Outside directors



### Board of Directors Held 16 times/year

Five out of NEC Capital Solutions' nine directors are outside directors. Meetings of the Board of Directors are regularly held once a month, with extraordinary meetings held when necessary. In addition to making decisions on important matters concerning issues prescribed by laws and regulations, the Articles of Incorporation, and other rules, the Board of Directors monitors the state of business execution by directors by receiving various reports, such as the amount of risk faced by the Group and the results of internal audits. For the fiscal year ended March 31, 2025, the Board of Directors considered and resolved on matters such as important management policies including changes in major shareholders and the succession of businesses to a newly established strategic

subsidiary, as well as significant investment/loan projects that are critical to business strategies, follow-up on the Medium-term Plan, and the promotion of sustainability-related activities (climate change response, human capital, and respect for human rights). Furthermore, three of the outside directors are independent with no interests in the Group or major shareholders, and no risk of conflicts of interest with general shareholders. Their names are submitted as independent directors in accordance with the Tokyo Stock Exchange's stipulations. We expect our outside directors to play roles of providing advice concerning all aspects of corporate management based on their deep insights and extensive experience and of being involved in decision-making at the Board of Directors to ensure its appropriateness and fairness.

### Corporate auditing system Held 12 times/year

Four Corporate Auditors (three of which are outside Corporate Auditors) hold regular meetings of the Board of Corporate Auditors to discuss auditing activities based on the auditing plan and management information.

Along with attending important internal meetings that include meetings of the Board of Directors and Management Conference, Corporate Auditors hold conferences once a month with the President of NEC Capital Solutions to discuss important auditing issues, problems the Company needs to address, and progress made in developing an environment for auditing, in addition to gathering direct feedback from directors and employees regarding the execution of business.

The Auditing Department provides specific advice and recommendations regarding the improvement of business operations through internal audits, offers guidance on the development and operation of the internal control system, and evaluates its operation.

### Assessment of the effectiveness of the Board of Directors

Analysis and assessment of the effectiveness of the Board of Directors are conducted once a year at the Board of Directors meeting to improve its function. NEC Capital Solutions conducted a survey through an outside agency for all directors and Corporate Auditors in March 2025. Opinions were gathered at a Management Roundtable comprising all directors and Corporate Auditors in light of the survey results mentioned above and from the perspectives specified below, and analyses, discussion, and assessment were conducted.

1	Supervision of the management by the Board of Directors
2	Appropriate Board composition
3	Strategic orientation of the management by the Board of Directors
4	Ensured discussion opportunities for the Board of Directors

As for “1. Supervision of the management by the Board of Directors” and “2. Appropriate Board composition,” the Board of Directors is composed of officers who are diverse in terms of gender, knowledge, experience, and abilities, including independent outside directors, and necessary information is shared in an appropriate manner, including prior explanation of agenda items to outside directors, leading to the evaluation that supervision of management is functioning.

Furthermore, the Election and Compensation Committee, the majority of the members of which are independent outside directors, has been chaired by an independent outside director from December 2024 to further enhance the transparency and fairness of the appointment, dismissal, evaluation, and remuneration processes. The Committee has also been commended for progress in areas such as succession planning and candidate interviews.

As for “3. Strategic orientation of the management by the Board of Directors” and “4. Ensured discussion

opportunities for the Board of Directors,” the Company continues to hold a Management Roundtable to freely exchange opinions on important management issues. In FY2025/3, in addition to the change of major shareholders and the succession of business to newly established strategic subsidiaries, the Company also utilized the Management Roundtable to conduct sufficient preliminary deliberations on important business strategies before making decisions on policies. Moreover, new directors and outside directors also participated in general manager and branch manager meetings as an opportunity to promote understanding of our business and to facilitate communication with directors and employees at various levels within the Company.

On the other hand, we believe it is necessary to devise ways to further deepen discussions on important topics such as the rule of the Board of Directors and the governance system. FY2026/3 is the final year of our Medium-term Plan 2025. We will work to achieve this goal, while working to realize management with an awareness of the capital efficiency and stock prices, and to formulate our next medium-term plan. Going forward, the Company will continue to work to improve the effectiveness of the Board of Directors and increase its corporate value over the medium- to long-term by steadily following up on the Medium-term Plan with the aim of realizing our Group Vision, which is to “Be a solution company leading the next-generation circular economy.”

See P.27 for sustainability implementation system

### Election and Compensation Committee

Held 7 times/year

Based on the policy of selecting appropriate human resources who will contribute to the management of the Group, the Company has established the Election and Compensation Committee, in which the majority of members are independent outside directors, as an advisory body to the Board of Directors. The Board of Directors shall appoint and dismiss members of senior management and nominate candidates for directors and Corporate Auditors based on the report of the Committee. In addition, the Company regards the officer compensation system as an important matter of corporate governance, and the Election and Compensation Committee shall deliberate on officer compensation and report to the Board of Directors.

Currently, the Election and Compensation Committee includes three independent outside directors (two of whom are women). The Election and Compensation Committee's reports to the Board of Directors are backed by a wealth of knowledge and experience, and also take into account diversity, such as gender, and skills. The Election and Compensation Committee consists of five directors and is chaired by an independent outside director elected by mutual vote of the committee members.

### Director compensation

We have designed our directors' compensation system to contribute to the realization of our corporate philosophy and the sustainable enhancement of corporate and shareholder value. In addition to financial indicators, non-financial ESG indicators are set as KPIs for the evaluation of performance-linked compensation.

#### ● Directors' compensation structure

Directors' compensation is structured according to their roles as follows.

- Executive directors: supervisory compensation and executive compensation (base compensation, performance compensation, and share compensation)
- Outside directors and Corporate Auditors: fixed compensation only, based on their responsibilities (not performance-linked)

Executive compensation consists of 60% base compensation, 25% performance compensation, and 15% share compensation, with an overall fixed-to-variable compensation ratio of approximately 60:40.

#### ● Overview of performance compensation

Performance compensation is paid annually as a bonus based on the achievement of the following indicators.

Indicators		Representative Director	Executive Director
Financial indicators	Profit attributable to owners of parent	70%	50%
	ROA	10%	10%
Non-financial indicators	Responses to environmental and social issues	10%	10%
	Employee engagement score	10%	10%
KPIs set for each area of responsibility		—	20%

\* Evaluation results range from 0% to 200%, and the amount of compensation is determined after deliberation by the Election and Compensation Committee.

#### ● Overview of share compensation

Restricted stock is granted once a year with the aim of promoting value sharing with shareholders and enhancing corporate value over the medium- to long term. The Board of Directors passes resolutions on a case-by-case basis after deliberation by the Election and Compensation Committee (within the limits approved by the General Shareholders' Meeting, "up to 21,000 shares and up to 31 million yen per year").

#### Relationship with principal shareholders

In conjunction with changes in major shareholders, etc. in October 2024, the Company has changed from an equity-method affiliate of NEC Corporation to an equity-method affiliate of SBI Shinsei Bank, Limited.

\* The ownership ratios of the Company's shares and the Company's structure reflect the results of the tender offer for the Company's shares by SBI Shinsei Bank dated June 24, 2025.

#### ● Relationship with SBI Shinsei Bank

SBI Shinsei Bank falls under the category of "other associated companies," as it owns 43%\* of the Company's shares. The Company has entered into a business collaboration agreement with SBI Shinsei Bank and Showa Leasing Co., Ltd., a group company of SBI Shinsei Bank, with the aim of strengthening its existing business and creating new business opportunities through close business cooperation and personnel interactions as well as maximum utilization of the SBI Group's customer base, financial ecosystem, and pioneering functions. Although four of the Company's 13 officers are employees of SBI Shinsei Bank, three of the nine directors are independent outside directors, and a majority of the voluntary Election and Compensation Committee is composed of such independent outside directors. This structure ensures a board composition that protects the interests of minority shareholders and secures the independence of the Company's decision-making and corporate management.

SBI Shinsei Bank is the Company's main bank, and therefore the Company has transactions with it including borrowing money for business. However, such transactions are conducted appropriately and fairly so as not to harm the independence and interests of the Company, and they are subject to the same terms and conditions as other borrowings, being based on interest rate trends and other market circumstances. Furthermore, the Company procures funds in various ways, with no dependence on specific financial institutions or methods, and no restrictions, etc. are imposed by SBI Shinsei Bank.

#### ● Relationship with NEC

NEC is classified as a "major shareholder," holding 12%\* of the Company's shares. Following the change in major shareholders in October 2024, SBI Shinsei Bank became the Company's largest shareholder. The Company has entered into a business collaboration agreement with NEC to maintain close collaboration as an important partner providing financial services to the NEC Group. In addition, for the use of the "NEC" name in its trade name and the "NEC" mark, which is NEC's trademark and company emblem, the Company has executed a license agreement for use of "NEC" mark and others.

NEC products and services account for approximately 60% of the Company's total executed contracts in the Leasing Business. The Company's main business relationships with the NEC Group include the procurement of products for the Leasing Business and other related transactions. These transactions between the Company and NEC are conducted appropriately and fairly so as not to impair the Company's independence or interests, and are carried out on terms equivalent to those of other general transactions based on market conditions.

### Message from the new representative director

Utilizing my experience to contribute to the growth of new financial fields and the improvement of corporate governance

Shoichi Hirano Representative Director



#### Utilizing my experience in lease and financial fields to contribute to management

I joined The Long-Term Credit Bank of Japan (now SBI Shinsei Bank) after graduating from university. At the bank, I served as a chief officer, group planning and finance where I oversaw corporate planning, IR and public relations, financial affairs, accounting, and treasury operations, etc., as well as manager of the corporate business. I then spent approximately two and a half years as President & CEO of Showa Leasing before assuming my current role in December 2024. NEC Capital Solutions has a flexible corporate culture and many earnest employees, giving the organization real strength. At the Board of Directors, each member has expertise and strengths in different business fields to ensure well-balanced operations.

In addition to my experience in banking and leasing, I am using my unique advantages in my relationship with the SBI Shinsei Bank Group to contribute to company management.

#### Business alliance with SBI Shinsei Bank and Showa Leasing

With SBI Shinsei Bank, we have a complementary relationship in terms of our fields of expertise and customer bases. SBI Shinsei Bank's focus is on corporate finance and structured finance, and it is also proceeding with the rollout of senior loans for real estate and renewable energy projects. On the other hand, we have strengths in financial areas such as mezzanine loans and equities, making for a complementary lineup of solutions. Moreover, while SBI Shinsei Bank is subject to certain restrictions in real estate and energy businesses due to the Banking Act, we can work alongside our subsidiary NCS RE Capital to expand our businesses into new areas.

Meanwhile, Showa Leasing has strengths in the fields of construction equipment business with a customer base comprising primarily SMEs, meaning its advantages are in completely different areas from our own, which is good at ICT domains for large corporations and

government agencies. Further, while Showa Leasing can only offer building leases in the real estate domain, both companies can also collaborate in the field of land we can deal with. Working together, we can take an approach that complement each other with our respective areas of expertise.

I also look forward to this business alliance helping to reinforce not merely operations, but our management foundations. By proceeding with personnel exchange and furthering our understanding of one another's businesses, I have no doubt we can generate a range of synergies not only in front office departments but also in back office departments.

#### Changes in governance ahead of further growth

With the expected rise in handling of mezzanine loans and equities, we must look at how to manage them in a systematic manner. In the planning of our next Medium-term Plan and budget, it is essential that we design a risk management framework while taking into account corporate strength and profitability. I will use the risk intuition developed through my experience in the nationalization of The Long-Term Credit Bank of Japan and financial crises including the collapse of Lehman Brothers to enhance the Company's governance. Moreover, with the appointment of outside directors Messrs. Makizumi and Taima, I look forward to proceeding with discussions regarding the reduction and avoidance of risk and the enhancement of governance. I already feel that discussions have become more intense in the financial area we are working to strengthen.

In addition to our conventional businesses utilizing the sales channels of NEC, we have now established a system in which we can generate synergies alongside the customer base and products of the SBI Shinsei Bank Group. Under this new system, we will do everything we can to ensure sustainable improvements in corporate value and enhance profitability.

## Directors

### Directors (as of the end of June 2025)



**Masaaki Suganuma**  
Representative Director and President



**Shoichi Hirano** New <sup>\*1</sup>  
Representative Director



**Takashi Arai**  
Director



**Yuichi Tsukada**  
Director



**Takashi Nawa** <sup>\*2</sup>  
Director  
Outside Independent  
Professor of Hitotsubashi University Business School, School of International Corporate Strategy



**Takako Hagiwara** <sup>\*2</sup>  
Director  
Outside Independent  
Representative Director of DDD Corporation



**Asako Yamagami** <sup>\*2</sup>  
Director  
Outside Independent  
Partner, ITN Partners Attorney at law admitted in Japan



**Tsukasa Makizumi**  
Director  
Outside New <sup>\*1</sup>  
Senior Managing Executive Officer, Head of Credit Risk Management, SBI Shinsei Bank, Ltd.



**Kojiro Taima**  
Director  
Outside New <sup>\*1</sup>  
Managing Executive Officer, in charge of Group Legal and Compliance, SBI Shinsei Bank, Ltd.

For their biography, please visit:  
<https://www.necap.co.jp/ir/shareinfo/pdf/20250526e.pdf>



<sup>\*1</sup> Newly appointed directors at the Extraordinary General Meeting of Shareholders held on December 12, 2024.  
<sup>\*2</sup> Mr. Takashi Nawa, Ms. Takako Hagiwara, and Ms. Asako Yamagami are independent directors in accordance with the Tokyo Stock Exchange's stipulations.

### Corporate Auditors (as of the end of June 2025)



**Yoshiyuki Koizumi**  
Corporate Auditor (Full-time)



**Kiyohiro Kiyotani**  
Corporate Auditor (Full-time)  
Outside New <sup>\*1</sup>



**Toshiyuki Ito**  
Corporate Auditor  
Outside New <sup>\*1</sup>  
Joint General Manager, Group Institutional Business Planning Division, SBI Shinsei Bank, Ltd.



**Masaru Akatsuka**  
Corporate Auditor  
Outside New <sup>\*1</sup>  
Joint General Manager, Group Corporate Planning Division, SBI Shinsei Bank, Ltd.

## Personal profiles of full-time directors

<b>Masaaki Suganuma</b> Representative Director and President	Apr. 1987	Joined NEC Corporation
	Apr. 2008	Chief Manager, Services Solution Department, Retail and Service Solution Division, NEC Corporation
	Oct. 2009	Chief Manager, Retail, Service, and Transportation Sales Division, NEC Corporation
	Oct. 2010	Chief Manager, New Business Promotion Division, NEC Corporation
	Jul. 2011	General Manager, New Business Promotion Division, NEC Corporation
	Apr. 2014	Executive Officer, NEC Corporation
	Apr. 2022	Senior Officer of the Company
<b>Shoichi Hirano</b> Representative Director	Apr. 1988	Joined The Long-Term Credit Bank of Japan, Ltd. (currently SBI Shinsei Bank, Ltd.)
	May 2015	Executive Officer, General Manager, Institutional Business Planning Division, Shinsei Bank, Ltd. (currently SBI Shinsei Bank, Ltd.)
	Apr. 2016	Executive Officer, General Manager, Corporate Planning Division and Office of Financing Facilitation Management, Shinsei Bank, Ltd.
	Apr. 2017	Senior Officer, Group Planning and Financial Accounting, General Manager, Group Financial Research Division, Executive Officer, General Manager, Corporate Planning Division and Financial Research Division, Office of Financing Facilitation Management, Shinsei Bank, Ltd.
	Nov. 2017	Senior Officer, Group Planning and Financial Accounting, Executive Officer, in charge of Financial Facilitation, General Manager, Office of Financial Facilitation Management, Shinsei Bank, Ltd.
	Apr. 2018	Chief Officer, Group Planning and Financial Accounting, Managing Executive Officer, in charge of Financial Facilitation, General Manager, Office of Financial Facilitation Management, Shinsei Bank, Ltd.
	Apr. 2021	Senior Managing Executive Officer, Head of Institutional Business Unit, Shinsei Bank, Ltd.
<b>Takashi Arai</b> Director	Apr. 1988	Joined The Japan Development Bank (currently Development Bank of Japan Inc.)
	Mar. 2008	Deputy General Manager, New Business and Technology Investment Group, Development Bank of Japan Inc.
	Jun. 2009	Deputy General Manager, Corporate Investment Group, Development Bank of Japan Inc.
	Jun. 2012	Deputy General Manager, Chugoku Branch, Development Bank of Japan Inc.
	Apr. 2014	Specialist under the direction of Senior Executive Officer of the Company, Executive Director of RISA Partners, Inc.
	Apr. 2016	Executive Officer of the Company, Executive Director of RISA Partners, Inc.
	Apr. 2017	Executive Officer of the Company, Executive Director of RISA Partners, Inc.
<b>Yuichi Tsukada</b> Director	Apr. 1989	Joined the Company
	Apr. 2010	Department Manager, Business Management Department, Business Strategy Division of the Company
	May 2011	Department Manager, Human Resources Department of the Company
	Apr. 2012	Department Manager, Corporate Strategy Department, Department Manager, Human Resources Department of the Company
	Apr. 2016	Seconded to NEC Corporation (Manager, Business Finance Department, Corporate Finance Division of NEC Corporation)
	Apr. 2020	General Manager, Business Promotion Division of the Company
	Apr. 2022	Executive Officer of the Company
Apr. 2023	Senior Executive Officer of the Company	
Jun. 2023	Director, Senior Executive Officer of the Company (incumbent)	

## Skills matrix

We identify skills that the Board of Directors should have in light of our management philosophy and ensure that the composition of directors is well-balanced as a whole in terms of knowledge, experience and skills.

Name	Gender	Knowledge, experience and skills								
		Corporate management	CSV, ESG	Finance, accounting	Legal affairs, risk management	Human resources strategy	Financial industry	ICT	Global	Business development
Masaaki Suganuma	Male	○	○					○		○
Shoichi Hirano <span style="background-color: orange; color: white; padding: 2px;">New</span>	Male	○	○	○				○	○	
Takashi Arai	Male		○	○				○		○
Yuichi Tsukada	Male		○	○				○	○	○
Takashi Nawa <span style="background-color: teal; color: white; padding: 2px;">Outside</span> <span style="background-color: teal; color: white; padding: 2px;">Independent director</span>	Male	○	○					○		○
Takako Hagiwara <span style="background-color: teal; color: white; padding: 2px;">Outside</span> <span style="background-color: teal; color: white; padding: 2px;">Independent director</span>	Female	○	○					○		○
Asako Yamagami <span style="background-color: teal; color: white; padding: 2px;">Outside</span> <span style="background-color: teal; color: white; padding: 2px;">Independent director</span>	Female		○		○					○
Tsukasa Makizumi <span style="background-color: teal; color: white; padding: 2px;">Outside</span> <span style="background-color: orange; color: white; padding: 2px;">New</span>	Male		○		○			○		○
Kojiro Taima <span style="background-color: teal; color: white; padding: 2px;">Outside</span> <span style="background-color: orange; color: white; padding: 2px;">New</span>	Male		○		○			○		

Message from outside director



Embracing challenges with an “unconstrained,” “freewheeling,” and creative approach

**Takashi Nawa**  
Professor of Hitotsubashi University Business School, School of International Corporate Strategy

In October of last year, the Company reached a significant turning point with changes in its major shareholders. I have great expectations for this great opportunity whereby we can pursue new growth opportunities stemming from our collaboration with SBI Shinsei Bank, while maintaining our excellent relationship with NEC. In the financial business, where digitalization and incorporation of AI are under way, by combining NEC’s ICT technology with the SBI Group’s financial knowledge, I have no doubt that we will make even stronger progress toward the achievement of our Group vision.

During the previous fiscal year, we made major advances with initiatives focusing on our priority areas in renewable energy and resource recycling. This is a great example of our success in slightly different areas (evolution of existing areas or entirely

new areas) while making full use of our strengths. In the future, I look forward to even more creative ideas, and “unconstrained” and “freewheeling” endeavor. Compared to banks, leasing companies have a much broader range of operations and a greater degree of freedom. This is a great opportunity for the Company to engage in initiatives SBI Shinsei Bank could not undertake, in an “unconstrained” and “freewheeling” manner.

As a base to support this endeavor, however, non-financial indicators such as improving employee engagement scores are becoming more important. The management team has a responsibility to take the lead in hypothesizing and examining how non-financial indicators can be linked to the achievement of financial indicators.

I would like our employees to view this change in major shareholders as a learning opportunity. A mindset that does not fear change and embraces challenges can refine our unique strengths, lead to excitement at work, and open up the future for the Company.

Reshape of the Board following the change in the largest shareholder enabled deeper, higher-quality discussions

In line with the recent change in our largest shareholder, the Board of Directors paid special attention to the business alliance agreement that could form the foundation for achieving the Company’s growth strategies, from the viewpoint of protecting the minority shareholders, employees, and other stakeholders. Regarding the business alliance with NEC, the Board of Directors conducted a thorough and detailed review of the terms of the agreement to assess how best to continue our business collaboration with NEC. This collaboration is central to sustaining and enhancing the strengths we have developed over many years as a manufacturer affiliated leasing company. Regarding the business alliance with SBI Shinsei Bank and its group company Showa Leasing, we engaged in discussions to assess the compatibility of our businesses and potential for synergies. In particular, we identified the complementary nature of our customer bases and know-how as a basis for cooperation. Moreover, to preserve our independence as a listed company, we clarified in a memorandum of understanding that there would be no obligation to submit SBI Shinsei Bank’s recommended candidates for directors and corporate auditors directly to the General

**Asako Yamagami**  
Partner, ITN Partners  
Attorney at law admitted in Japan



Shareholders’ Meeting. Following this, the Election and Compensation Committee held meetings with outside director and outside corporate auditor candidates, making formal decisions after thoroughly looking at the way they utilize their expertise and commitment to enhancing the corporate value of the Company.

Through the participation of new outside directors and auditors who bring diverse perspectives from their banking experience, we have engaged in more substantive discussions particularly on financial risks at board meetings, while we have also seen shifts in the executive side’s approach to risk management and governance. This fiscal year, we will formulate a new Medium-term Plan, and while setting targets and discussing strategies under this new framework, we will also strengthen the environment that support our prudent risk taking as we aim to achieve the plan goals.

Management system supporting CSV management

PDCA management and main meeting bodies

The Company monitors and reviews business activities under the PDCA cycle, from the management level to the employee level. The PDCA Committee continues monitoring important matters related to the management objectives, material issues and sustainability on a monthly basis. This ensures decision-makings are communicated

to the employee level to make prompt actions. We have the PDCA cycle run surely at the employee level and a variety of committees as well, thus ensuring the important management indicators and issues to be reported and shared in a timely and appropriate manner. Each meeting body reports each theme to the Management Conference, the president, and the Board of Directors.



Enhancement of risk management

We view risk management and risk control as important elements in deciding on business development, and we distinguish between risks that should be managed as a source of income and non-income-generating risks that should be reduced. As financial products expand in scope and become more sophisticated, we are enhancing our monitoring functions and strengthening our management framework.

Integrative risk management (ERM)

We make every effort to recognize the various actual and potential risks that emerge in the course of the Group’s business execution, assessing them according to uniform criteria. We then carry out integrated risk management and operation while maintaining management stability and striving to maximize corporate value. We strive to prevent and avoid risks that may significantly impact our business activities through various meeting bodies regularly. We also have a system in place to report such risks to the Board of Directors or the Management Conference based on the degree of importance. We have established a governance system that, in the event that risks are expected to arise, enables prompt consultation with the Management Conference or Board of Directors on the policies set by the respective meeting body, enabling an immediate response.

Of the risks that should be managed, particularly credit, market, and operational risks arising mainly from sales activities, the Risk Management Department is the responsible department, and the Risk Management Committee chaired by the President handles the risks. Based on the risk appetite framework, the Committee works to ensure business continuity and improve

corporate value by allocating risk capital to each business segment in a manner that reflects management strategies, quantitatively measuring the relevant risks, and controlling the risk by comparing the measurement results with management capabilities. In the Medium-term Plan 2025, where we are working on improving profitability, risk management is becoming increasingly important. We are working to improve profitability by effectively using capital under appropriate risk management.

Main meeting bodies for deliberating risk management	Risks to manage
Risk Management Committee	Credit, market, and operational risks
ALM Committee	Risks related to interest rates, funding, income and expenditure management, foreign currency, and liquidity
Internal Control Committee	Risks related to compliance, information security, audit, and internal control
Sustainability Committee	Climate-related risks

Visit the following website for more details:  
<https://www.necap.co.jp/ir/management/risk.html>  
(available in Japanese only)



See ▶ P.29 for risk management related to climate change

### Initiatives for respecting human rights

We recognize that respect for human rights is an important issue for management. By implementing Group-wide initiatives to respect human rights, we will identify and appropriately manage human rights risks, which will lead to solutions for social issues and the improvement of corporate value.

#### NEC Capital Solutions Group's Human Rights Policy

We have established the NEC Capital Solutions Group's Human Rights Policy\*, and applied it to all directors and employees of the Group. We conduct human rights education, establish a complaint handling mechanism, and engage in human rights due diligence to ensure that all directors and employees of the Group perform their duties appropriately in accordance with this policy.

Details of the NEC Capital Solutions Group's Human Rights Policy\*  
<https://www.necap.co.jp/csv/humanrights.html>  
 (available in Japanese only)



\* Based on the "Guiding Principles on Business and Human Rights." These principles embody the UN framework on business and human rights approved by the UN Human Rights Council in 2011.

#### Main initiatives in the fiscal year ended March 31, 2025

In March 2025, we established the NEC Capital Solutions Group Sustainable Investment and Loan Policy, which defines businesses in which investment and loans are prohibited, as well as matters requiring attention, taking into account the presence and severity of environmental and social impacts in pursuing CSV management.

As part of our efforts to identify and assess human rights risks, we identified stakeholders related to our business activities, gained a broad understanding of potential risks, and further specified these risks through discussions with business divisions. Based on this, we received advice from external experts with extensive knowledge and experience in the field of "business and human rights" from a spectator's perspective, and identified key human rights issues in each of our business areas. Although the human rights risk assessment did not reveal any significant risks in the financial product area that could lead to serious human rights violations, we recognized the need to further enhance our methods for identifying and assessing human rights risks.

To deepen employees' understanding of "business and human rights," we conducted human rights training in FY2025/3, inviting external experts to give lectures. In addition, we conducted surveys with directors and employees at Group companies in Japan to gain an understanding of human rights risks and analyze the results. Going forward, we will continue to conduct human rights due diligence and work to prevent and mitigate human rights risks. In situations where we are expected to exercise influence, we will communicate our Human Rights Policy and shared values related to human rights to our business partners, including partner companies.

#### Column Establishment of Our Sustainable Investment and Loan Policy

In March 2025, we established the NEC Capital Solutions Group's Sustainable Investment and Loan Policy. The policy defines our approach to sustainability initiatives that we regard as important. Through the implementation of this policy, we aim to contribute to the sustainable development of the environment and society. The policy was discussed

by the Sustainability Committee and approved by the Board of Directors. We will review the policy on an ongoing basis and update or revise it as necessary.

Details of the NEC Capital Solutions Group's Sustainable Investment and Loan Policy  
<https://www.necap.co.jp/csv/csrmanagement.html#c07>  
 (available in Japanese only)



### Thorough compliance

We recognize that thorough compliance is one of our most important management issues because the Company is subject to various laws and regulations and supervision by regulatory authorities as a business operator engaged in the money lending business and type II financial instruments business. In addition to establishing a Code of Conduct, we have also prepared the necessary training and frameworks/systems as part of efforts to constantly improve the awareness of business ethics and compliance among directors and employees in our Group.

#### Code of Conduct

The Group established the NEC Capital Solutions Group Code of Conduct which stipulates that all directors and employees are required to comply with relevant laws and regulations in their daily business activities and to take action consistent with social ethics. The

Code of Conduct consists of seven chapters: General Provisions; Respect for Human Rights; Our Relationship with Society; Our Relationship with Customers and Business Partners; Our Relationship with Shareholders and Investors; Management of Company Assets and Information; and Operating Systems.

### Basic Position

1	WE will comply with all applicable laws, rules, regulations, and in-house regulations, etc., including this Code, in every aspect of our corporate activities at all times. WE will strive to ensure that all corporate activities are in compliance with normal business practices and social ethics.
2	WE will maintain impartial, fair, and open relationships with all the stakeholders of our company and will conduct business in a fair manner with them.
3	WE will not take any action pursuing our personal or a third party's interests against our company's legitimate interests.
4	WE will not carry out any actions whatsoever that may damage the NEC Capital Solutions Group's social trust or honor.
5	WE will establish an effective internal control system and implement it.
6	WE will accurately and fairly maintain all accounting and other records in accordance with applicable laws, rules, regulations, and in-house regulations, and properly execute our duties. WE will not carry out any unlawful accounting transactions or actions that may cause losses to the NEC Capital Solutions Group.
7	With an awareness of our position as a member of society, WE will always act in accordance with a good social conscience based on high moral and ethical standards.

#### Compliance promotion system

At the quarterly Internal Control Committee, the initiatives of each group company are controlled in a cross-sectional manner. Our regular compliance auditing consists of internal audits by the Auditing Department on the status of the Company's compliance to laws and regulations, the Articles of Incorporation and various

rules. And the Company has an external whistle-blowing hotline where any employee having discovered improper activities can report anonymously. Measures are in place to ensure that whistle blowers are not treated disadvantageously. The whistle-blowing system may be used by all directors and employees of the Group, including those of overseas group companies.

#### Compliance education

In order to ensure that all directors and employees of the Group understand the necessity and importance of compliance as the basis of all our business activities and execute operations properly according to the provisions of the NEC Capital Solutions Code of Conduct, we conduct compliance training annually, and all directors

and employees, including temporary workers, of the Group receive the training.

	FY2023/3	FY2024/3	FY2025/3
Compliance training participation rate (%)*	100	100	100

\* Consolidated results.

#### Basic policy on exclusion of antisocial forces

We believe that excluding antisocial forces that threaten the order and security of civil society is an important issue for society overall. As a corporate group with social responsibilities, we established a basic policy

on antisocial forces, and set up a system to realize this policy.

Corporate governance (compliance)  
<https://www.necap.co.jp/csv/governance/compliance.html>  
 (available in Japanese only)



### Improvement of information security

We are working on improving information security by building an information security system in line with the Ministry of Economy, Trade and Industry's "Cybersecurity Management Guidelines Ver. 3.0," while also making continuous improvements and implementing internal education.

#### Initiatives for improving information security

The Group has established a Fundamental Information Security Policy, and provides the appropriate security countermeasures for our information systems, for information we obtained individually, and for information provided to us by our customers and clients.

In addition to obtaining ISO/IEC 27001 certification in 2006 and PrivacyMark in 2020, we established a "Personal Information Protection Policy" and a personal information protection management system in compliance with JISQ 15001: Personal information protection management systems - requirements, to build a system to appropriately protect the personal information of customers.

Based on these, we conduct annual information security education to maintain and improve the level of information security, and take measures to address risks through the establishment of an information security management system. By doing so, we aim to maintain sound corporate activities and organizational operations and gain the trust of customers, business partners, and other parties.

Please refer to the following for details of the Fundamental Information Security Policy and information security measures.

	FY2023/3	FY2024/3	FY2025/3
Information security training participation rate (%)*	100	100	100

\* Consolidated results. The scope includes all directors and employees, including temporary workers. Mid-career recruits are offered information security training as soon as they join the Company.

Fundamental Information Security Policy  
<https://www.necap.co.jp/csv/governance/img/security2025.pdf>  
 (available in Japanese only)



## Consolidated financial data

(millions of yen)

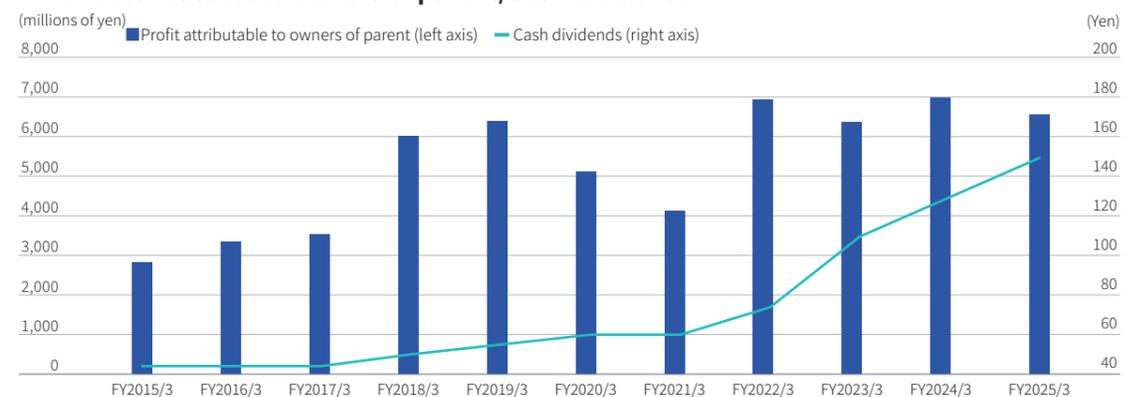
For the year:	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Revenues	213,853	202,637	215,718	231,432	204,131	220,716	221,255	249,907	258,107	255,857	254,879
Operating income	6,043	4,870	6,024	12,674	8,929	8,292	5,965	10,447	11,715	11,694	7,782
Ordinary income	4,733	6,031	6,537	13,455	8,900	9,092	6,089	11,422	12,440	11,818	9,437
Profit attributable to owners of parent	2,816	3,334	3,517	6,006	6,391	5,117	4,118	6,939	6,418	7,034	6,611
Total net assets	105,927	101,026	108,821	110,989	105,999	105,248	113,885	121,740	128,815	136,790	142,385
Total assets	808,732	828,943	860,482	906,495	895,683	997,510	1,057,653	1,030,617	1,055,875	1,117,363	1,224,797
Operating asset balance	717,848	749,380	767,917	821,954	826,834	903,160	959,075	943,408	966,060	982,456	1,047,048
Net assets per share (Yen)	3,453.70	3,529.64	3,675.84	3,927.22	4,131.64	4,306.21	4,438.33	4,794.13	5,085.69	5,374.76	5,617.59
Basic net income per share (Yen)	130.81	154.85	163.35	278.93	296.81	237.66	191.29	322.37	298.14	326.66	306.98
Dividend payout ratio (%)	33.6	28.4	26.9	17.9	18.5	25.2	31.4	23.0	36.9	39.8	48.9
Equity ratio (%)	9.2	9.2	9.2	9.3	9.9	9.3	9.0	10.0	10.4	10.4	9.9
Price earnings ratio (Times)	14.6	10.2	10.5	7.4	5.7	7.7	10.6	6.4	8.5	11.7	12.3
Return on equity (%)	3.9	4.4	4.5	7.3	7.4	5.6	4.4	7.0	6.0	6.2	5.6
Return on assets (%)	0.6	0.7	0.8	1.5	1.0	1.0	0.6	1.1	1.2	1.1	0.8

## Non-financial data (non-consolidated)

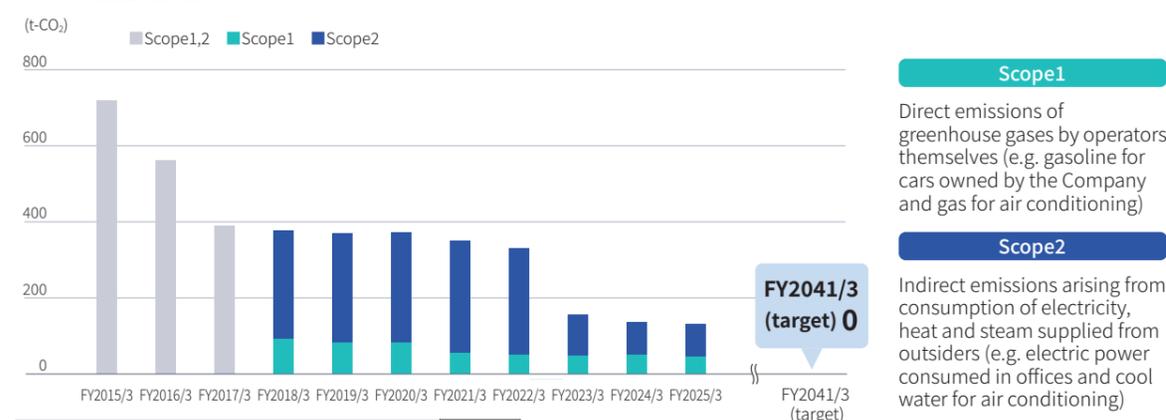
For the year:	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )*1*3											
Total (Scope1,2)	718	561	389	379*2	371*2	371*2	349*2	331 *2	157 *2 [262]	137 *4 [261]*2	130 *4 [241]
Scope1	—	—	—	94*2	83*2	83*2	56*2	51 *2	50 *2 [50]	51 *4 [51]*2	46 *4 [46]
Scope2	—	—	—	285*2	287*2	288*2	294*2	280 *2	107 *2 [211]	86 *4 [210]*2	84 *4 [195]
Scope3	—	—	—	—	—	—	—	—	561,580 *2	620,181 *2	—
Energy use volume (crude oil conversion kL)*1	324	269	167	163	158	157	161	160	170	141	138
Number of female managers*5	3	5	7	4	5 (19)	7 (22)	10 (27)	11 (26)	13 (28)	15 (27)	17 (31)
Ratio of female managers (%)	1.6	2.0	2.8	1.4	2.4	3.2	4.4	5.0	5.5	6.7	8.5
Rate of return from childcare leave (%)	100	100	100	100	100	100	100	95.5	94.0	100	100
Average monthly overtime (h)*5	30.5	27.0	25.5	22.9	21.1	22.1	22.0 (21.1)	22.9 (22.5)	23.0 (22.9)	28.1 (27.3)	28.0 (27.1)
Paid leave acquisition rate (%)*5	58.1	61.1	63.9	64.7	66.6	68.7	61.2	66.5 (66.8)	70.9 (70.9)	71.9 (72.2)	70.7 (71.5)
Turnover rate (%)*6	7.0	4.5	4.5	5.3	5.3	4.1	3.9	4.1	5.2	5.1	6.0
Stability of new graduates hired (%)*7	100	87.5	80.0	100	100	93.3	93.8	100	78.6	89.5	88.9
Compliance training participation rate (%)*8	100	100	100	100	100	100	100	100	100	100	100
Information security training participation rate (%)*8	100	100	100	100	100	100	100	100	100	100	100

\*1 Domestic consolidated basis (excluding Reboot Technology Services and Capitech Limited) \*2 Verified by a third party  
 \*3 [ ] indicate consolidated figures excluding overseas subsidiaries \*4 After application of non-fossil fuel certificates  
 \*5 Figures in parentheses indicate consolidated figures \*6 Excluding retirees \*7 Three-year retention rate of newly hired graduates  
 \*8 Consolidated

### Profit attributable to owners of parent/Cash dividends



### CO<sub>2</sub> emissions



**Scope1**  
 Direct emissions of greenhouse gases by operators themselves (e.g. gasoline for cars owned by the Company and gas for air conditioning)

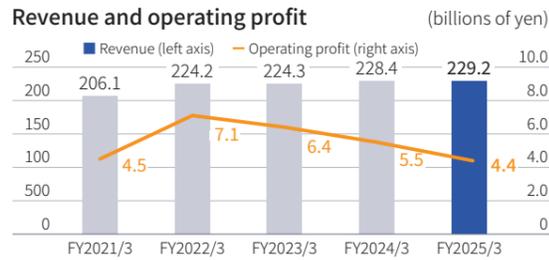
**Scope2**  
 Indirect emissions arising from consumption of electricity, heat and steam supplied from outsiders (e.g. electric power consumed in offices and cool water for air conditioning)

Full text of financial statement with Independent Auditor's Report  
<https://pdf.irpocket.com/C8793/w4ok/oYUI/rHNC.pdf>

## Segment information

### Leasing Business

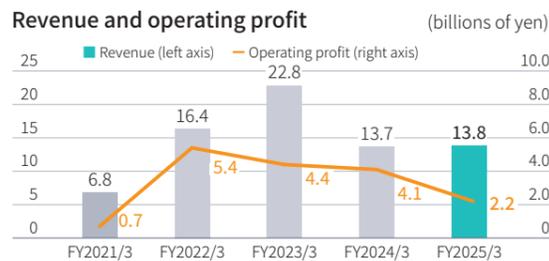
- Main operations**
- Leasing, rental and installment sales of information and communication equipment, office equipment and various other types of facilities and equipment
  - Sales of goods related to leasing, sales of properties after the expiration or premature cancellation of lease contracts, maintenance services for leased items and others



**Business Overview** Although revenue remained steady and was on par with the previous fiscal year, operating profit declined year on year due to the temporary increase in funding costs and system development expenses associated with a change in major shareholders.

### Investment Business

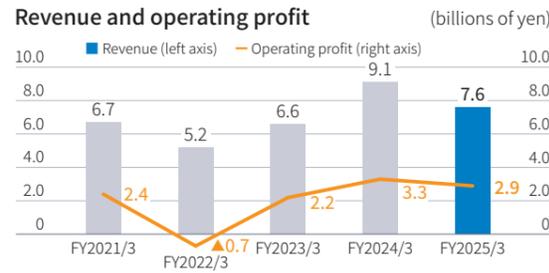
- Main operations**
- Investments in business ventures aimed at earning gains on the sale of securities
  - Asset, real estate and advisory services businesses operated by RISA Partners, Inc.



**Business Overview** Although revenue increased year on year mainly due to proceeds from the sale of real estate and other factors, operating profit decreased year on year due to the recording of credit costs.

### Finance Business

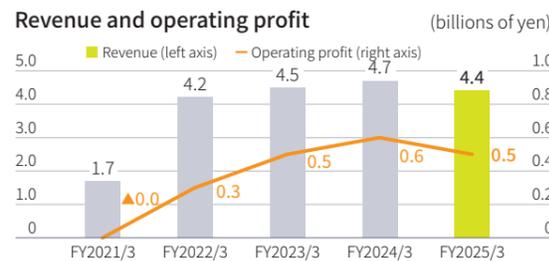
- Main operations**
- Money loans, factoring and securities investments aimed at generating dividend revenue and others



**Business Overview** Revenue decreased year on year due to a reactionary decline following multiple asset sales recorded in the previous fiscal year. Although credit costs improved, operating profit declined year on year due to the temporary increase in funding costs associated with a change in our major shareholders.

### Other Business

- Main operations**
- New business in the areas of energy, tourism, agriculture and healthcare, private finance initiative (PFI) and public private partnership (PPP) projects and other services



**Business Overview** Both revenue and operating profit decreased year on year due mainly to the recording of a healthcare facility sale in the previous fiscal year and an increase in selling, general, and administrative expenses.

## Corporate data (as of March 31, 2025)

Company name	NEC Capital Solutions Limited
Head office	Shinagawa Intercity C building, 15-3 Konan 2-chome, Minato-ku, Tokyo, 108-6219, Japan Tel. +81 (0)3 6720 8400
Start of operation	November 30, 1978
Representative	Masaaki Suganuma, President
Main business	Leasing (Leasing for Information and Communication Equipment, Office Equipment, Industrial Equipment and others), Installment Sales, Business Loans, Factoring Services Other (Business Outsourcing and Sales of Used Equipment, etc.)
Paid-in capital	3,794 million yen
Stock listing	Tokyo Stock Exchange, Prime Market Stock code: 8793
Closing of accounts	March 31
Number of employees	639 (consolidated 860)

Main banks	SBI Shinsei Bank Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd. Mizuho Bank, Ltd. Development Bank of Japan Inc.
Major affiliated companies	NCS RE Capital Limited RISA Partners, Inc. Reboot Technology Services and Capitech Limited Innovative Venture Investment Limited Partnership NEC Financial Services, LLC NEC Capital Solutions Singapore Pte. Limited NEC Capital Solutions Malaysia Sdn. Bhd. AIRA Leasing Public Company Limited, etc.
Domestic network	27 offices
Enterprise rating	<ul style="list-style-type: none"> <li>Rating and Investment Information, Inc. (R&amp;I) Long term A- Short term a-1</li> <li>Japan Credit Rating Agency, Ltd. (JCR) Long term A Short term J-1</li> </ul>

## Share information (as of March 31, 2025)

### Basic information

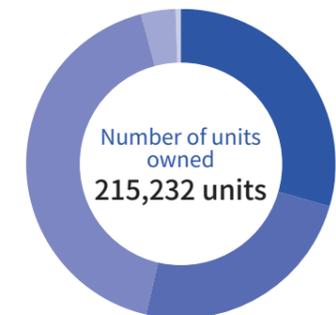
Number of shares authorized	86,000,000 shares
Number of shares issued	21,544,538 shares
Number of shares in one unit	100 shares
Number of shareholders	29,535

### Principal shareholders

Shareholders	Number of shares	Voting rights(%)
SBI Shinsei Bank, Limited*	7,172,278	33.29
NEC Corporation*	3,795,888	17.61
Sumitomo Mitsui Finance & Leasing Co., Ltd.*	2,514,834	11.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,302,300	6.04
Custody Bank of Japan, Ltd.	327,800	1.52
SUMITOMO LIFE INSURANCE COMPANY	200,000	0.92
DFA INTL SMALL CAP VALUE PORTFOLIO	165,399	0.76
JP MORGAN CHASE BANK 385781	103,099	0.47
STATE STREET BANK AND TRUST COMPANY 505223	67,766	0.31
STATE STREET BANK AND TRUST COMPANY 505001	64,530	0.29

\* In June 2025, SBI Shinsei Bank, Limited acquired additional shares of the Company, resulting in a shareholding ratio of 43% for SBI Shinsei Bank, Limited, 12% for NEC Corporation, and 8% for Sumitomo Mitsui Finance and Leasing Company, Limited (provisional figures).

### Classification of shareholders (excluding those with less than 1 unit)



### Disclaimer

The statements in this publication with respect to the Company's current plans, strategies and decisions are forward-looking statements, unless they are historical facts. Such forward-looking statements are based on management's assumptions and decisions in light of the information currently available and involve risks and uncertainties. Because these forward-looking statements could materially differ from actual results due to various factors, readers are advised not to place undue reliance on them.

\* In connection with the revision to reportable segments, data involving retrospective modification are presented for the fiscal year ended March 31, 2021.  
\* Excluding adjustments for operating profit (company-wide costs not allocated to each segment).