March 28, 2025

To Whom It May Concern

Company Name:	Fuyo General Lease Co., Ltd.
President & CEO:	Hiroaki Oda
	Ticker 8424, TSE Prime
Inquiries:	Tatsuya Yamazaki
	General Manager
	Corporate Communications Office
TEL:	+81-3-5275-8891

Notice Concerning Updated Medium-term Management Plan "Fuyo Shared Value 2026"

Fuyo General Lease announces the board of directors met today and updated part of the contents of the Medium-term Management Plan "Fuyo Shared Value 2026 (FY2022-FY2026)" based on changes in the business environment and the progress of the plan.

Please refer to the attached document for details

(Note) This transition is prepared and provided for reference only. In the event of any discrepancy between the document and the original Japanese document, the original document shall prevail.

FUYO LEASE GROUP

2022 - 2026

Medium-term Management Plan <*Update*>

Fuyo Shared Value 2026

Achieving sustainable growth by resolving social issues through human growth and dialog while at the same time delivering economic value

Fuyo General Lease Co., Ltd. Securities code: 8424 March 28,2025

FUYO LEASE GROUP

1. Medium-term Management Plan
Review of the First Three Years P3

2. Update on Medium-term Management Plan P8

3. Initiatives for Enhancing Corporate Value P13

Earnings forecasts and other forward-looking statements provided in this material are based on the information currently available to the Company and are subject to risks and uncertainties. Actual results may differ materially from the forecasts presented herein.

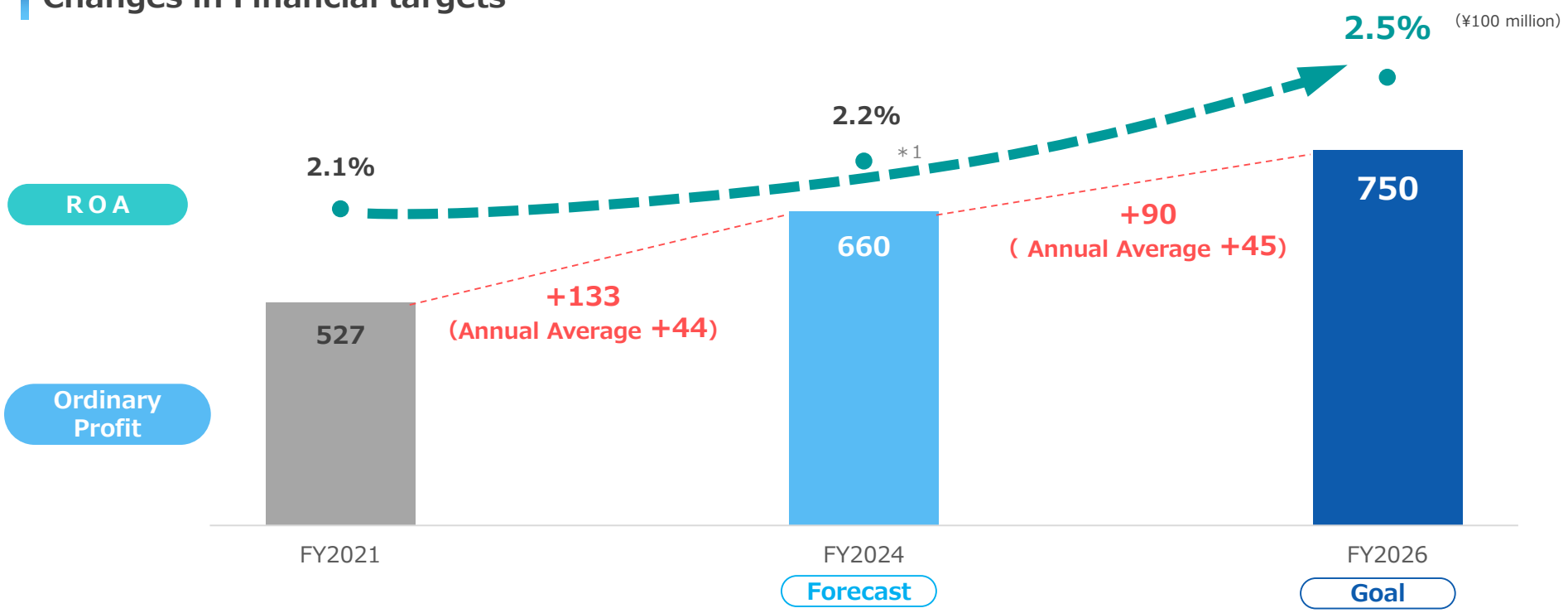
Medium-term Management Plan
Review of the First Three Years

Changes in results for our four financial goals

FUYO LEASE GROUP

- Our four financial goals (ordinary profit, ROA (ratio of ordinary profit to operating assets), shareholders' equity ratio, and ROE) are making steady progress towards final-year targets off the Medium-term Management Plan
- Our forecasts for ordinary profit in the fiscal year ending March 31, 2025 is ¥66.0 billion, at the upper limit of the interim target value for the medium-term management plan of ¥64.0-66.0 billion

Changes in Financial targets



	FY2021	FY2024 Forecast	FY2026 Goal
ROE	10.6%	9.4% *1	10% or more
Shareholders' equity ratio	11.3%	13.8% *1	13~15%
(Operating assets)	(¥2.6 trillion)	(¥ 3.0 trillion) *1	(¥3 trillion level)

*1 FY2024 forecast

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Results of CSV management

- Non-financial goals were set as indicators for practicing CSV. Overall, steady progress was made toward our targets for the final year of the medium-term management plan by steadily practicing CSV.
- Initiatives to finance decarbonization promotion and save our customers' working hours led to expanding the customer base and capturing new sales opportunities. Fuyo Circular Economy Lease® and the region-specific healthcare fund launched jointly with other financial institutions.
  Our results are substantial, both in quality and quantity.
- External ratings on these CSV practices that we have built up are steadily improving (see next page).

Major CSV management results

Item			Initiative status
Environment	Decarbonized society	Renewable energy	Renewable energy power generation capacity, primarily solar/wind, has increased steadily Expanded overseas renewable energy business through alliances with global players
		EV・FCV	Established a collaborative framework with alliance partners (Yamato Group and others) On the other hand, growth in the domestic EV market has been slow, and increases in the percentage of company owned vehicles that are EVs have been limited
		Decarbonization promotion financing	More than 600 companies and organizations using the Fuyo Zero Carbon City Support Program
	Circular society	Enhanced recycling of resources	Launched the Fuyo Circular Economy Lease® Raised percentage of materials/chemicals contained in waste plastics that are recycled
Society and people	Health and welfare	Management support for operators of healthcare businesses	Supported the development and maintenance of the foundation for regional healthcare through such measures as the formation of Japan's first specialist regional healthcare fund, in collaboration with regional financial institutions, etc.
	Creation of time	BPO Service	In addition to establishing a one-stop system to meet diverse needs, we accelerated initiatives to further reduce the volume of work for customers through the use of AI
Organization and structure that support sustainable value creation	Investment in human resources	Provision of an environment more conducive to "learning" Support for the development of independent individuals who generate high added-value	Opened the Fuyo Shared Value Creation Center, a dedicated training facility Non-financial goals expected to be achieved ahead of schedule

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

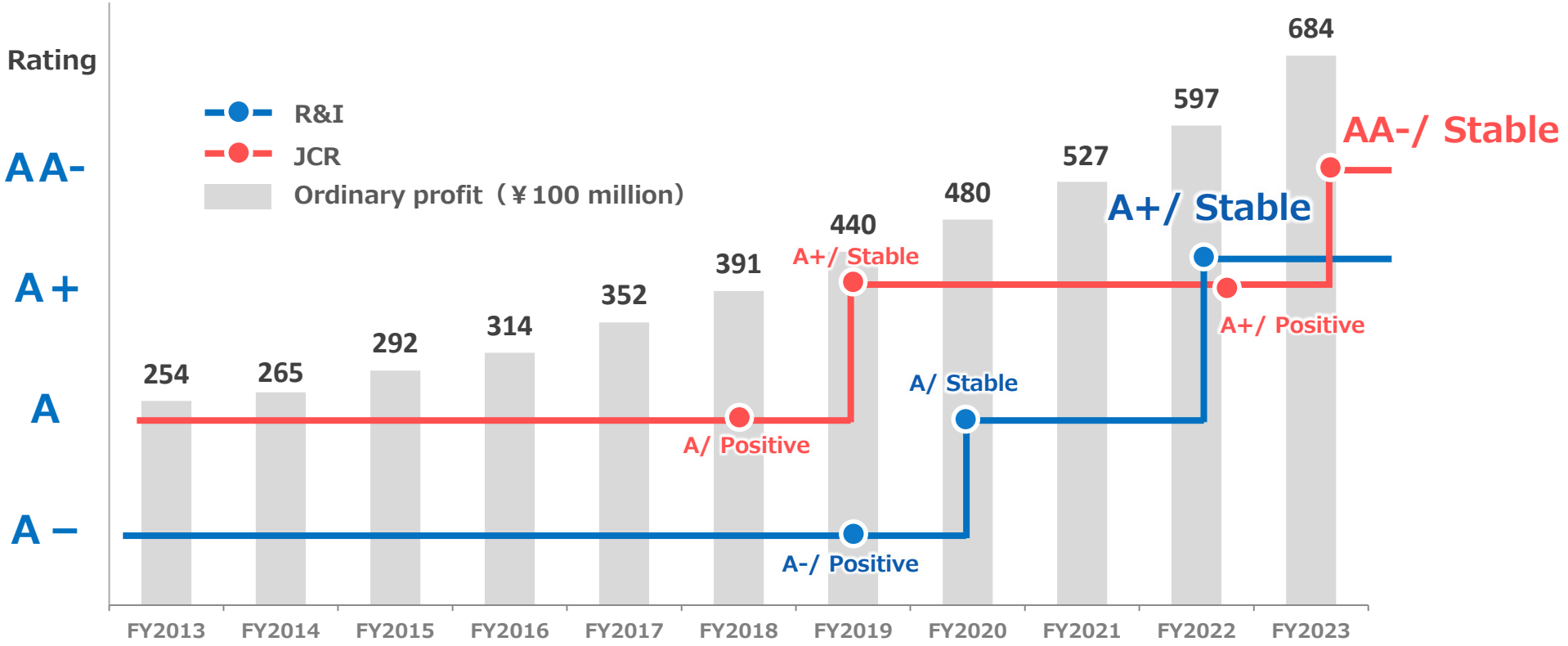
Improved External Ratings

- Rating agencies upgraded issuer ratings in recognition of improved earning power, financial health and other factors.
- We aim to further improve ratings by consistently executing the current Medium-term Management Plan.

Issue Rating

Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)
AA- / Stable	A+ / Stable

Changes in Fuyo's issuer ratings



Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Changes in the management environment

- The growth of global economy has remained resilient and business conditions in Japan have continued their moderate recovery
- Society is increasingly demanding sustainability management that addresses climate change, investments in human capital, and other issues
- Return to “a world with interest rates” following shift in monetary policy by the Bank of Japan (discontinuance of YCC / negative interest rates, etc.)

While we are not being forced to make fundamental shifts in our management strategy in order to continue practicing CSV management, the environment is changing more rapidly than we foresaw at the time it was formulated

At the time of plan formulation

Post-COVID-19 pandemic business environment characterized by extreme lack of visibility and high level of uncertainty

- Overarching trend toward decarbonized society
- Structural changes in society driven by declining birth rate and aging population in Japan, and population shifts overseas
- Significant changes in values originating in the COVID-19 pandemic
- Heightened geopolitical risk
- Changes in monetary conditions (rising interest rates overseas)

As of 2025

Requirement to respond to accelerating changes in the management environment, as well as develop the business in a way that takes various resources and geopolitical risks, etc. into account

- Instilling/expanding sustainability management
- Rising wages driven by structural labor shortages
- Digitalization of society makes rapid progress, e.g. generative AI
- Further heightening of geopolitical risk
- Return to “a world with interest rates” following shift in monetary policy by the Bank of Japan

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Update on Medium-term Management Plan

Financial/Non-financial Goals

FUYO LEASE GROUP

- **Despite revising business strategy based on the recent management environment, no changes have been made to financial goals**
- **In terms of non-financial goals, targets related to ECs/FCVs have been revised based on the environment for penetration of EVs**

  (We have shifted from a "stock" target: percentage of company owned vehicles that are either EVs or FCVs - to a "flow" target: percentage of new contracts that are either EVs or FCVs)

Management Goals

Financial goals

No revisions

Item	FY2024 forecast	Target value for FY2026
Ordinary profit	¥66.0 billion*1	**¥75.0 billion**
ROA Ratio of ordinary profit to operating assets	2.2%*2	**2.5%**
Shareholders' equity ratio	13.8%*2	**13% to 15%**
ROE	9.4%*2	**10% or more**

*1 Full-year forecasts for the fiscal year ending March 31, 2025
The initial forecast for the interim (FY2024) target for ordinary profit was ¥64.0-66.0 billion

*2 Expected full-year results for the fiscal year ending March 31, 2025 (provisional)

Non-financial goals (excerpts)

Some revisions

Item			Target value for FY2026
Environment	Decarbonized society	Contribution to CO_2 Reduction	500,000 t-CO_2
		The amount invested in the promotion of decarbonization (sum total for five years)	¥300.0 billion
		Renewable energy power generation capacity*3	1,000MWdc
		Percentage of new contracts that are either EVs or FCVs (percentage at Fuyo Auto Lease/YAMATO LEASE)	5% (Revised)
	Circular society	Percentage of returned PCs that are reused or recycled	100%
		Percentage of materials/chemicals contained in waste plastics (from returned PCs) that are recycled	100%
Society and people		Work hours saved by our customers (Creation of new value creation time through BPO/ICT services)	One million hours Compared to FY2021
Investment in human resources		Human resource development-related expenses (non-consolidated)	300% Compared to FY2021

2030 target: Achieve carbon neutrality and RE100.

*3 Applicable to investments made in the Renewable Energy Generation Business, project financing, etc. (The power generation capacity is calculated based on the ownership ratio and share.)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Overview of an Earnings Portfolio

FUYO LEASE GROUP

- Steady growth in profits expected in the Transformation Zone (Rising/Accelerating) as a whole
- The Growing Performance as our core business is expected to perform steadily and exceed initial forecasts
- Based on changes in the economic environment, etc., we have revised individual strategies and profit plans for each business domain

*The revised forecasts for ordinary profit by business domain FY2026 are scheduled to be disclosed at the time of the full-year results briefing for FY2024

Working to build “mountain ranges with multiple peaks” revenue structure, driven by the diversification of business caused by shifts in management resources

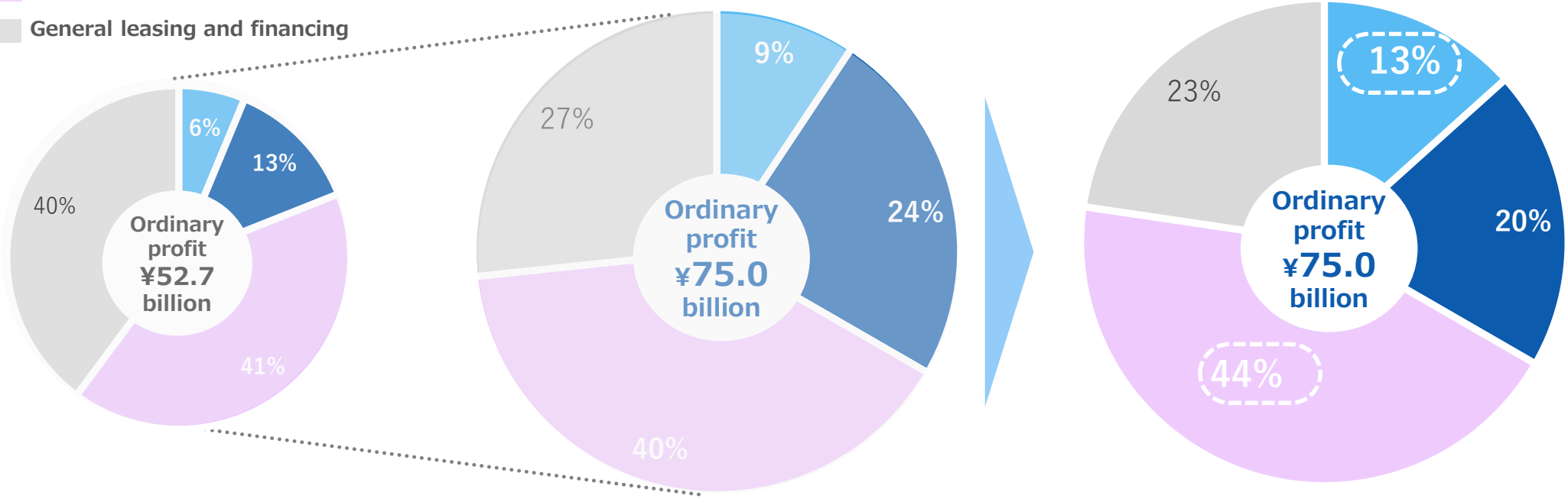
Breakdown of ordinary profit

Rising Transformation (Mobility/Logistics, Circular Economy)

Accelerating Transformation (Energy & Environment, BPO/ICT, Medical & Social Welfare)

Growing Performance (Real Estate, Aircraft)

General leasing and financing



FY2021 (results)　FY2026 (initial forecast)　FY2026 (revised forecast)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Establishment of “logistics” business

Changes in the external environment

- Face to face with the “2024 logistics problem.” Proceeding with initiatives aimed at resolving logistics issues through such measures as sharing of operations and assets

Expanding the business base in the logistics domain

- By expanding products and services through cooperation with partner companies, we have steadily grown our business in the logistics domain
- In FY2024 we made Wako Pallet, which will be a core company in this business domain, a consolidated subsidiary

Expanding the business domain of “Mobility & Logistics” > **In order to increase expertise/flexibly develop the business, we are developing the business as “mobility” and “logistics”** > **Redefining “Mobility & Logistics”**

Logistics business× Wako Pallet

Fuyo Lease Group

Logistics real estate

Logistics materials/machinery

(Material handling equipment)

Forklift

『GREEN FORK』
PRC/PLIC

Pallet

Automation equipment

eve autonomy (business partner)

Logistics consulting

PAL (capital alliance partner)

×

支える、創る、物流の未来。
ワコーパレットPRO

- Extensive product lineup
- Wide-ranging customer base
- Product development/provision capabilities

Synergy

- Extensive lineup of logistics materials essential for logistics
- Direct touch points with the logistics frontline
- Joint development function for Fuyo Lease and business partners

Strengthening solutions for “logistics nodes” using “logistics materials and machinery” as a lever

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Revisions to the dividend payout ratio level

Shareholder Return Policy

Conventional Policy

Aiming to achieve a dividend payout ratio of
30% or more by FY2026

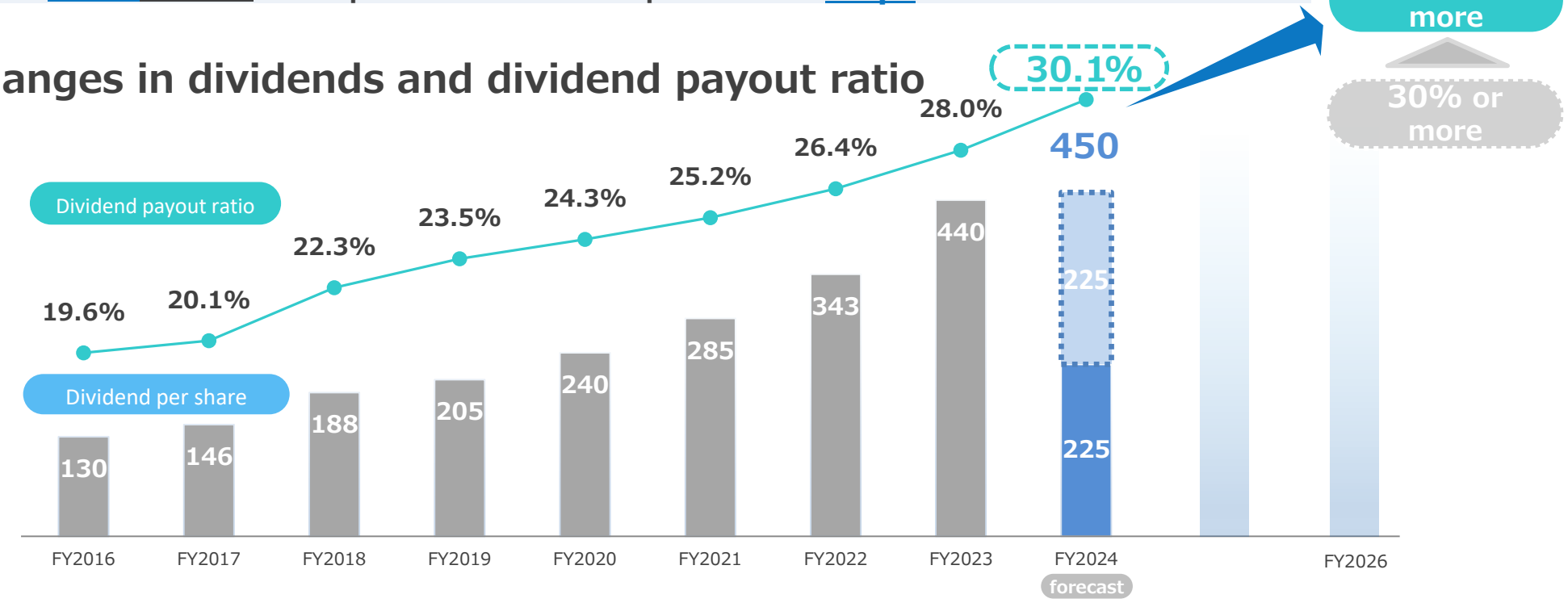
New Policy

Aiming to achieve a dividend payout ratio of
32% or more by FY2026

Following satisfactory progress in the medium-term management plan, and after taking into account the enhancement and strengthening of the earnings base and financial position, we have revised our approach to the dividend payout ratio level.

In the final year of the medium-term management plan, we aim to achieve a dividend payout ratio of 32% or more (compared to an initial expectation of +2pt)

Changes in dividends and dividend payout ratio

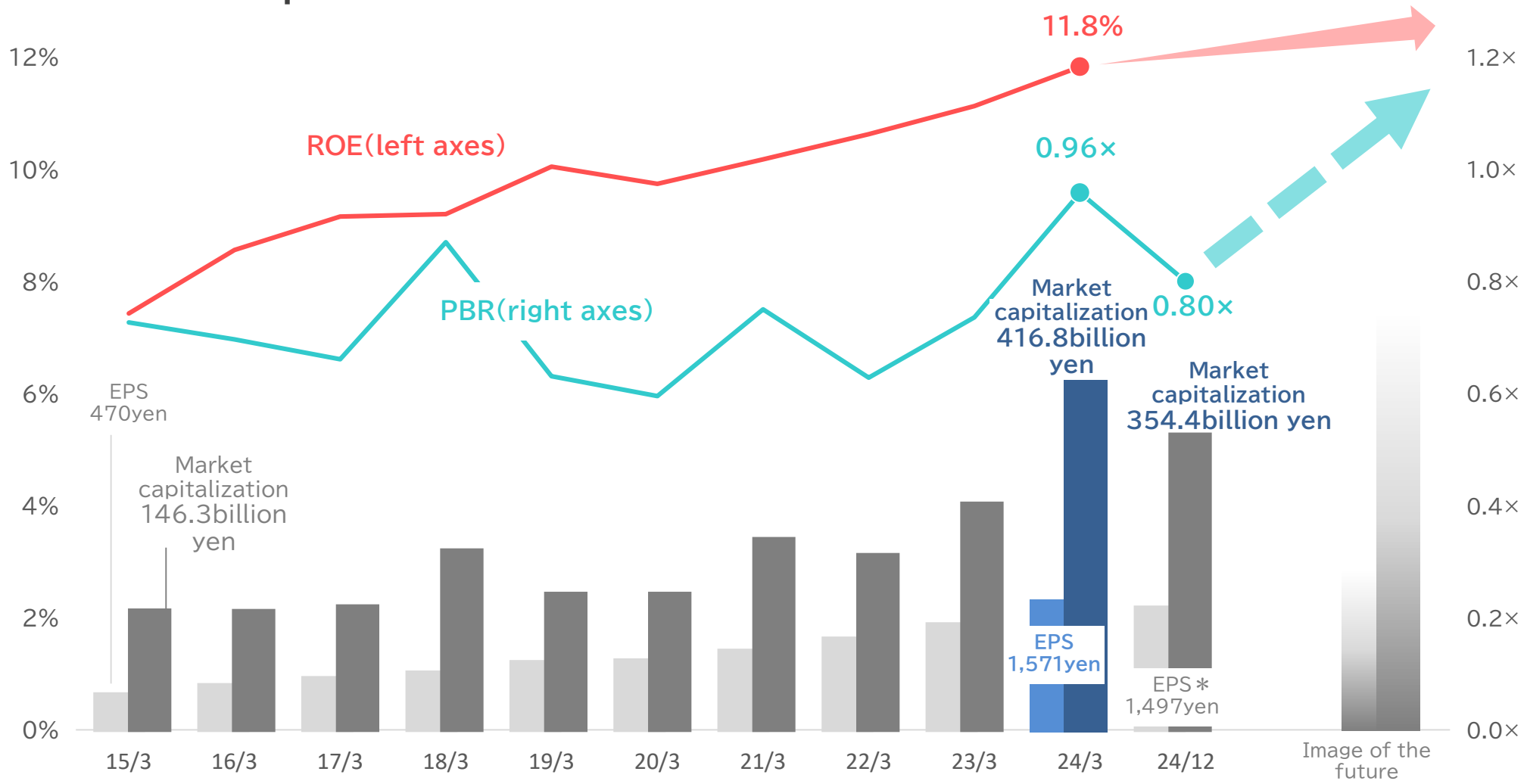


Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Initiatives for Enhancing Corporate Value

Changes in results and share price-based indicators

- **Through continuous expansion of the business domain, we have achieved both growth in EPS and improvements in ROE over the medium term**
- **Although market capitalization has increased, further improvement in market valuation is required based on PBR**



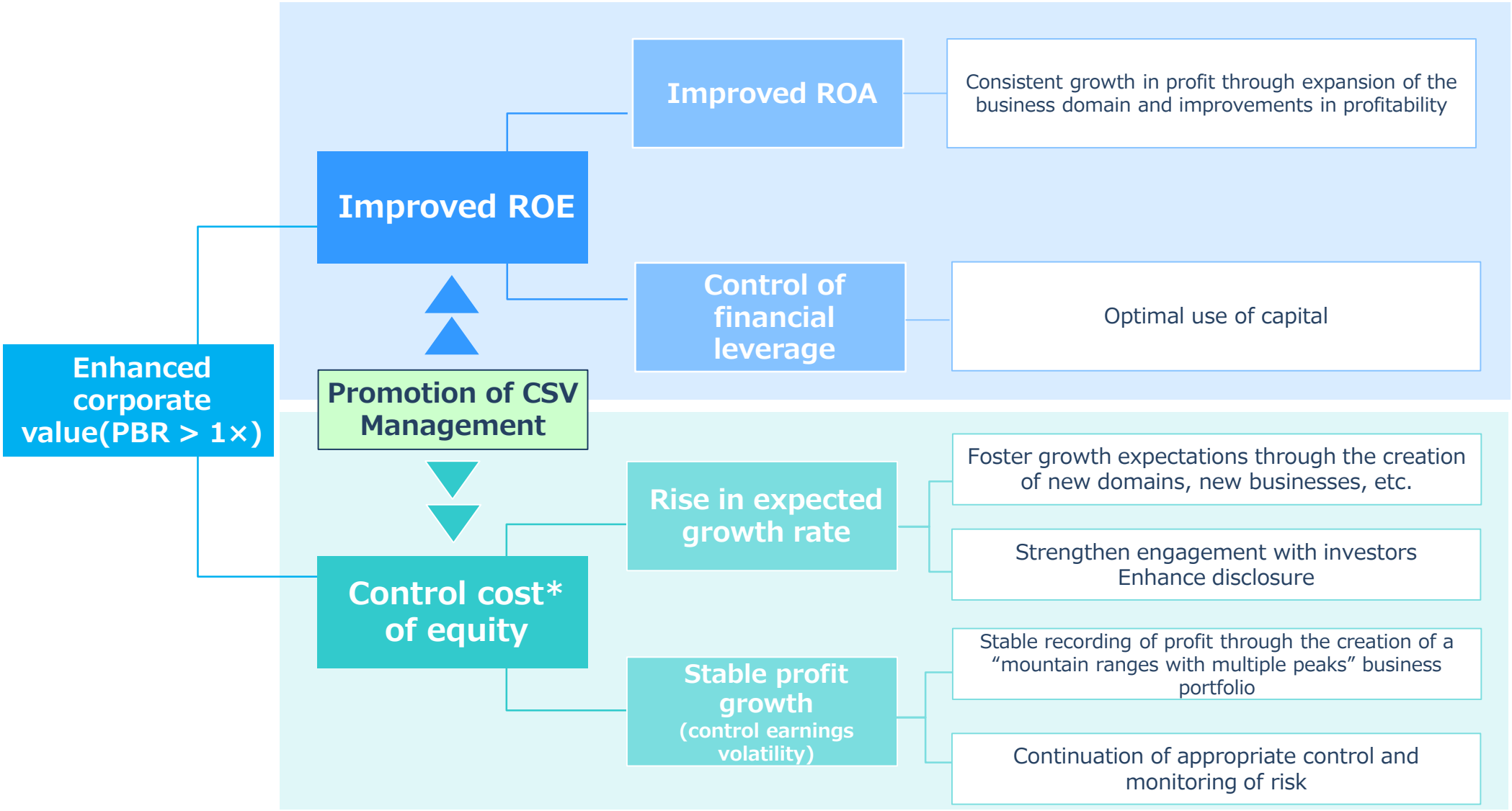
※PBR/market capitalization are calculated based on the closing price of the stock at the end of each fiscal year.

＊ Earnings forecasts are for FY2024

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Initiatives for enhancing PBR

- **We aim to enhance corporate value over the medium to long term by achieving ROE that consistently exceeds the cost of equity, and by controlling the cost of equity**



*Cost of equity in the broad sense (cost of equity - expected growth rate)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

Initiatives for enhancing ROE

FUYO LEASE GROUP

Consistent growth in profit through expansion of the business domain and improvements in profitability

Improved ROE

Improved ROA

- Expansion of business domain
- Improved profitability

Financial Leverage Control

Optimal use of capital

- Use of capital to improve profitability
- Enhancement of shareholder returns with awareness of capital efficiency

Main initiatives aimed at expanding the business domain and improving profitability

Partnerships with alliance partners

Incubation — Creation of new domains/businesses that will be the next growth driver

Urban development project	Suma Sea World PJ　Kobe Arena City PJ
Carbon Credit	Forest fund　Rice Paddy Credit

Transformation — Expansion of the business domain and improvements in profitability driven by proactive commitment of management resources

Mobility/Logistics	EV fleet management in Japan and overseas Logistics solutions -Wako Pallet became a subsidiary (March 2025)
Energy & Environment	Renewable energy business mainly in Europe and North America Grid storage battery business -Global engineering became a related company (December 2024)
BPO/ICT	Total solution for “outsourcing + DX” using AI Data center-related business in Japan and overseas
Healthcare	Support for business succession/regeneration - CB Holdings made a subsidiary (January 2025) Treatment/nursing care remuneration factoring that contributes to management support

Growing Performance — Stable growth in core domain

Real Estate	Joint investments with partners/continuous improvements in profitability
Aircraft	Promote turnover-type businesses thourgh enhanced sales strategy

- Strategic use of capital in transformation zone
- Promotion of inorganic strategy with the objective of strengthening functions
- Increases in the dividend payout ratio level with balancing growth investments

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

“Going Where
No One Has Gone Before”

FUYO LEASE GROUP

FUYO GENERAL LEASE CO., LTD.