MIZUHO

Innovating today. Transforming tomorrow.

Mizuho Leasing Company, Limited

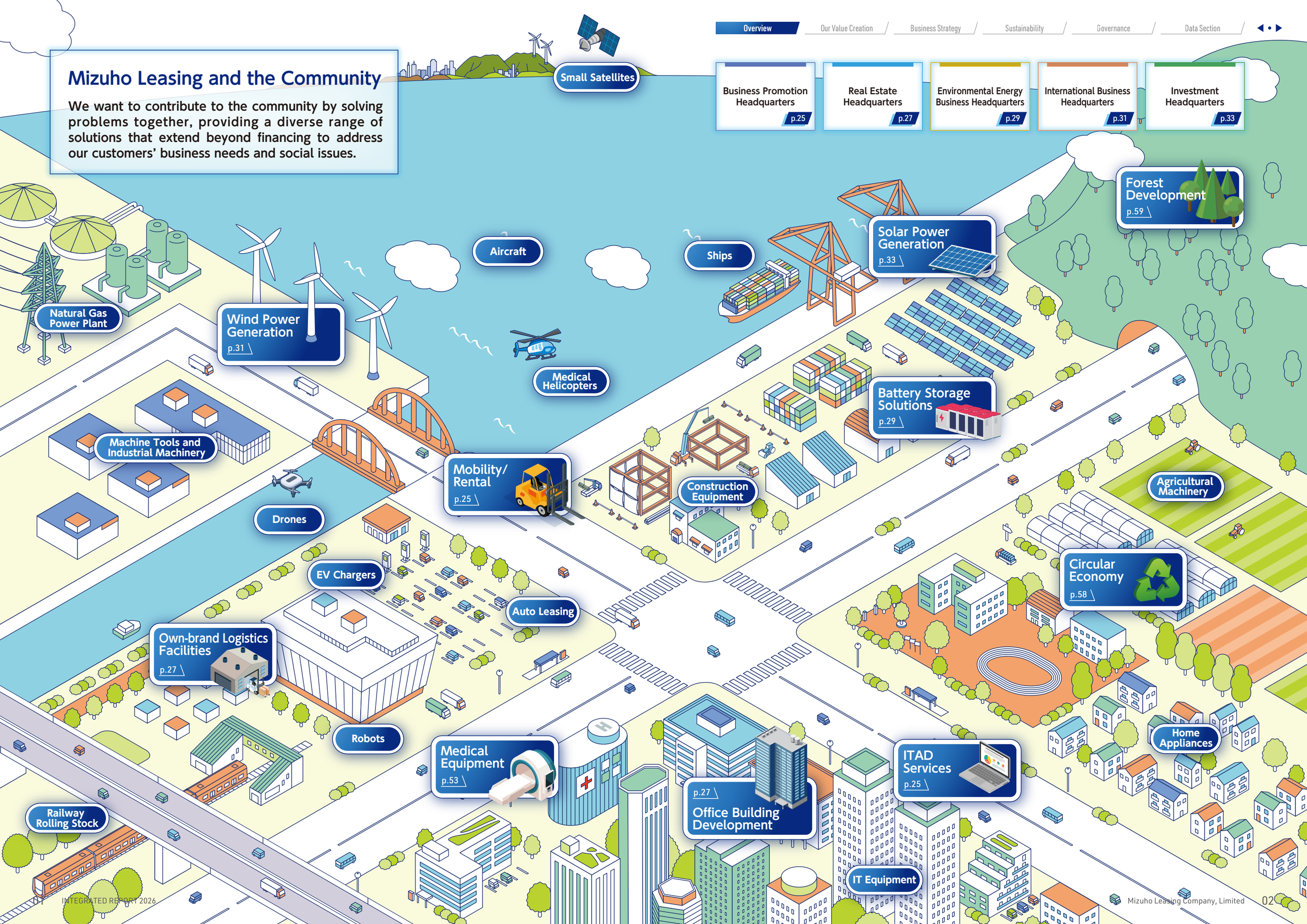
INTEGRATED REPORT 2026



Mizuho Leasing and the Community

We want to contribute to the community by solving problems together, providing a diverse range of solutions that extend beyond financing to address our customers' business needs and social issues.

Business Promotion Headquarters p.25
Real Estate Headquarters p.27
Environmental Energy Business Headquarters p.29
International Business Headquarters p.31
Investment Headquarters p.33

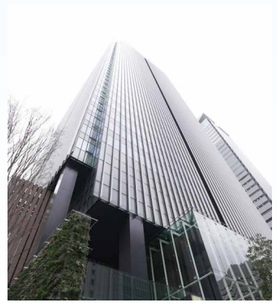


Our Trajectory

The Mizuho Leasing Group has created new value by anticipating changes in society and flexibly developing businesses that meet the needs of the times.
Going forward, we aim to become a platform company that contributes to our customers' business activities by partnering with them to co-create value that goes beyond finance and helps address their challenges.

FY2025

Revenue	¥921.6bn	Ordinary income	¥65.0bn
Net income	¥47.6bn	Operating assets	¥3,399.9bn
ROE	11.7%	Number of employees (consolidated)	2,434



Projects pioneered by Mizuho Leasing

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



January 1972
Began vendor leasing of construction machinery



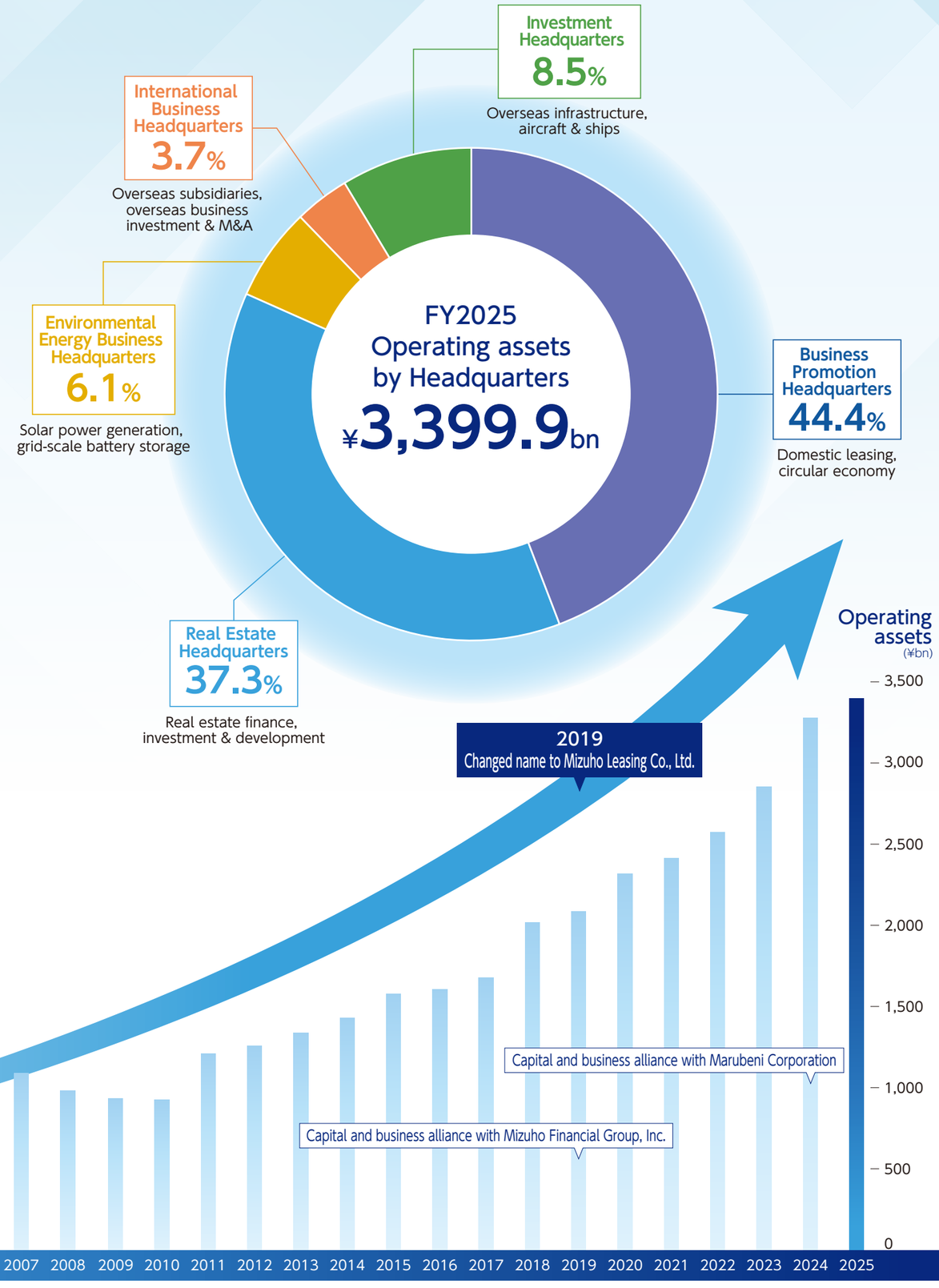
December 1972
Began ship leasing overseas



October 1985
Pioneered Japan's first railway rolling stock leasing



November 1998
Stepped up launch of structured finance



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We will accelerate our transformation and secure future growth as we strive to become a platform company that co-creates the future together with our clients.

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We will balance earnings growth through strategy execution with the strengthening of shareholders' equity to support further sustainable growth.

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Editorial policy

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

Period covered by the report

From April 2025 to March 2026 (some activities fall outside the period)

Scope of the report

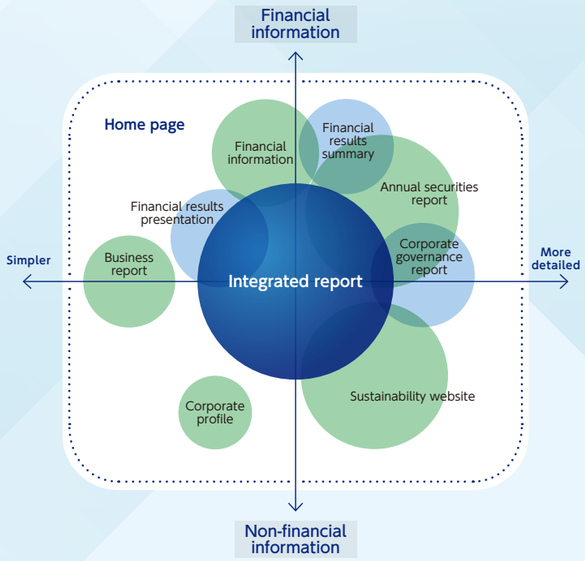
This applies to the entire Mizuho Leasing Group.

Notes on forecasts

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

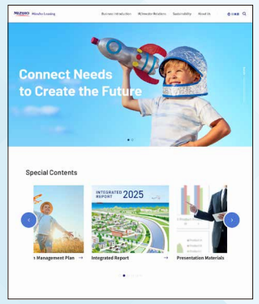
Tool Map | Website

Integrated Report 2026 and relevant websites



Official website

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



Main content

- Business overview
- IR & investor information
- Sustainability
- Corporate information
- Careers

Special website

https://horizon.mizuho-ls.co.jp/ (Japanese)

Highlights our notable case studies and initiatives



Main content

- Animation
- Case studies
- Videos

Management Philosophy

Connect Needs to Create the Future

Our Aspirations

We aspire to create a society
that can be passed on to future generations,
where stable economic growth is achieved,
the global environment is protected,
resources are optimized,
and human rights and ethics are respected.
To create such a society,
we will always push ourselves to embracing challenge,
to innovate,
and to create,
hand-in-hand with our stakeholders.
We aspire to be a company
that identifies the needs of our customers, the needs of society,
and needs yet to be discovered,
and connects them to help address
the challenges facing society.

That is the kind of company we aspire to be.



Value Creation Process

INPUT

Intellectual Capital

Extensive expertise and know-how in tangible assets, commercial transactions, and finance

- Ability to provide high-value-added services
- Ability to provide solutions that address customers' problems

Human Capital

Highly skilled talent who earnestly address challenges

- Recruitment of highly specialized talent

Number of employees (consolidated)····**2,434**
Non-consolidated ····· **838**

Social and Relationship Capital

A customer and partner base and networks that support co-creation

- Customer base consisting primarily of large and medium-sized enterprises
- Highly specialized business partners that create diverse value
- Extensive domestic and overseas network

Subsidiaries **250**(**202** in Japan, **48** overseas)
Affiliates **24**(**12** in Japan, **12** overseas)

Financial Capital

A stable financial foundation

- Net assets ····· ¥**454.5**bn
- External credit ratings (long-term)
  R&I : **AA−**、JCR : **AA−**

Manufacturing Capital

Broad range of assets

Business Promotion Headquarters·····¥**1,510.1**bn
Real Estate Headquarters·····¥**1,269.3**bn
Environmental Energy
Business Headquarters·····¥**206.7**bn
International Business Headquarters·····¥**125.0**bn
Investment Headquarters·····¥**288.8**bn

Natural Capital

Natural energy needed by society

- Renewable energy generation capacity···**1,185**MW

Solar power, wind power, hydropower facilities, and grid-scale battery storage

Management strategy and business activity

Mizuho Leasing Group — **Platform that** delivers value co-creation **to** customers and society

Strategy

Leverage the Mizuho platform and Marubeni network as our biggest strengths

Use inorganic investment and enhance new business development functions to expand business domains

Evolve the business model to expand the value chain in each business domains

Build a management foundation that is resilient to change and able to respond to the external environment with agility and simplicity

New ideas and innovations that extend beyond finance

Combination of various solutions

Finance × Business × Investment × Services (including digital)

OUTCOME

Make a major leap from a leasing company to a platform company that co-creates the future together with our clients

Enhancement of social value

- Provide various solutions to business challenges faced by customers
- Resolve social issues through initiatives such as supplying renewable energy and building platforms for the circular society

Enhancement of shareholder value

- Improve earnings while paying dividends in line with performance
- Effectively utilize retained earnings to strengthen our business foundation and invest in growth

Enhancement of human value

- Create a healthy and rewarding workplace
- Encourage employees to act autonomously and proactively

Mizuho Leasing's materiality

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

CEO Message

Accelerating Transformation and Securing Future Growth

Becoming a platform company that co-creates the future together with our clients

Since becoming president in 2023, I have aimed for the group to make a major leap from a leasing company to a platform company that co-creates the future together with our clients.
We aim to be a platform company that creates value by combining internal and external capabilities with multiple potential solutions to address our customers' business challenges as well as social issues. Our customers face ever more complex and sophisticated challenges that span the circular economy, decarbonization, AI and robotics, labor shortages, economic security, business succession, M&A, and funding diversification. The group's role is to address these challenges with more multifaceted solutions that combine finance, business investment and management, services, digital technology, and the knowledge and networks of external partners.
Our group draws on the larger Mizuho's extensive domestic customer base, Marubeni's domestic and international networks, our relationships with alliance partners, and our expertise in managing assets and the business development capabilities we have developed ourselves. By interconnecting these strengths, we enhance our functionality as a platform that delivers value co-creation to customers and society. I am confident that these cumulative efforts will drive the sustainable enhancement of our group's corporate value.

The foundation for transformation built under the Medium-Term Management Plan 2025

In line with our Medium-Term Management Plan 2025, we set out the "Three-Year Challenge toward Transformation" and worked on two fronts: business portfolio transformation and strengthening our management foundation. As a result, net income for fiscal 2025 was ¥47.6 billion, and we met our financial targets for both growth in operating assets and ROA based on ordinary income. While ROE was 11.7%, partially reflecting the build-up of equity, we made steady progress in building the foundation for stronger profitability and stable growth. We also achieved tangible progress in laying the groundwork to support future growth through investment in human capital, wider use of digital technology, more sophisticated risk management, and transformation of the corporate culture. I feel the foundation for transformation is taking shape.
At the same time, there are still challenges to be addressed in order to achieve our vision. Expanding our scale alone will not deliver reliably stable growth. Amid the ongoing shift to a positive interest rate environment and changes in the business climate, I believe that strengthening earning power and building an organization that adapts to change are essential. We therefore position ROA gains driven by business portfolio transformation and strengthening the management foundation as key management themes as we accelerate our transformation.

Medium-Term Management Plan 2028 — Three years to ensure future growth

I personally think of our Medium-Term Management Plan 2028 as a three-year period to accelerate our transformation and ensure future growth. “Future growth” refers to more than growth over these next three years. It means building the foundation for sustainable growth not only for this period, but for beyond as well. If the Medium-Term Management Plan 2025 represented a phase in which we laid the basis for transformation, the Medium-Term Management Plan 2028 is the phase for building an engine of growth upon that foundation. By evolving our business model and broadening our business domain while building a management



Akira Nakamura
President and CEO,
Representative Director

foundation that adapts to change, we are accelerating our business portfolio transformation. We are also working to create social value by addressing such topics as the circular economy, economic security, growth strategy investment, decarbonization, and labor shortages, among other areas. We are creating economic value not only through finance but by strengthening business investment and improving the earning power of each headquarters as measured by ROA. Through these efforts, we are pursuing solutions that both address social issues and increase profitability for the group.

Evolving our business model and facing the challenge of value creation

Under the Medium-Term Management Plan 2028, we are pursuing business portfolio transformation with a focus on the effective use of assets, a stronger fee-based business, expanded international reach, and support for middle-market growth. At the core of this is the evolution of business models in each business segment and our efforts to develop new businesses.
Drawing on each headquarters' customer touchpoints, expertise, and asset knowledge, we are broadening the value chain in each business domain while expanding the value we deliver to customers. We will also leverage inorganic investments and alliances to strengthen our new business exploration efforts and create new business opportunities that will become future growth drivers.

Evolving into an organization that adapts to change

I believe that becoming a platform company requires not only formulating a strategy but also an organization capable of executing it. A strategy only has meaning once it is executed. That is why, under the Medium-Term Management Plan 2028, we are building a management foundation that adapts to change by strengthening human capital, transforming our corporate culture, improving productivity with digital technology, enhancing risk management, and strengthening our financial base.
Underpinning all these are the ideas of empowering autonomous employees and strengthening our organizational capabilities.

The autonomous employees we envision are talent who not only have a high level of technical expertise, but who think and act independently and who see change as an opportunity for growth. Each of these people identifies issues, acts, and uses the results to drive the next challenge. I believe that keeping this autonomous problem-solving cycle turning on the front lines is indispensable to laying the foundation for an organization that can adapt to change.
Promoting the use of digital technology is also essential to strengthen our management foundation. Leveraging AI and data is not merely a way to streamline operations or improve productivity. We must redirect the time freed up by streamlining routine tasks to attend to higher-value work while using data and technology to strengthen our fundamental ability to propose solutions to customers and resolve their issues. By combining the respective strengths of people and digital technology, we are increasing productivity and adding increased value.
I also believe passion is a critical driving force for transformation. However excellent a strategy or system may be, it will not produce results without the passion of the people and organization striving to achieve it. Each employee must take ownership and continually accept challenges on their own initiative. I believe that the accumulation of these efforts raises an individual's passion, which in turn becomes the passion of the entire organization and spurs value creation.
A platform company is one that integrates capabilities inside and outside the company to create new value. Supporting the success of this model are strong individuals, a self-directed problem-solving cycle, and the passion of our people and organization. I view this kind of organization building as the key to the group's future growth.

Action! It's my turn!

The relocation to our new headquarters in February 2026 was more than an office move; it was part of our management strategy. It is an important initiative that tangibly promotes the cultural transformation the group is pushing for and accelerates organization development.
One fresh concept for our new headquarters, "Action! It's my turn!" expresses our belief that each of us should fulfill our own role in creating our future rather than leaving transformation to someone else.
Achieving transformation requires communication and collaboration that span organizations and roles. At the new headquarters, we have set up a variety of workspaces and a digital environment, creating a workplace that connects people together, alongside information.
We also continue to foster dialogue between management and frontline staff through town hall meetings and other forums. This is important because transforming a corporate culture is not possible via systems alone; it must be nurtured through day-to-day communication and action that builds upon itself.
I believe that over time this environment-building and dialogue will further enhance our employees and our organizational capabilities and become the force that drives us to become a platform company.

To our stakeholders

As society and industry undergo major structural change, the roles required of companies are also changing. Our operating environment is also changing significantly, but I believe these changes hold many growth opportunities.
To capitalize on these opportunities and generate solid growth, we must ensure that our businesses, as well as our people and organizations, keep evolving. While drawing out the full potential of each individual and of the organization as a whole, I intend to further hone the group's strengths and connect them with future growth.
We are committed to creating new value on our journey to becoming a platform company that co-creates the future together with our clients. We ask for your continued support and cooperation.



CFO Message



1 Review of the Medium-Term Management Plan 2025

Under our Medium-Term Management Plan 2025, we categorized our business portfolio into three areas with different growth time frames (Core, Growth and Frontier). By appropriately managing short-term profitability focused areas and areas which require growth investments to increase profitability over the medium-to-long term, we have strengthened our business foundation.
Specifically, we continuously built up high-quality assets in domestic leasing and real estate, while actively committing management resources to growth areas such as global business and environment & energy, positioning them as revenue pillars second only to our core business.
Meanwhile, we are also actively committing upfront investment to Frontier areas, such as the circular economy and XaaS, that could become new revenue sources over the medium-to-long term.
In fiscal 2025, net income attributable to owners of the parent climbed to a record high of ¥47.6 billion, far exceeding the Medium-Term Management Plan 2025 target. This was due to the buildup of operating assets centered on real estate and initiatives within each business area, together with earnings contribution from our Indian subsidiary Mizuho RA Leasing and higher equity method earnings from Nippon Steel Kowa Real Estate, Aircastle Limited, and others.
At the same time, we also achieved the Medium-Term Management Plan target levels for financial targets of operating asset growth and ROA as measured by ordinary income.

Medium-Term Management Plan 2025 financial targets and results

	FY2025 target	FY2025 results
Net income attributable to owners of the parent	¥42.0 billion	**¥47.6 billion**
Operating assets*	+¥700.0 billion	**+¥819.8 billion**
ROA	1.6%	**1.6%**
ROE	12%	**11.7%**

*vs. end of March 2023

Financial strategy under the Medium-Term Management Plan 2028

2 Current external environment and anticipated changes in business conditions

Uncertainty persists concerning geopolitical risks including the prolonged war in Ukraine and the situation in the Middle East and Iran. Japan has returned to a world of positive interest rates, and the economy's exit from deflation is taking hold. Developments in AI and other technologies are also accelerating, and the current external environment is undergoing significant change. While we anticipate corresponding changes in the business environment, we regard these as emerging business opportunities and will enhance corporate value by firmly meeting customer needs.
Among the prevailing external factors, interest rate trends are particularly important to us. The Bank of Japan hiked its policy interest rate in December 2025 and again in June 2026. Further interest rate increases are also expected in response to the yen's continued weakness and the need to curb the resulting inflation. Rising interest rates are passed through to lease payments and, after a lag, raise yields on operating assets. Funding rates, however, rise first, making higher rates a cost-positive factor in the short term.
The growth in operating assets and in foreign currency-denominated assets in recent years has also made ALM operations increasingly important. We are curbing funding costs by optimizing our fundraising methods, controlling interest rate and foreign exchange risks, and building a stable funding structure through funding diversification.

3 Business portfolio transformation

Leveraging our reliable fundraising capacity and the capital reinforcement achieved through retained earnings, capital increases, and other channels, we have steadily grown our operating asset base and enhanced our earning power. Growth centered on domestic asset growth has its limits, however, and taking the next step up from our current position requires us to incorporate overseas businesses and new business areas in Japan.
To achieve stable, sustainable growth under the Medium-Term Management Plan 2028, we believe we must build a robust earnings structure that does not rely excessively on the balance sheet. By reorganizing portfolios into subunits with different growth horizons within each business headquarter and pursuing suitable initiatives, we are rebalancing toward high-ROA assets while strengthening our non-interest, fee-based businesses and asset recycling businesses.
Expanding our overseas asset base requires stronger fundraising capacity, and we are establishing a risk-tolerant financial structure with a view to obtaining a global credit rating in the future.

Earnings structure transformation	A risk-tolerant financial structure
Sub-portfolio management with different time horizons in each business headquarter	Raise return on assets (ROA) and maintain return on equity (ROE) while improving the equity ratio
Management enhancements on a business headquarter-scale and focus on cost-effectiveness (funding costs, SG&A)	Enhancement of ALM operations amid rising interest rates; diversification of non-yen funding

Improve **ROA**

CFO Message

Medium-Term Management Plan 2028 Financial Targets (¥100 million)

	FY2022 results	FY2023 results	FY2024 results	FY2025 results	FY2026 forecast	FY2028 MTMP target
Ordinary income	401	509	662	650	670	–
Net income attributable to owners of the parent	284	352	420	476	520	600
ROA	1.4%	1.6%	1.8%	1.6%	–	1.7% or more
ROE	11.8%	12.3%	12.2%	11.7%	–	11% or more
Equity ratio	8.9%	9.2%	9.8%	10.3%	–	Around 12%
Equity	2,628	3,089	3.829	4,281	–	–
Total assets	29,546	33,633	38,981	41,753	–	–

The Plan's section "Earnings structure transformation," stipulates financial targets of the Medium-Term Management Plan 2028 that include net income of ¥60.0 billion, which is to be achieved by managing the business portfolio down to the sub-portfolio level and segmenting management of ordinary income at the business headquarter level in order to optimize resource allocation. Our approach to financial ratios is to maintain and improve ROE by raising ROA. As a buffer against highly volatile domains such as overseas and new business areas, we have adopted a risk-tolerant financial structure and added equity ratio to the Medium-Term Management Plan's financial targets.
Moreover, as we transform our business portfolio, the risks and issues that we need to identify and examine are becoming increasingly diverse. Recognizing the importance of appropriately assessing risks in line with various business strategies and project characteristics and of linking this to sound growth and higher corporate value, we are continuing to enhance our risk management effort.

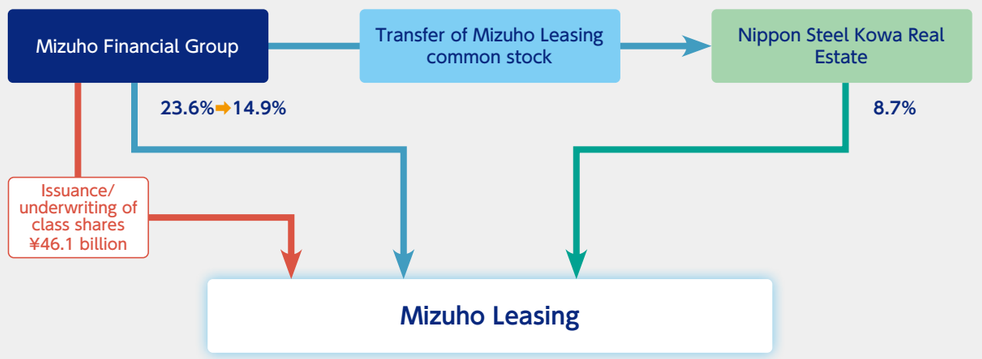
4 Inorganic strategy and collaboration with Marubeni

By drawing on the capital increase provided via our capital and business alliance with Marubeni that began in May 2024, we achieved all of the financial targets of the Medium-Term Management Plan 2025—including the target for growth in operating assets—one year ahead of schedule. The Marubeni alliance has also begun to deliver concrete business results, including joint investments in a renewable energy project in Portugal in June 2025 and a real estate project in Australia in October 2025.
Talent exchanges are also progressing: more than 20 people, including four members of management, have been seconded from Marubeni to work across a wide range of fields spanning not only commercial functions but also risk management and other areas. The benefits of the collaboration, such as shared business networks and knowledge, are steadily taking shape.
Medium-Term Management Plan 2028 has also designated the overseas infrastructure business within the Investment Headquarters as a growth area and positioned it as a major pillar of earnings growth through closer collaboration with Marubeni.
We undertook inorganic investments totaling ¥160.0 billion under the Medium-Term Management Plan 2025, including increased equity stakes in Mizuho RA Leasing in India and Nippon Steel Kowa Real Estate. Other initiatives included making GECOSS and its subsidiary RENTALSYSTEM affiliate companies, converting the forklift rental company PCS to a subsidiary, and establishing ML ITAD Solution.
Under the Medium-Term Management Plan 2028, we have set aside an inorganic investment budget of ¥150.0 billion (roughly the same scale) and will execute it as the right opportunities arise. Earnings from these investments are not factored into the Medium-Term Management Plan 2028 financial target of ¥60.0 billion in net income attributable to owners of the parent, however, we expect them to add to net income once a certain level of earnings is achieved.

5 Capital policy and capital increase by third-party allotment

In July 2026, we raised ¥46.1 billion of additional capital through the issuance of Class A shares allotted to Mizuho Financial Group. We see equity-building as significant, as it supports growth investment under the Medium-Term Management Plan 2028 and the building of an even more robust financial base.
At the same time, to respond appropriately to global financial regulations such as the US Bank Holding Company Act (BHC Act), Mizuho FG transferred Mizuho Leasing shares it held to Nippon Steel Kowa Real Estate, lowering its voting stake to 14.9%. However, through its subscription to the Class A shares described above, it maintains an economic interest of 23.6%.
Our position within Mizuho as a leasing and non-financial strategic company remains unchanged.

Overview of the capital increase by third-party allotment



*Figures in the chart are voting rights ratios.

Summary of new shares issuance

Execution date	July 1, 2026
Number of new shares to be issued	Non-voting class shares 32,000,000 shares
Issue price	Issue price per share: ¥1,440 Total issue price: ¥46.1 billion
Planned use of funds	To be allocated to executing the strategies of the Medium-Term Management Plan 2028 and building a financial base that enables sustainable and stable growth
Allottee	Mizuho Financial Group

Change in the shareholding structure due to capital increase by third-party allotment

Shareholder	Voting stake		Economic interest (after increase)
	Before increase	After increase	
Mizuho Financial Group*	23.6%	14.9%	23.6%
Marubeni Corporation	20.0%	20.0%	17.9%
Nippon Steel Kowa Real Estate Co., Ltd.	–	8.7%	7.8%
Other	56.4%	56.4%	51.7%

* Includes indirect interests held by Mizuho Securities Co., Ltd.

CFO Message

6 Corporate value enhancement and shareholder return policy

In pursuing a management class that is conscious of cost of capital and stock price, initiatives designed to achieve a price-to-book ratio (PBR) of 1x are a key theme. In particular, during the term of this Mid-Term Management Plan 2028, we aim to simultaneously maintain a high ROE (return on equity) and improve our equity ratio. We will work to further improve our ROA (return on assets) while appropriately limiting leverage.

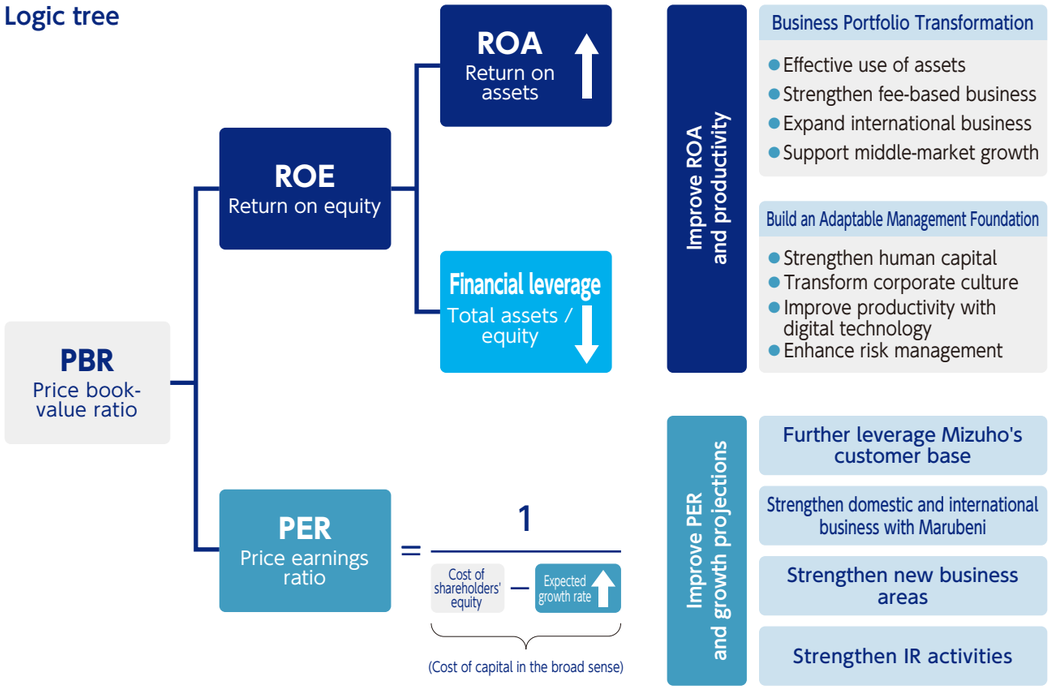
We will also seek to deepen shareholders' and investors' understanding of—and expectations for—our business strategy and sustainable growth potential. To this end, we are promoting fuller information disclosure and proactive dialogue through IR and other channels to ensure our market valuation continues to improve. Specifically, we held a company briefing for individual investors in December 2025 and are stepping up IR activity targeting overseas investors.

We reached the shareholder return target set in the Medium-Term Management Plan 2025 by raising the dividend payout ratio to the 30% range.

This achievement notwithstanding, we believe Mizuho Leasing is still in its growth stage and, under our basic policy of paying dividends commensurate with our business performance while enhancing profitability, we are continuing to deliver shareholder returns through profit growth.

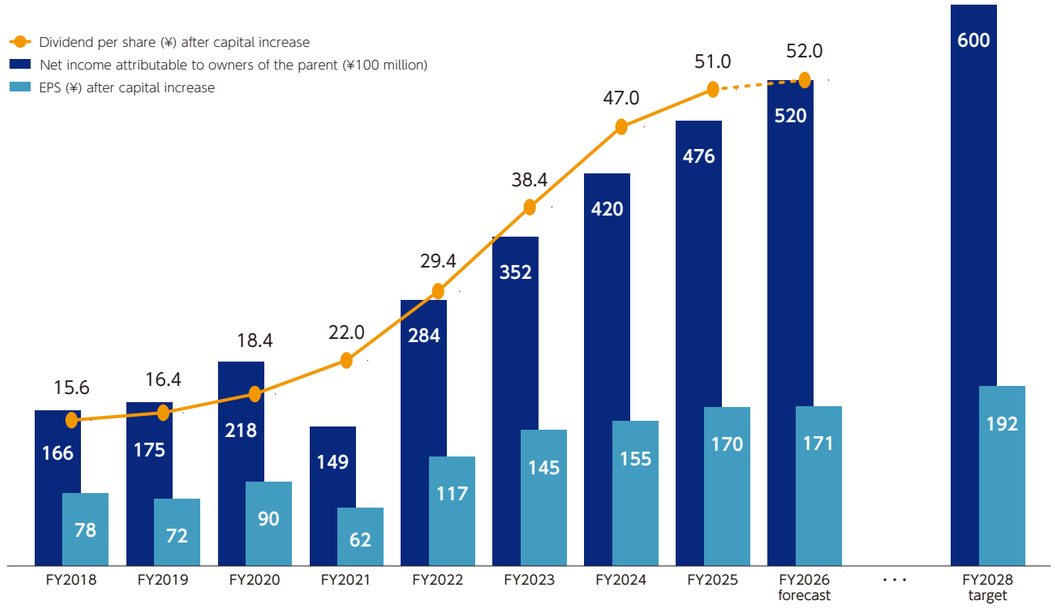
As a result of the recent capital increase through the issuance of class shares, earnings per share (EPS) will, in the short term, decline by approximately 10 percent; however, we intend to increase EPS by deploying the funds raised to implement our growth strategy.

Logic tree



Trends in net income attributable to owners of the parent and shareholder returns

(Figures for FY2023 and earlier are adjusted to reflect a stock split.)



Medium-Term Management Plan 2028

Return on equity (ROE)
11% or more
Maintain capital efficiency at a high level

ROA based on ordinary income (asset efficiency)
1.7% or more
Raise asset efficiency to previously unmatched levels

Equity ratio (financial soundness)
Around 12%
Increase growth investment capacity and risk tolerance

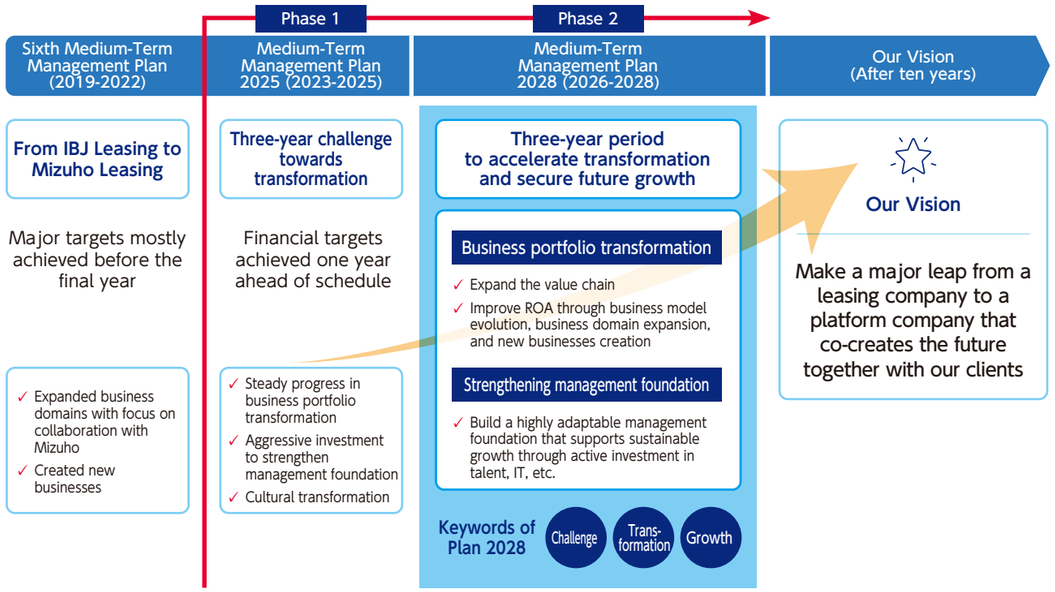
Net income attributable to owners of the parent (earning power)
¥60.0 billion
Enhance corporate value through sustained profit growth

Dividend payout ratio (returning profits to shareholders)
Low 30% range
Return profits to shareholders through growth

Medium-Term Management Plan 2028

In our Medium-Term Management Plan 2025, we set forth our vision of “making a major leap from a leasing company to a platform company that co-creates the future together with our clients”. We positioned the three years of the plan as a period of embracing transformation through intensive investment in business portfolio reform and the management foundation.
Maintaining the same vision, we position our Medium-Term Management Plan 2028 as a three-year period for accelerating transformation while securing future growth. We plan to expand the foundations established to date, while accelerating the transformation of our business portfolio, and increasing our management foundation that adapts to change.

Positioning of Medium-Term Management Plan 2028



Financial & non-financial targets

- Financial: Newly added an equity ratio target to help build a financial foundation that enables sustainable growth
- Non-financial: Set targets centered on human capital, with a focus on contribution to solving social issues

Financial targets

Net income Seize business opportunities and continue to steadily grow net income	FY2028	¥60bn
ROA Improve ROA through focus on profitability and reinforcement of non-interest-bearing/asset recycling business	FY2028	1.7% or more
ROE Maintain a high-level ROE through profit growth driven by continued growth investments	FY2028	11% or more
Equity ratio Establish a financial base to support sustainable and stable growth	FY2028	Around 12%

Non-financial targets

Carbon Neutral Realizing a decarbonized society	Reducing Scope 1 and 2 CO_2 emissions* *Non-consolidated and 9 domestic consolidated subsidiaries	Achieve carbon neutrality(FY2030)
Circular Economy Realizing the circular economy	Reuse and recycling rate	Maintain 98% or more (FY2026-28 average)
Human Capital Human capital management as a foundation	Expanding talent in strategic areas	Compared with FY2025 +70 people (FY2028)
	Investment in talent development	2x or more (FY2026-28; average compared with Plan 2025)
	Management positions filled by women	18% (FY2028)

Strategic Policies of Medium-Term Management Plan 2028

Our Vision
Make a major leap from a leasing company to a platform company that co-creates the future together with our clients

Themes for Plan 2028
Accelerate the business portfolio transformation and build a highly adaptable management foundation to ensure future growth

Business themes
- Creating social value: Circular economy, economic security, growth strategy investment, decarbonization, and addressing labor shortages (AI, robotics)
- Creating economic value: Strengthen business investments alongside traditional finance to improve profitability (ROA)

Strategy

Fully leverage the Mizuho Platform and Marubeni Network

Business portfolio transformation
Business model evolution × Business area expansion

Effectively use assets
- Shift from asset expansion to a business model that balances equity enhancement and growth
- Expand highly profitable (high-ROA) and asset recycling businesses

Strengthen fee-based businesses
- Strengthen fee-based businesses that do not utilize assets
- Investment and asset management businesses
- Focus on circular economy

Expand international business (Mizuho alliance / Marubeni alliance)
- Capture overseas growth for future sustainable growth
- Leverage the Marubeni network, including overseas infrastructure network
- Utilize Mizuho's Greenhill and Avendus

Support middle market growth (Mizuho alliance)
- Expand collaboration with Mizuho in middle market (small and medium-sized domestic companies)
- Offer investment management products such as JOLCO/JOL
- Expand M&A and business investment as a strategy for business succession

Building a Management Foundation that adapts to change

Strengthen human capital
- Secure diverse talent to support business portfolio transformation
- Strengthen management skills
- Develop next generation of talent

Transform corporate culture
- Strong individuals who act proactively and autonomously
- An organization that takes on challenges to create new value
- Increase engagement

Improve productivity with digital technology
- Business portfolio transformation and productivity improvement centered on AI/technology
- Create added value through data analysis
- Strengthen data governance

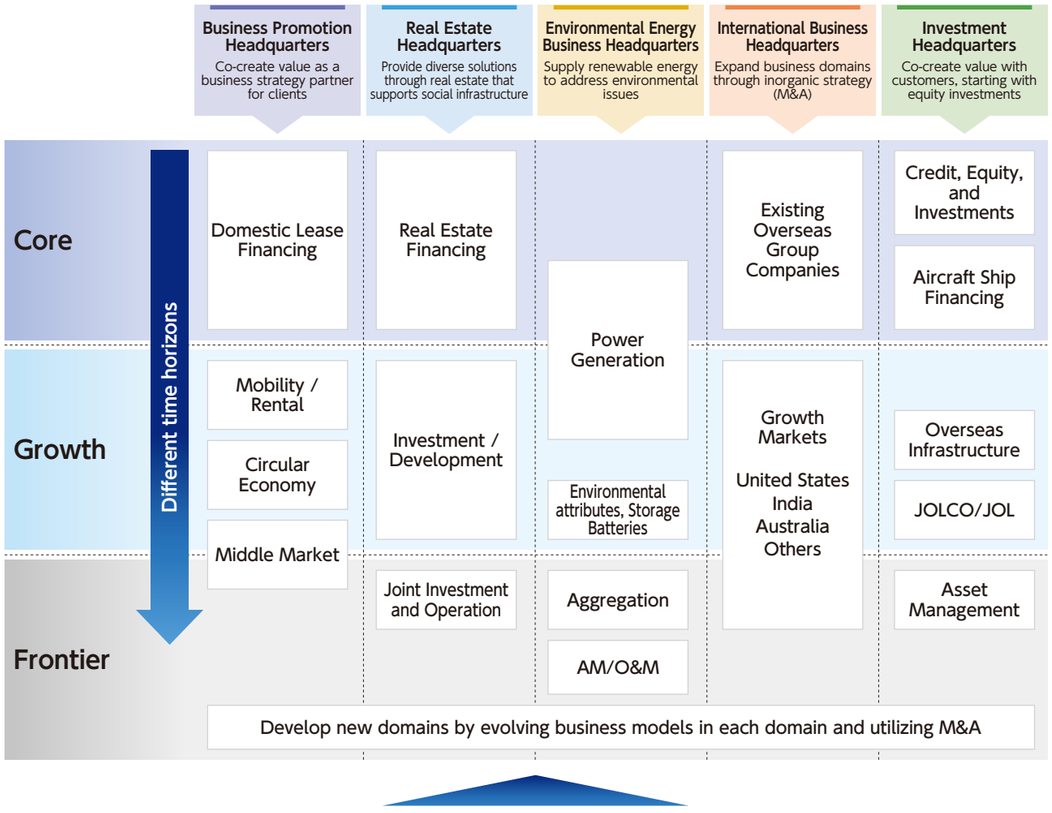
Enhance risk management
- Enhance investment decision-making process
- Strengthen monitoring/risk management system
- Upgrade cybersecurity and other BCP measures

Business Portfolio Transformation

We will leverage the Mizuho client base, our group's greatest strength, and the Marubeni network to expand the value chains of each business through business model evolution and other initiatives, while also expanding our business areas by making use of inorganic investments and by strengthening our capabilities for exploring new businesses.

Our sub-portfolios

Each Headquarter has its own "sub-portfolio," organizing businesses by time frame, and achieving business model evolution and business domain expansion through optimal resource allocation



Outlook for business portfolio transformation

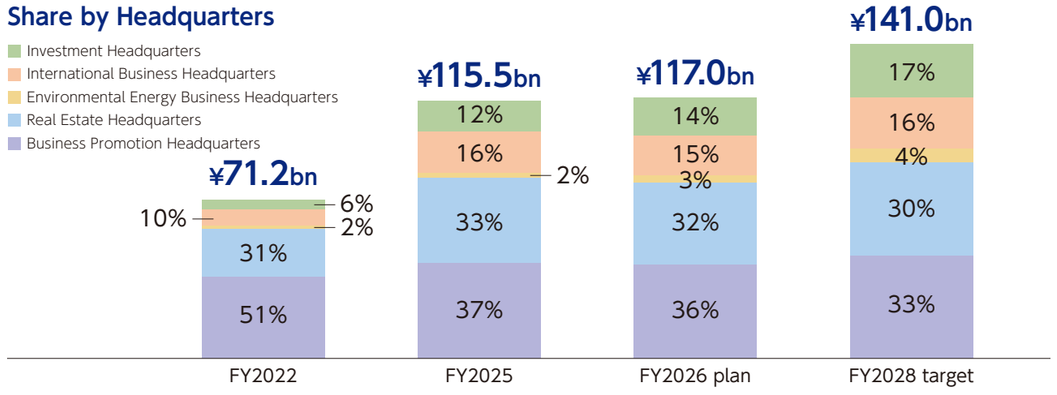
Shift from growth driven by asset expansion to an earnings structure focused on profitability (ROA), without excessive reliance on assets

Earnings by Business Headquarters (¥bn)

Gross profit + equity-method income + net non-operating income

	FY2022	FY2025	FY2026 plan	FY2028 target	vs FY2022	vs FY2025
Business Promotion Headquarters	36.4	42.9	42.0	46.0	+9.6	+3.1
Real Estate Headquarters	21.8	38.1	37.0	42.0	+20.2	+3.9
Environmental Energy Business Headquarters	1.1	2.2	3.0	6.0	+4.9	+3.8
International Business Headquarters	7.4	18.4	18.0	23.0	+15.6	+4.6
Investment Headquarters	4.5	13.9	17.0	24.0	+19.5	+10.1

Share by Headquarters



Mizuho alliance
(further leverage client base)

- Provide unique solutions to Mizuho's clients (financing, business investment, service provision)
- Expand business domains by strengthening our approach to the middle market in particular
- Strengthen our ability to handle domestic M&A deals and expand the investor base for investment products (JOL/JOLCO)

Marubeni Group alliance
(domestic and international network)

- Established the "Cross-border M&A・Marubeni Collaboration Division", accepting more Marubeni talents with international experience
- Promote initiatives aimed at inorganic investments in the Americas, Australia, and other regions where Marubeni has extensive knowledge and experience
- Expand our business internationally by utilizing our expertise in Mono (equipment & properties), understanding of commercial distribution, and advanced financial knowledge through Marubeni's global network

Deepen collaboration with alliance partners

TOSHIBA
RICOH
NIPPON STEEL KOWA REAL ESTATE
GECOSS
TRE HOLDINGS

New business initiatives

- Develop and create new markets and business domains through collaboration with startups
- Enhance the value we provide to society and customers through technology, AI, and co-creation with external partners

Business Strategy by Headquarters



Business Promotion Headquarters

Secure a stable earnings base from domestic leasing, and deepen our role as a point of contact for helping customers address their management challenges

- Drive earnings growth by transforming our sales approach and taking appropriate risks
- Deepen alliances with partners in Growth areas such as rental platforms and the circular economy
- Leverage Mizuho's client base, particularly in the middle market, to provide business succession support and investment products

Key initiatives

1 Strengthen Mizuho alliance

Strengthen collaboration with Mizuho and expand our approach to the middle market, where there is significant room for growth. Through business succession support, M&A, the provision of investment products, and other initiatives, we will contribute to our customers' growth strategies and advance value co-creation.

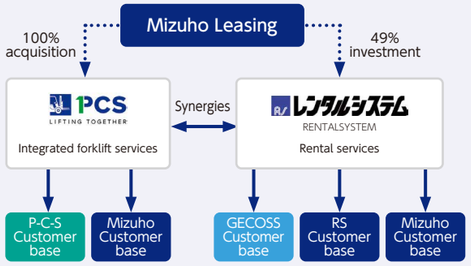
2 Expansion of the Mobility & Rental business

Deepen collaboration with alliance partners P-C-S and RENTALSYSTEM. We aim to expand stable revenue opportunities that are not based on interest income, and build a rental platform that covers rental, maintenance, re-use, and used asset resale.

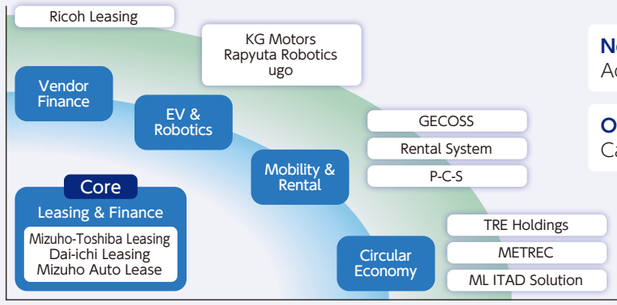
3 Promotion of the circular economy

In addition to the strategic partnership with TRE Holdings, roll out a circular economy business that uses ML ITAD Solutions and METREC services. We are building a standardized value chain encompassing the collection of IT equipment and industrial assets, data erasure, re-use, and recycling, through which we will create new value.

Alliances and synergies



Direction of value chain expansion



November 2025
Acquisition of P-C-S equity

October 2025
Capital and business alliance with TRE Holdings

Risk Recognition and Response

- The external environment is becoming increasingly uncertain due to rising interest rates, labor shortages, changes in supply chains, geopolitical risks, and other factors.
- To respond to these changes in the operating environment, we will take appropriate risks and diversify our portfolio, while also leveraging expertise through collaboration with our alliance partners.
- We are also working to build a sales platform that is resilient to change, and improving productivity through the use of digital technologies, including generative AI, and business process reform.

Business Topics

Around 40,000 used PCs from Mizuho Bank recycled in Japan through ITAD services

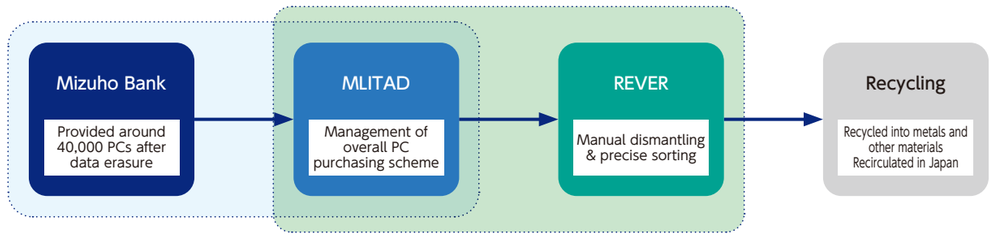
In April 2025, we established ML ITAD Solution (MLITAD) with the aim of creating new value through the appropriate disposal of IT assets. As part of Mizuho Bank's sustainability management initiatives, MLITAD used its ITAD* services to recycle approximately 40,000 used PCs formerly owned by Mizuho Bank in Japan.

Under this scheme, MLITAD collaborates with REVER, a consolidated subsidiary of TRE Holdings, to recycle used IT assets collected from companies in Japan. As the first initiative under the scheme, it processed used IT assets from Mizuho Bank. Under this initiative, after Mizuho Bank completes data erasure within its own controlled areas, MLITAD purchases the equipment and bears the transportation and collection costs, enabling economically beneficial processing while ensuring information security. In the recycling process, circuit boards, casings, and other components were carefully dismantled by hand and separated individually, improving the accuracy of sorting by material and thereby increasing resource recovery efficiency.

Through this initiative, we shifted the treatment of used IT assets from "disposal" to "recycling," contributing to waste reduction and the promotion of recycling in Japan. Going forward, we will continue working toward the realization of a circular economy by providing resource-circulation models that combine environmental considerations with economic benefits.

* ITAD: abbreviation for IT Asset Disposition, refers to the collection, data erasure, reuse, and recycling of used IT assets.

Recycling scheme





Hirohide Ishiyama
Managing Executive Officer
Chief of Real Estate Headquarters

Real Estate Headquarters

Evolve from providing finance to become a value co-creation platformer in the real estate industry through investment and development and new businesses

Provide financing services for offices, logistics facilities, and other properties, including loans, real estate leasing, and bridge financing

Establish our own brands and advance our investment and development business

Strengthen existing businesses and create new businesses through collaboration with alliance partners such as Nippon Steel Kowa Real Estate and the Star Asia Group

Key initiatives

1 Synergies with alliance partners: AM*1 and operator*2 functions, overseas business (Marubeni alliance)

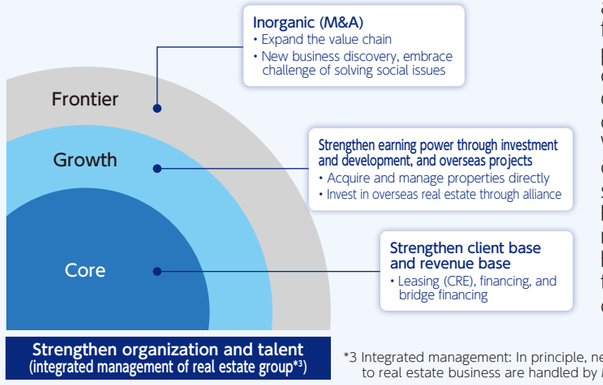
2 Investment and asset management: Enhance property assessment capabilities, increase value enhancement

3 Maintain and expand our client and revenue bases

*1 AM: Asset Management
*2 Operator: Operations and management

Direction of value chain expansion

The Core areas are real estate financing initiatives including leasing, loans, and bridge facilities. By providing a broad range of solutions to customers, we aim to maintain and expand our client and revenue bases.
The Growth areas are real estate investment and development, and overseas real estate investment. In our investment and development business, we invest in and manage properties ourselves and operate our proprietary brands MipLa and Malien Logistics. We have also begun to see results from collaborative projects with Nippon Steel Kowa Real Estate and CCReB Advisors.In overseas investment, meanwhile, we will use our collaboration with Marubeni as a starting point to pursue real estate investments in countries with expected growth, aiming thereby to improve profitability.
The Frontier area is where we pursue inorganic growth investment (M&A) to promote and further enhance initiatives in the Core and Growth areas. We aim to expand our real estate value chain further through collaboration with our alliance partners. In addition, we will take up the challenge of addressing social issues by discovering new businesses through co-creation with start-ups.
We will continue to enhance our organizational capabilities and talent as the foundation to support this expansion.
From FY2026, we have started integrated management under which new contracts are handled by ML Estate, through which we aim to enhance organizational capabilities and offer customers one-stop sales services.



*3 Integrated management: In principle, new contracts related to real estate business are handled by ML Estate

Risk Recognition and Response

- We focused on projects and asset acquisitions with resilience to rising interest rates and inflation. We steadily advanced agile and strategic portfolio building to adapt to the changing financial environment.
- As construction and labor costs continue to rise, we carefully selected new development projects while taking into account the risks of escalating development costs.
- We remained attentive to real estate market conditions, accelerating the shift toward an asset-circulation business model with careful risk control.

Business Topics

Established strategic partnership with Star Asia Group

Together with our wholly owned subsidiary ML Estate, we entered into a capital and business alliance with the Star Asia Group (SAG), an independent real estate investment and asset management group, in which we acquired a 25% stake.

STAR ASIA GROUP

SAG is a real estate investment and management group that was founded in 2006.
It has a network of over 75 professionals in Japan and the US, and since its founding has carried out investment totaling over ¥1.67 trillion in real estate and related assets. Assets under management currently exceed around ¥903 billion. Through its extensive investment track record and commitment to building long-term partnerships with investors, SAG has managed funds for major U.S. university endowments and foundations, asset management companies serving ultra-high-net-worth individuals, and other global real estate investors.
SAG has also built a relationship of trust with Mizuho Leasing through a variety of transactions to date, including receiving financing and bridge financing for its managed funds. This alliance is intended to further develop this relationship and further accelerate the growth strategies of both companies. We are already considering a range of concrete initiatives, including the establishment of a joint fund and collaboration with Star Asia Investment Corporation, for which SAG serves as sponsor.
We will continue to leverage our respective strengths, including expertise and networks, with the aim of enhancing the corporate value of both groups. In addition, we hope to leverage SAG's expertise to help address the challenges faced by Mizuho Lease's customers.

SAG Founders
Taro Masuyama and Malcolm F. MacLean IV





Business Strategy by Headquarters



Kazuomi Funakawa
Managing Executive Officer
Chief of Environmental Energy Business Headquarters

Environmental Energy Business Headquarters

Establish our position as an integrated renewable energy provider, building on our foundation of 1GW of renewable energy generation capacity

Utilize our 1GW of renewable energy generation capacity to drive business domain expansion and revenue opportunities

Build a renewable energy power supply infrastructure business

Pursue new areas such as co-located battery storage, in addition to transitioning from FIT to FIP and providing environmental value

Key initiatives

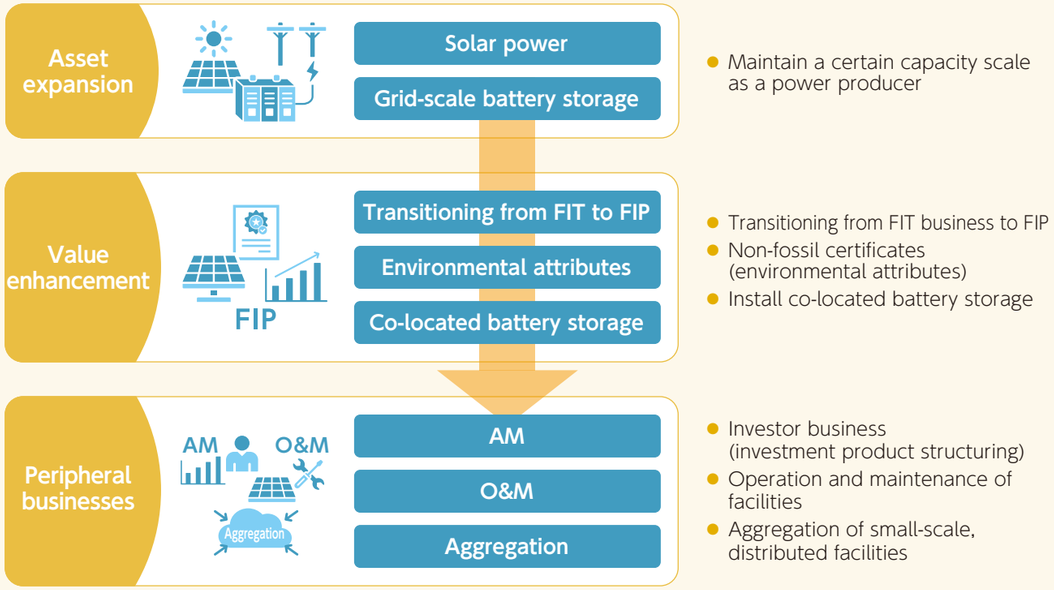
1 Accumulate assets (operating assets): Maintain solar & storage battery capacity while recycling assets

2 Value enhancement: Increase the value of assets held and maximize cash flow

3 Peripheral business: Develop new functions (AM, O&M*1, aggregation*2)

*1 O&M: Operation & maintenance
*2 Aggregation: Consolidating small-scale and distributed renewable energy power plants for management and electricity trading

Direction of value chain expansion



Risk Recognition and Response

- Power plants are suffering increasing damage due to natural disasters and theft of power cables in recent years. We will continue to diversify our power plant portfolio, and appropriately assess risks when committing to projects.
- As the number of variable renewable energy power plants increases, the risk of reduced revenue owing to output curtailment has also grown. We will appropriately address these risks by converting existing power plants approved under the FIT scheme to the FIP scheme, as well as providing customers with environmental attributes and promoting storage battery projects that can help avoid output curtailment.
- Moreover, we see the environmental changes arising from the need to secure energy as a business opportunity, and aim to expand our business domains and create value for society.

Business Topics

Achieving 1GW of renewable energy generation capacity and enhancing value of owned assets

We reached 1.2GW, exceeding Plan 2025 target of 1GW of renewable energy generation capacity. In addition to expanding our assets, we will focus on raising profitability by enhancing the value of our owned power plants. As part of these efforts, we have signed a memorandum of understanding with AT TOKYO Corporation regarding a virtual PPA utilizing the FIP scheme, and are accelerating initiatives to meet customers' decarbonization needs, including promoting the supply of renewable energy to data centers.

Tender offer for Japan Infrastructure Fund Investment Corporation (JIF)

We acquired Japan Infrastructure Fund Investment Corporation (JIF) through a tender offer and also acquired 49% of the voting rights in its asset management company, Japan Infrastructure Advisors (JIA), through separate negotiations.
We aim to leverage our existing assets, client base, and partnerships with EPC contractors and other related operators to build a stable electricity sales business model and expand peripheral businesses through initiatives such as repowering, as well as the integrated management and operation of renewable energy generation facilities.



Development of grid-scale battery storage business through partnerships

We are promoting our grid-scale battery storage business to help address electricity supply-demand challenges arising from the growing adoption of renewable energy. Since last fiscal year, jointly developed battery storage facilities in the Kanto and Kyushu regions have progressively commenced commercial operations, while we have also launched new projects with a diverse range of partners across Japan. We will continue to accelerate our initiatives in renewable energy and battery storage-related businesses through collaboration with partner companies, thereby contributing to the realization of a sustainable society.



Business Strategy by Headquarters



Mutsumi Ishizuki
Deputy President
Chief of International Business Headquarters

International Business Headquarters

Create business opportunities through the Marubeni and Mizuho alliances
Take on the global market through investment, co-creation, and the expansion of existing businesses

Expand overseas businesses by leveraging the Marubeni and Mizuho alliances

Develop India—a growing market—into an earnings driver

Accelerate M&A strategies in the Americas, Australia, and other regions where Marubeni has advantages

The International Business Headquarters positions strengthening the profitability of our existing overseas subsidiaries as its Core operation, while expanding business domains through inorganic investments to capitalize on growth opportunities in regions around the globe.
In April 2026, we integrated our overseas M&A function into the Marubeni Collaboration Division and will pursue overseas inorganic investment across business areas.

Key Initiatives

1 Further Promote Marubeni alliance
2 US and India strategies: Acquire platform companies that will be the core of the business
3 Market strategy: Enter markets that will be the next drivers after the Americas and India
4 Develop global talent

Direction of value chain expansion

Become a strategic partner that creates value around the world

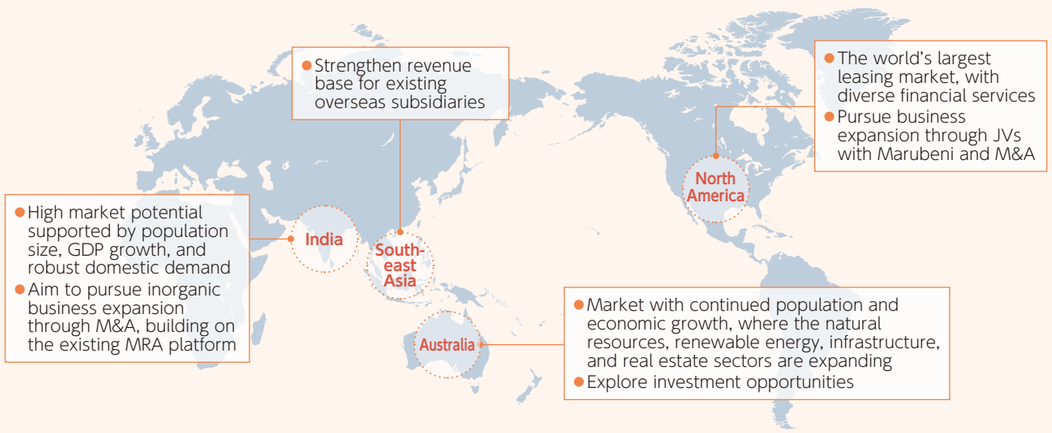
- Create business opportunities based on the Marubeni and Mizuho alliances
- Lead business investment and M&A in overseas markets, and become a creator of corporate value

Capture growing markets and expand sustainable revenue

- Improve profitability in Southeast Asia and promote M&A in the US, India, and Australia
- Leverage the Marubeni alliance to strengthen the revenue base while developing new business areas

Develop talent who can take on the global market and lead business investments

- Acquire financial, accounting, tax, and M&A skills through overseas assignments and business investments
- Nurture a culture that values challenges and fosters talent capable of creating value overseas



Risk Recognition and Response

- For geopolitical and regulatory risk, closely monitor and follow changes in the political and regulatory environments of each country. In response, strengthen investment screening capabilities and collaboration with local partners.
- For overseas market economic fluctuation risk, diversify the portfolio with a focus on growth markets.
- For M&A execution and PMI risk, centralize overseas M&A functions through organizational restructuring and establish a consistent governance framework covering the entire process from deal selection through PMI.
- For interest rate risk, secure appropriate returns through negotiations on terms for new contracts.

Business Topics

Strengthen our overseas revenue base through business investment and M&A in growth markets

In FY2025, in addition to contributions from our overseas offices and local subsidiaries, mainly in Asia, steady growth at Mizuho RA Leasing in India in particular drove earnings growth for the International Business Headquarters. In the United States, we are building business platforms in growth markets, including by strengthening the business foundation of PLM Fleet, which operates a refrigerated trailer leasing business. The International Business Headquarters also provided support for other Headquarters in accelerating their overseas growth investments, centered on collaboration with Marubeni. Examples include a joint investment in a renewable energy portfolio in Portugal and participation in a residential rental development project in Australia. We will further deepen our collaboration with Marubeni and continue to strengthen our overseas revenue base through business investment and M&A in growth markets.



India: Mizuho RA Leasing



North America: PLM Fleet Group Award for ERP Implementation



Australia: ACL Finance Group



Acquired a 50% interest in a large-scale renewable energy business owned by TotalEnergies, jointly with Marubeni-affiliated infrastructure investment company MMCP and Daiwa Energy & Infrastructure



Participating with Marubeni and Haseko Corporation in a build-to-rent (BTR) residential development project in Melbourne, Australia (concept image)
Scheduled completion: September 2027



Hiroya Uchimura
Managing Executive Officer
Head of Investment Headquarters

Investment Headquarters

Pursue further business expansion through value co-creation with equity investments as a starting point under a new structure that integrates the two former headquarters

The new Investment Headquarters was established in April 2026 through the merger of the former Investment Headquarters and the former Transportation Headquarters

Provide customers with a broad range of solutions through value co-creation with equity investments as a starting point

Build and manage an optimal business portfolio by accurately assessing changes in the business environment

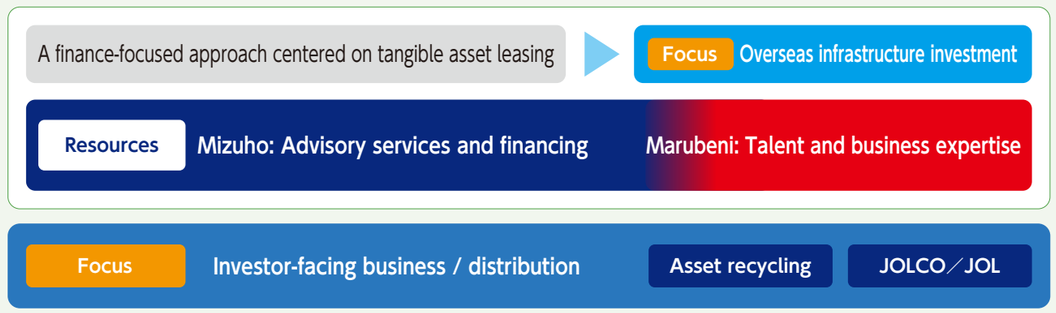
Key initiatives

1. **Overseas infrastructure investment: Promote business investments and expansion into the asset management business (in collaboration with Marubeni)**
2. **Investor-facing business (strengthen JOLCO/JOL offerings): Leverage Mizuho's customer base**
3. **Aircraft leasing business (Aircastle Limited): Expand the value chain into adjacent businesses**
4. **Domestic and international credit investments: Expand our network of leading sponsors**

Direction of value chain expansion

By going beyond our traditional finance-focused business built around tangible asset leasing and expanding into areas such as business investment and investor-facing business, we will deliver greater value to our customers and contribute to enhancing our corporate value.

- Deepen collaboration with Marubeni—particularly in deal sourcing, execution by talent and monitoring that leverages business expertise—to expand overseas infrastructure investments. In addition, during the period covered by the Medium-Term Management Plan 2028, we aim to enter the asset management business, promote capital recycling of infrastructure investments, and expand our fee-based business.
- To meet diverse investor needs, develop and expand our JOLCO and JOL offerings by originating relationships with more lessees, collaborating with Aircastle, which owns a large aircraft fleet, and working with Marubeni. Through closer collaboration with Mizuho, we will also offer attractive investment opportunities to a broader range of investors.



Risk Recognition and Response

- Closely monitor trends in domestic and overseas equity markets, foreign exchange rates, and interest rates; analyze their impact on our funding costs and investment assets; and build a business portfolio that takes into account individual deal characteristics and risk diversification.
- Manage our business with due consideration for both liquidity and profitability, as financial market liquidity can affect asset prices as well as our funding capacity and costs.
- Closely monitor the impact of heightened geopolitical risks, including developments in the Middle East, on logistics, fuel prices, and other factors, and continue to manage the relevant businesses in light of the potential impact on aircraft and marine assets, overseas infrastructure projects, and other operations.

Business Topics

Since launching our full-scale overseas infrastructure investment initiative in FY2025, we have continued to pursue opportunities to invest in high-quality projects.

Equity investment in one of Europe's largest grid-scale battery energy storage projects

We made an equity investment in Fidra Energy Holdings Limited (Fidra Energy), a European grid-scale battery storage platform launched by EIG Asset Management LLC, an investment firm specializing in energy infrastructure. Fidra Energy is developing and constructing three grid-scale battery storage projects in the UK with a combined capacity of 3.1 GW. The projects are expected to commence operations in phases beginning in early 2028.

Equity investment in a residential rooftop solar power business in Germany

Together with MM Capital Partners 2 Co., Ltd., sponsored by Marubeni, UK-based infrastructure fund manager Equitix, and Singapore-based Keppel Infrastructure Fund Management, we acquired a 90% interest in a residential rooftop solar power business owned by German renewable energy company Enpal. The project involves the long-term leasing to approximately 24,000 households in Germany of power generation and storage systems comprising solar panels, battery storage systems, EV chargers, and other equipment.

Rendering of the completed grid-scale battery storage project in the UK



Building a Management Foundation that adapts to change

Strengthening Human Capital

Pursuing our business and human capital strategy as a single program targeting enhanced corporate value over the medium-to-long term



Toshiyuki Takezawa
Managing Executive Officer
Head of Human Resources & General Affairs Group

1 〉Basic Approach

Mizuho Leasing regards talent as the source of its competitive advantage and has defined its basic policy as, "To become an organization that develops people, enables people to grow, and attracts talented individuals." Guided by this thinking, we develop talent who embrace the four pillars of Our Values: Challenge, Change, Create, and Collaboration, and foster a corporate culture in which motivated talent can fully apply their abilities. Our target end state is an organization in which employees, driven by curiosity, take initial steps on their own and apply their passion to seeing things through to the end—a place where they build their expertise and ability to drive transformation and in which diverse and capable individuals collaborate and rise to the challenge of creating new value.

2 〉Overview of Human Capital Enhancement

To execute the business strategy under the Medium-Term Management Plan 2028 steadily, we are pursuing five priority measures: (1) expanding talent in strategic areas, (2) strategic recruitment and placement, (3) strengthening talent development and management, (4) promoting the success of diverse talent, and (5) enhancing job satisfaction and the work environment. We have also set key KPIs and evaluate human capital-related indicators from a risk management perspective.
The Executive Management Committee and other bodies regularly review the status of initiatives under the priority measures and progress on key KPIs, and the measures are revised on an ongoing basis. These matters are also reported to the Board of Directors as important initiatives under the Medium-Term Management Plan 2028.

STRATEGY

Human capital strategy supporting business portfolio transformation

1. Expanding talent in strategic areas

Build and develop a pool of specialist talent in strategic areas such as M&A, international business, and digital technology through recruitment, training, and rotational placement

2. Strategic talent recruitment and placement

Secure access to diverse talent through new graduate and midcareer recruitment and build a talent portfolio optimized for business growth by getting the right people in the right roles

3. Strengthening talent development and management

Clarify the talent requirements of each department and, through the Talent Development Meeting and other forums, support employees' autonomous career development paths and bring up next-generation talent and management candidates

4. Promoting the success of diverse talent

Create an environment in which every individual can readily apply their abilities by promoting the active participation of women and senior employees, allowing flexible work styles, and supporting work-life balance

5. Enhancing job satisfaction and the work environment

Visualize and leverage HR data on recruitment, development, placement, engagement, turnover rate, and other factors

METRICS & TARGETS

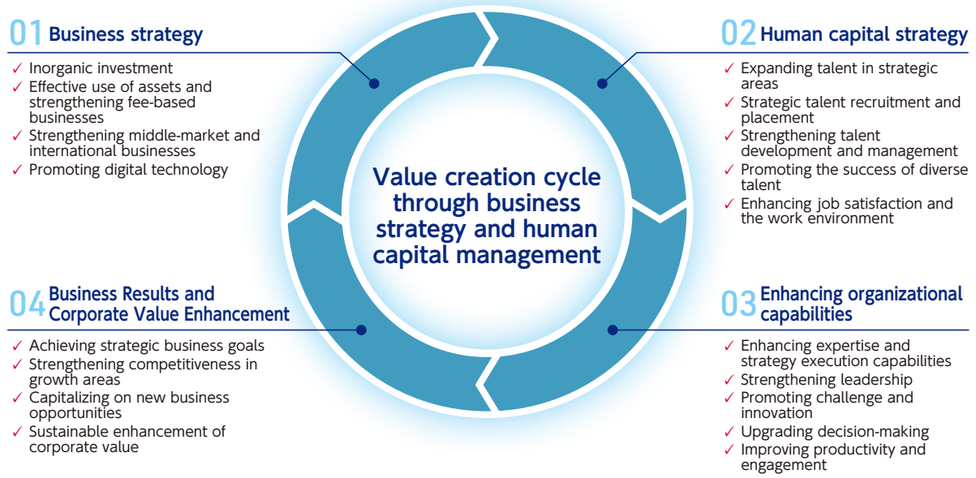
Key KPIs linked to Medium-Term Management Plan 2028

- Talent in strategic areas: **70** additional staff (vs. FY2025)
- Investment in talent development: **2**x or more (vs. Plan 2025)
- Ratio of female managers: **18**% (as of March 2029)

*We also monitor the organization's condition (engagement, turnover rate, etc.) on an ongoing basis

3 〉Value creation cycle through business strategy and human capital management

Mizuho Leasing regards investing in human capital as a key foundational management precept underpinning its business strategy. Through talent investment aligned with our business strategy, we strengthen our organizational capabilities, deliver business results and enhance corporate value, and channel those results into further investment in human capital, forming a value creation cycle.



Human capital-related indicators

		FY2023 results	FY2024 results	FY2025 results
Expanding talent in strategic areas	Increasing the number of talents	+26 people	+47 people	+89 people
Strategic talent recruitment and placement	Midcareer recruitment	22 people	23 people	29 people
	New graduate recruitment	22 people	29 people	22 people
Strengthening talent development and management	Training expenses per employee	¥70,180	¥114,713 (+65.1% year-on-year)	¥120,496 (+7.5% year-on-year)
	Leadership development program participants	–	15 people	42 people
Promoting the success of diverse talent	Ratio of female managers	11.6%	13.0%	15.6%
	Ratio of women among new graduate hires	45.5%	55.1%	59.1%
	Senior talent	57 people	64 people	74 people
Enhancing job satisfaction and the work environment	Engagement survey	Score 69	Score 71	Score 72
	Average overtime hours	18 hours 5 minutes /month	18 hours 2 minutes /month	11 hours 45 minutes /month
	Paid leave utilization rate	70.8%	74.6%	76.1%
	Rate of male employees taking childcare leave	100%	100%	100%

Building a Management Foundation that adapts to change
Strengthening Human Capital

4 Human capital strategy supporting business portfolio transformation

1 Expanding talent in strategic areas

Developing and securing talent in strategic areas
To achieve the goals of business portfolio transformation and the building of a management foundation that adapts to change as set out in our Medium-Term Management Plan 2028, we are expanding our pool of talent with the expertise and the ability to execute needed in strategic areas such as M&A, international business, and digital technology. We help employees acquire specialized knowledge and skills and to build up practical experience through internal and external training, the Career Development Program (CDP), cross-departmental assignments, and secondments to other companies. At the same time, we are expanding our pool of external talent who can contribute immediately.
Through these initiatives, we are targeting a total increase of 70 talents in these strategic areas over the duration of the Medium-Term Management Plan 2028.

2 Strategic talent recruitment and placement

(1) New graduate recruitment
Our basic policy selects candidates based on the individuality of each person. By using internships and direct recruiting to strengthen our contact with highly motivated, high-potential students, each year we hire talent who spark intellectual curiosity and can take the initiative. Currently, women account for about half of the career-track new graduates Mizuho Leasing hires each year.

Recruitment concept

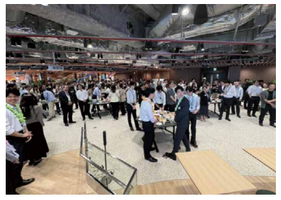
Acquiring talent who can make solid assessments, involve others, and see things through

High-potential talent with curiosity and passion
Talent who spark intellectual curiosity and can take the initiative
Talent who can involve those around them and drive things forward
Talent with the passion to see things through

Recruitment results and trends by year

Year	Men	Women	Total	Female ratio
2023	12	10	22	45.5%
2024	13	16	29	55.2%
2025	9	13	22	59.1%

* We monitor trends in each indicator (number of applicants, offer acceptance rate, turnover, etc.) and continuously reflect them in the following year's recruitment policy and measures


Welcome party for new employees held at the new head office


Internship: Sales Experience Work

(2) Strengthening Mid-Career Recruitment
In fiscal 2025, stronger collaboration with recruitment partners and an expanded range of recruitment channels brought the number of midcareer hires to a record high.
To achieve our goals under the Medium-Term Management Plan 2028, we have evolved our primary recruitment policy objective from "securing access to talent who can contribute immediately" to "acquiring talent who will carry out our strategy." Using recruitment channels such as referral hiring, the job return system and direct scouting, we are stepping up recruitment of talent with highly specialized expertise and broad experience, mainly in strategic areas.

Trends in hires and growth outlook



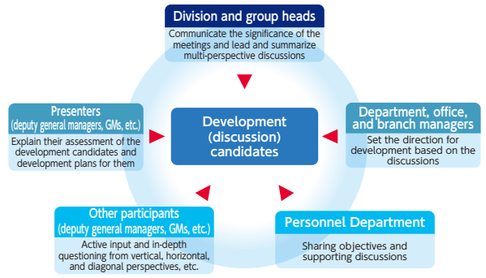
3 Strengthening talent development and management

(1) Establishing talent requirements
We have established talent requirements to guide the staff development that underpins achievement of our medium-term management plan and the transformation of our business portfolio. These requirements systematize companywide requirements and those of each division and group, clarifying the desired employee profile and the abilities, skills, and other attributes needed. In this way, we encourage each employee to maintain a self-directed growth mindset and career development. Through development support via a range of training programs and strategic talent placement, we are building a talent portfolio that supports medium-to-long-term growth in corporate value.

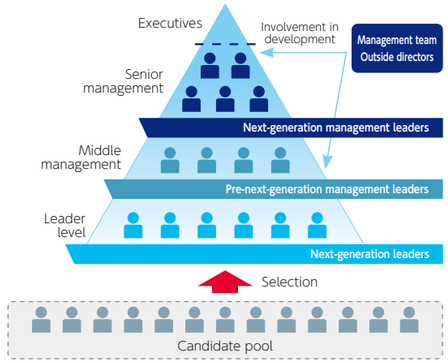
(2) Education and training
We offer a wide range of training programs for employees at every level, from new hires to managers, to help them acquire the knowledge and skills their roles require. We have introduced an on-demand learning platform companywide, giving all employees, including midcareer hires and new employees, an environment in which they can efficiently acquire the knowledge and skills they need at any time. This ensures that mandatory training for all employees, such as human rights education, is delivered without fail, while establishing a framework in which employees can learn the knowledge they need on their own initiative.

	New employees	2nd–3rd year	4th–8th year	Leader level	Management level
Selective programs				Next-Generation Management Leader Development Program Pre-Next-Generation Management Leader Development Program Next-Generation Leadership Development Program	
Role-specific Training	New employee training Logical thinking training PC training	Follow-up training Financial analysis training	Presentation training Design thinking training	Post-promotion training	New manager training Evaluator training Team management training 360-degree surveys
OJT	Mentor training		Instructor training		Supervising instructor training
Career Support		Second-year training	Mid-level staff training	Career design training (40s) Life planning training (50s)	
Support for autonomous learning	Self-development support (certification incentive system, external courses, online learning services, correspondence courses)				
Organizational talent development	Personnel Development Council and training by business unit				

(3) Personnel Development Council
We hold Personnel Development Council with the aim of developing people as an organization. At these council, we discuss short-, medium-, and long-term development plans and other matters based on each employee's strengths, challenges and career aspirations. We also raise the quality of development through cross-organizational, multi-perspective discussions among managers, while creating diverse experiences and roles and developing people in a planned way. In this way, we foster a culture that helps people across the entire organization develop themselves, thereby strengthening the human capital that supports sustainable growth.



(4) Leadership development programs
To develop the talent who will lead the company's management in the future in a systematic, medium-to-long-term focus, we run the Next-Generation Management Leader Development Program for senior management under our succession plan.
Since last fiscal year we have also run development programs for middle management and those at the leader level, building the leadership talent that will support the company's transformation and growth.
(Pre-Next-Generation Management Leader Development Program / Next-Generation Leadership Development Program)
We have put in place an environment in which the talent who will lead the next generation can grow by challenging and spurring each other on, and we encourage them to continuously develop their skills and to acquire a management perspective from an early stage.



Building a Management Foundation that adapts to change

Strengthening Human Capital

4 Promoting the success of diverse talent

(1) Promoting the active participation of women

To promote the active participation of female employees and the development and promotion of female managers, we support self-directed career development through workshops, roundtable discussions with female managers who are succeeding at other companies, and other means. Through these efforts, we are building an environment in which female employees can reach their full potential, stay motivated over the long term, and see the move into a managerial position as a positive challenge. We are also pursuing initiatives across the organization that not only directly involve female employees themselves but also concern those around them. An example would include an effort to build communities among female employees. As a result of these initiatives, the company met the required standards under the Act on Promotion of Women's Participation and Advancement in the Workplace and received "Eruboshi" certification (certification level: 2) in January 2025.

The ratio of female managers stood at 15.6% as of the end of March 2026 (fiscal 2025 target: 15%). We have now set a new target of 18% by fiscal 2028 and will continue these initiatives to reach it.

(2) Internal recruitment

To support each employee's autonomous career development, we operate three internal recruitment systems: the Career Challenge Recruitment program, through which employees can apply for transfers to other departments; the In-House Trainee System, which offers on-the-job development opportunities in other departments; and the open-challenge recruiting system, through which mid-level employees can put themselves forward for department or branch manager postings.

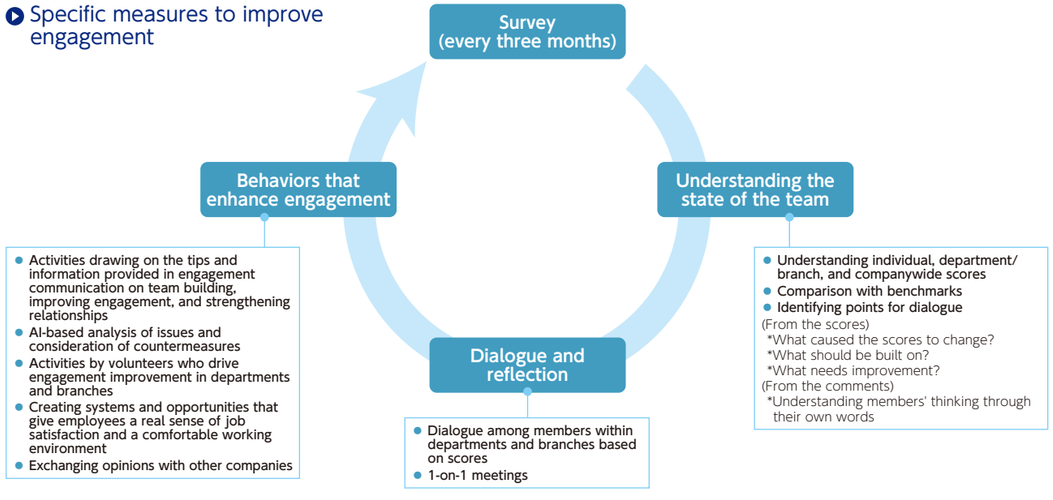
By creating an environment in which employees choose which growth opportunities to pursue and tackle diverse career challenges, we are raising their appetite for difficult tasks and heightening their engagement.

5 Enhancing job satisfaction and the work environment

(1) Strengthening employee engagement

To regularly track employees' job satisfaction and help our people engage more proactively with their work, we have conducted engagement surveys every three months since August 2021 and use the results to identify issues and improve our initiatives. To instill a corporate culture in which every employee deepens their understanding of the concept of engagement and takes part in our various measures on their own initiative, we are pursuing a range of initiatives while exchanging views both inside and outside the company.

Specific measures to improve engagement



(2) Revision of the HR Platform to support the success of diverse talent and strengthening of investment in talent

In October 2025, we revised our HR platform (HR system) as part of a human capital strategy that responds to the transformation of our business model. We have shifted the system to place greater weight on roles and results, and we are creating an environment in which each employee can shape their own career autonomously and make full use of their abilities. As part of this, we integrated administrative staff into regional generalist roles, expanding opportunities for diverse talent to succeed. Alongside the mandatory retirement age of 65 already in place, we have established a new grade for senior employees aged 60 and over and, through detailed life planning support, are creating an environment where experienced talent can continue to play active roles regardless of age.

In response to changing social conditions, we raised starting salaries in stages in April 2025 and April 2026, both to give employees an environment where they can work with peace of mind and as part of measures to increase their sense of conviction about their work and strengthen our recruitment capabilities. We have also provided lump-sum payments and raised salaries on an ongoing basis since fiscal 2023.

(3) Health management initiatives

We regard the physical and mental health of our employees as an important foundation for our business and practice health management accordingly. In recognition of these efforts, we have been certified under KENKO Investment for Health (Large Enterprise Category) every year since 2023.

We help our employees maintain and improve their health by formulating a Health Management Declaration, holding seminars on health management and lifestyle habits, introducing a health promotion app, and running health promotion events such as body composition measurement sessions. Since October 2025, we have also brought in an occupational health nurse and have been strengthening our health management system. Targeted areas include health management based on checkup results and follow-ups for employees working long hours or experiencing mental health problems. We also conduct stress checks every year as a means to maintain and improve our team's mental health and to create a workplace where employees can work with peace of mind.

(4) Improving work-life balance and worksite flexibility

We promote flexible work styles that support work-life balance through measures such as remote work , working at satellite offices, and enhanced leave systems. As a result, the paid leave utilization rate rose 1.5 points year-on-year, to 76.1%. We also introduced a flex-time system in February 2025 and, partly as a result of our work-style reform measures, average monthly overtime hours fell significantly from the previous fiscal year, to 11 hours 45 minutes.

In February 2026, we relocated our headquarters and actively incorporated the concept of activity-based working (ABW) into the new office environment. Under our conceptual initiative, "Action! It's my turn!", the office is designed as a place for responding to change and continuing to transform ourselves. In this setting, spatial design enables diverse work styles and circulation planning encourages spontaneous dialogue and challenges, and a flexible work environment makes full use of ICT. These improvements to the work environment encourage cross-departmental collaboration and the creation of new value, raising organizational productivity and generating innovation.

(5) Initiatives for work-life balance support

[Balancing work and childcare]

We have set up a consultation desk for childcare leave and support employees in balancing work with childbirth and child-rearing regardless of gender, including by distributing guides to the various systems related to childbirth and child-rearing and explaining childcare leave individually to every eligible male employee. In recognition of these efforts, we have held Platinum Kurumin certification continuously since December 2020 as a company actively supporting the education of children who will lead the next generation. The rate of childcare leave taken by men also reached 100% by our standards*, as in the previous fiscal year.

*The percentage of male employees whose child turns one year old in the relevant year and who began childcare leave between the previous year and the day before the child's first birthday

[Balancing work and nursing care]

Not only do we distribute a caregiving handbook, share caregiving-related information, and offer e-learning courses to deepen our staff's understanding of dementia, we also support employees facing caregiving challenges through a Dementia Seminar led by external instructors with extensive experience as care managers, Caregiver Roundtables for employees dealing with caregiving responsibilities, and a free consultation service.

Supporting para sports

We have enjoyed an official partnership agreement with Japan Para Athletics (JPA) since October 2019. Employees attend competitions to cheer on the athletes, some of whom we invite to the company for lectures and para sports experience sessions, helping to spread awareness of a diverse society.



(Photo: Japan Para Athletics)

(6) Side hustles and multiple jobs

We introduced a side job/second job system in December 2022 to promote diverse work styles, generate innovation, and broaden employees' horizons.

Within rules designed to keep the impact on primary duties to a minimum, we support employees in gaining knowledge and experience through activities outside the company.

Building a Management Foundation that adapts to change

Digital Strategy

To realize our Medium-Term Management Plan 2028 objectives, the group is pursuing its digital strategy as a key element of its business strategy.
By applying AI and other digital technologies, we are working to not only improve operational efficiency but to also enable data-driven decision-making, create new value, and strengthen our organizational capabilities. Thus, we aim to achieve sustainable growth and higher productivity.

1 Key Initiatives under the Plan 2028

Pursue a companywide, cross-organizational digital strategy to accelerate operational efficiency and sustainable value creation

1) Efficiency and value creation through the use of digital technology

Starting with solutions for each department's operational issues, pursue measures to boost efficiency and sophistication using AI agents, Power Platform, and other tools

2) Developing and securing digital talent

Raise the digital literacy of all employees and develop talent who can lead digital initiatives in each department

3) Companywide digital promotion framework

The Strategic Planning Group and the IT Systems & Operations Group work together to encourage cross-departmental knowledge sharing and collaboration, driving a companywide digital strategy

4) Data infrastructure

Promote a common data model, standardized operational processes and higher employee data literacy so that data can be used as a management asset

5) AI governance and risk management

Establish rules and structures that ensure proper safety management, information controls, and ethical guardrails so that AI can be used with confi-dence

Digital transformation roadmap

1 FY2026
Foundation-building and implementation
Create a conducive environment, raise literacy, and promote the use of digital technology to resolve issues in individual operations

2 FY2027
Companywide rollout and enhancement
Roll out and enhance digital initiatives across the company, starting with addressing cross-departmental and organizational matters

3 FY2028
Value creation
Embed digitally driven value creation throughout the company

2 Developing Digital Talent

- Sustaining our digital strategy requires not only introducing new tools but also developing talent who can incorporate those tools into our operations and embed their use.
- The group classifies digital talent into three tiers, basic, advanced and ex-pert, and develops staff in each tier according to their roles.

Examples of in-house training

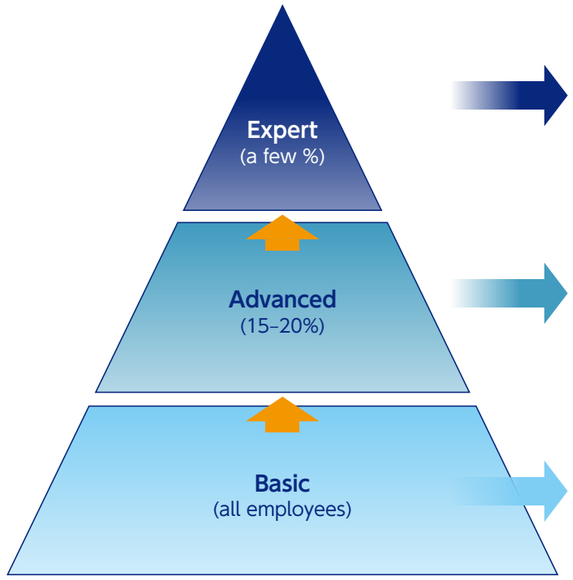
Training for the advanced tier



Training for the basic tier



Digital talent development framework



Highly specialized talent who lead DX, centered on the use of AI and data

- People who take charge of applying new technologies, developing new digital businesses, providing companywide technical support, and more.
- We are developing talent who hone their expertise while leading transformation and the creation of value across the entire group.

Hands-on talent who bridge operations and digital technology to drive DX

- Staff who visualize operational issues and drive improvements and development using AI agents, Power Platform, and other tools.
- We develop talent who advance from the basic tier and lead operational transformation on their own initiative.

All employees

- The goal is for all employees to acquire basic skills in AI, Microsoft 365, information security, and other areas so that they can use digital technology in their daily work.
- We support all employees in taking their first step toward using digital technology and becoming drivers of operational transformation.

Example initiatives 1

Talent development | **Upgrading recruitment** | **Talent management**

Upgrading our human capital strategy through the use of AI and data

We are promoting the use of AI and data as a foundation for a human capital strategy that underpins achievement of the Medium-Term Management Plan. We are maximizing our use of talent data across our talent development, recruitment, and talent management operations to, for example, support the writing of development policies and to upgrade our recruiting effort. We are further strengthening the talent management platform that supports strategic talent assignment and the development of the next generation of talent. It also looks to deepen the alignment between our business strategy and human capital strategy.

Example initiatives 2

Accumulating and sharing credit screening know-how | **Upgrading and streamlining credit screening operations**

Upgrading credit screening operations using AI

We are using AI to upgrade credit screening operations. With regard to credit screening, by sharing and utilizing know-how, supporting deal analysis, and streamlining operations, we aim to improve quality and operational efficiency at the same time. Making credit screening criteria and know-how more visible will also improve credit literacy and support talent development across the company, leading to a more advanced risk management structure.

Building a Management Foundation that adapts to change

Transforming Corporate Culture

Each Individual's "Action!" helps build an organization resilient to change

Corporate culture transformation that sets strong, self-reliant individuals in motion and supports a platform company

Corporate culture transformation is the driving force we need to achieve our desired target state: making a major leap from a leasing company to a platform company that co-creates the future together with our clients. We are creating an environment in which strong, self-reliant individuals—employees who think and act for themselves and see change as an opportunity for growth—can apply their abilities. An already broad range of initiatives that encourage employees to take "Action!" is widening further, from the relocation to the new headquarters to the use of AI and the Omoro Festival. Our employees are increasingly devising challenging new initiatives of their own volition. How are employees responding to these changes in their environment, and how are they turning them into challenges and actions of their own? Six employees who have taken on a variety of challenges on the front lines discussed their experiences and their thoughts on the future.



Hard and soft mechanisms that encourage voluntary action

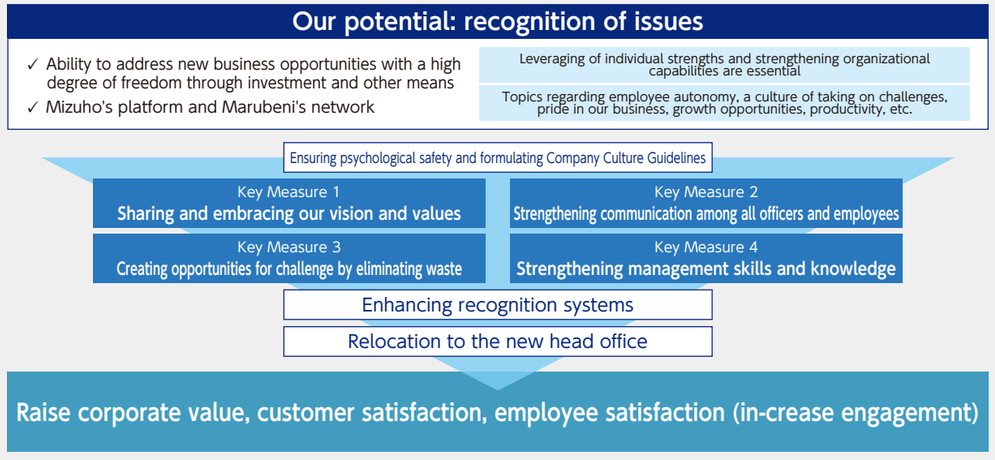
—— We understand that a project initiated from the front lines was launched with the relocation to the new head office in February 2026. How is it expected to contribute to employee job satisfaction and recruitment, and what response have you seen so far?

Yanagida: The major decision to relocate the head office had its origins in an employee-led project launched in August 2023 to explore new ways of working. Workshops and a survey of all officers and employees made clear that the former head office, which was cramped, spread over multiple floors, and split between two locations, made communication across departments difficult and left little room for the collaboration needed to resolve customers' increasingly diverse issues. The wishes of front-line employees, who noted their desire to change the way we work at the company and their intention to energize communication and collaboration, aligned with a swift decision by management, and the headquarters relocation was decided in April 2024.
During the roughly two years of preparation that followed, we adopted the concept "Action! It's my turn!" and set out to crystallize the ideas and aspirations of every officer and employee in the group. We moved the project forward step-by-step, involving many employees along the way through events such as a trial of and voting on the office chairs for the new headquarters, an exhibition where they could see and touch the furniture and IT equipment scheduled for introduction, and employee co-created art for the wall facing the internal staircase that connects three floors.



What I struggled with most during this period was getting a large number of employees to see these changes at the company as something personal to them. Precisely because this is an office that everyone will use and develop together, I was constantly thinking about how to get more employees to take part and become proactively involved. Thanks to the positive cooperation of every employee, I truly feel our new head office has become everyone's office, filled with each employee's ideas and attention to detail.
Hayakawa: The distance between departments has shrunk compared with the former head office, and we now often hear comments on such matters as the ease of consulting with people in other departments. For example, once when I was discussing AI development with Miki Nakagawa in an open space, another employee passing by casually spoke up and joined in. Everyday scenes like this give me an increasingly clear sense of who is doing what. With an environment now in place where it is easier than before to approach people in other departments and

Our initiatives to date and future direction (overall mapping)



Building a Management Foundation that adapts to change
Transforming Corporate Culture

where each employee can work more proactively, I feel the company has even more energy and a stronger sense of unity than before.
Candidates in our recruiting process sometimes remark on the attractiveness of our office, but I think what really comes across is not just the office itself but the sight of employees working energetically and communicating naturally with one another. In fact, at a recent social gathering for new graduates who have received job offers, we heard comments such as, "Every time I came to the office for an interview, I felt this was a company that values its employees," and "I can now more clearly picture myself working here, and my desire to join has grown even stronger." It brought home to me that the values the company cherishes are naturally being conveyed through the working environment and the employees who work in it.

Kawashima: Before the relocation, the Operating units I belong to was in a different building from the former head office, so even taking part in a company event meant leaving the premises and traveling there. Now we can join just by moving one floor. I feel company events have become much easier to attend. Quick consultations with other departments now take nothing more than standing up and walking over to the adjacent area, which is speeding up decision-making on our business proposals.
I play in a band in the company's light music club, and recently we gave a live performance on the HIROBA stage, which many employees came to see. The event was also widely posted on company social media, which made me very happy and gave me a warm feeling.

—— Next, please tell us about the Omoro Festival. We understand it started in 2024 as a project to bring to life employee-initiated ideas inspired by the attitude "this looks interesting, so I want to try it." What results have you observed, and what changes have you seen through your participation?

Uematsu: I volunteered to join the Omoro Festival's volunteer subcommittee. Its six members have no contact with one another in their normal work. A distinctive feature is that, in addition to the vertical and horizontal ties between senior and junior colleagues, collaboration with other companies creates diagonal connections outside the company as well.
Because we were starting from zero in deciding what the volunteer subcommittee would actually do, we held ongoing discussions among the members, and we planned and executed cleanup activities driven by the head office and at branches across the country together with other companies active in volunteering. We also ran a tree-planting volunteer event in which we planted seedlings in a forest in Ichihara City, Chiba Prefecture, where we are conducting a demonstration experiment of nature-positive business with Green Elm Co., Ltd.
Because outside volunteer work is unpaid, the hurdle to participation is higher. We thought about how to get people interested and actively posted announcements and activity reports on company social media, and as a result more people took part than we had expected.
Through these activities, connections inside and outside the company that are hard to create through everyday work alone are expanding, and interest in new businesses and social issues is growing, as well. I feel the significance of this activity lies in discovering new possibilities for the organization, starting from each individual's "I want to try this."



—— What about initiatives to use AI to improve operational efficiency and productivity?

Nakagawa: I originally worked in an Operating units, but wanting to eliminate the inefficiencies I had felt in the field, I transferred to the Digital Technology Promotion Department through internal recruitment last October. In fact, my interest in digital technology goes back to my experience as a Phase 1 participant in the Omoro Festival.
That event's activities gave me my first exposure to programming and app development, which sparked my interest and led to my current work. A major achievement since my transfer has been launching study sessions on AI agents. I take the stage as an instructor at the HIROBA forum three to four times a week. In particular, in the eight-session series "TGIF AI Agent Lounge" held on Friday evenings, we thought about AI use together with the participants, who reached a level at which they can build AI themselves to streamline their own departments' workflows. That is what I feel has been the most rewarding result.
As Hayakawa mentioned earlier, because the study sessions are held in an open space next to the reception area, not only senior colleagues passing by but also visitors to the company sometimes remark to us that we are always holding enthusiastic study sessions. I think the company's dynamism is coming across to people outside our organization as well. In another case, a request from employees who wanted to borrow books from the bookshelf on the 28th floor reached the Secretariat Division, and that request led to the development of a book-lending app for employees. I feel that a habit of picking up ideas expressed by small voices and giving them form is taking root throughout the company.

Fostering Strong, Self-Reliant Individuals by Leveraging Mechanisms and Learning from Diverse Cultures

—— We understand that Mizuho Leasing pursues a variety of internal measures aimed at corporate culture transformation. Please tell us about these measures and how your mindset has changed through taking part in them.

Kawashima: There are broadly three measures I have been involved with thus far. The first is small meetings, forums where the president and several young employees discuss the theme "To become the number one company." My first proposal to the president was that "number one" might be defined as "the company most chosen by customers." I told him my own view that the true number one encourages customers to think, "If I am going to consult someone, it should be Mizuho Leasing," not only because of our terms but owing to our proposal capabilities and the way we build relationships of trust.
I understand that events related to this measure are scheduled to be held 17 times during the current fiscal year covering this same theme, with 100 employees ranging from young staff to managers taking part. For me, too, thinking about what I could contribute toward the lofty goal of becoming number one and conveying my opinions directly to the president gave me an opportunity to think about the company and my own role from a higher perspective than in my everyday work.
The experience of conveying my own ideas directly to senior management also brought home to me that I myself am one of the people shaping the company's future.
The second is the Corporate Culture Transformation Task Force. Members from different departments and with different durations of service came together through an open call and examined measures for transforming our culture. My team proposed to senior management an expanded OJT system and career plans for developing young talent for overseas roles, among other things.
The third is the Credit Screening Trainee Program. Having the desire to learn credit analysis skills to use in my future selling activities, I raised my hand in response to a call for applicants I found on the company's social media, and as a trainee I learned and gained experience in the Credit Risk Management Department.
Through these experiences, I feel that the company offers many opportunities that lead to growth and encourage a spirit of challenge—as long as you go and get the information yourself. I think transforming our corporate culture is not just a matter of changing systems and structures; it arises from the accumulation



of such opportunities as found by each individual through thinking, raising their hand, and proactively taking action. I myself have been able to broaden my perspective by voicing my opinions regardless of position or affiliation and by involving myself in situations not presented by my everyday work.

—— Ms. Egawa, based on your experience of being seconded to Marubeni, how would you describe Mizuho Leasing's culture as seen from the outside?

Egawa: I am in my seventh year with the company. After five years in sales, I was seconded to Marubeni's Finance, Leasing & Real Estate Business Division. I am the second person to be seconded to Marubeni. My role is wide-ranging and serves as a bridge between the two companies: examining investments in overseas leasing companies, handling the management administration of Mizuho Marubeni Leasing Corporation (the joint venture between Mizuho Leasing and Marubeni), and promoting collaboration between Marubeni and Mizuho Leasing. About a year and a half into the secondment, I feel that each company has its own strengths.
Marubeni is large, the products and businesses handled differ completely from one division to the next, and my impression is that it brings together people with highly diverse backgrounds. Mizuho Leasing, by contrast, has a strong “one team” feel, with employees of diverse expertise acting with a sense of unity around the core focus on leasing and finance. I feel that this is the most significant difference. I have opportunities to meet people seconded from Marubeni to Mizuho Leasing at training sessions and in other settings, and they all express the same idea: At Mizuho Leasing, it is easy to collaborate across departments.

—— Please tell us frankly about the changes in Mizuho Leasing's culture that you see from the front lines.

Yanagida: I am in my sixth year as a midcareer hire. When I joined, the company had a steady, cautious

Building a Management Foundation that adapts to change

Transforming Corporate Culture



culture that valued "not making mistakes" over "taking on challenges." From there, with management leading the way, a culture that values taking on challenges began to emerge, and from around 2023 cross-organizational project teams also became more active. I feel the company has now become an organization in which each employee can proactively achieve their personal objectives.
The headquarters relocation was another case where management strongly backed the many ideas that came from employees, saying, "Let's actively adopt ideas that grow the organization." The change is also visible in the numbers: HIROBA was used 150 times in the six months after it opened, including 19 events to which people from outside the company were invited. Before the relocation, events like these were not common, so being able to hold them, and in an open space, is a major change.
Uematsu: I have been with the company longer than most of the members here. In the past, things sometimes ended with "there is no precedent for your idea," but now the response is more often "That sounds good, let's try it." The thinking has shifted toward reviewing the rules themselves where necessary.
Nakagawa: I genuinely feel that the company has become one where the simple act of trying is valued. The AI study sessions started with a single remark from my supervisor—"Why don't you give it a try?"—at a time when neither the venue nor the content had been decided. I originally had little experience speaking in front of people, so discovering strengths I had not been aware of through presenting as an instructor was another major gain. I was also given opportunities to distribute the AI study sessions through the company's internal learning tool and to appear in a dialogue video with the president. As the places have increased where I can express myself regarding challenging work, I have begun to hear comments from people around me along the lines that it was good to learn that there is a way of working like mine in which one's interests can be applied to work and that this gave them courage.
Hayakawa: I am in my third year as a midcareer hire, and I often hear from long-serving employees that the company has changed significantly in the past few years. I have always valued a mindset of not following precedent, and when I share insights or deliver proposals to those around me, I am quite often encouraged with the "Let's give it a try" attitude. That stimulates me and heightens my receptiveness to taking on challenges. Precisely because I am being given chances, I now want to share both successes and failures with those around me and use them as a springboard to the next opportunity.
Egawa: There is no precedent for being seconded outside the company at my stage of career, and I think the fact that I can confidently share the knowledge of leasing and finance I built up over five years in sales, even at Marubeni, is thanks to having been developed in an environment that made it easy to take on challenges from my first year with the company.
Even looking in from the outside over the past year or so, I feel that the venues where young employees can speak up and chances to join projects have clearly increased. Opportunities to take on challenges are growing across the company, not only in the department I belonged to.
Kawashima: As someone in sales, I think new product development has also become more active. New products are jointly developed every year with our capital alliance partners, and incentive systems are also being put in place. The creation of the internal recruitment system is another major change. Since it was introduced, I feel that we can choose careers that suit us more than ever before, rather than simply following a career path determined by the company.
Hayakawa: When the system was first introduced, quite a few employees hesitated, wondering whether it was really all right to raise their hand. However, continuous messaging from management and the Personnel Department's out-reach to managers gradually spread understanding of the importance of self-directed career development. Use of the system has since grown, and a culture in which employees raise their hands on their own initiative and step forward to take on new challenges is steadily spreading.

From taking on challenges to creating new opportunities for challenge

Connecting each individual's "action!" to the next challenge

—— Finally, please tell us about your goals and what you want to focus on from here.

Yanagida: We launched a project team called the Action Base Crew to promote new ways of working that, among other aims, make the most of the new headquarters. The name reflects our wish to see the headquarters as a base for taking "Action!" and to have more and more colleagues come on board. Eighteen people raised their hands in our internal recruiting drive. The members span Operating units, Administrative units, and group companies and are diverse in age and affiliation. Until the relocation, many matters were inevitably driven mainly by the administrative units, but with input from the operating units as well, I believe we can evolve the office into one that is easier to use and more beneficial for more employees. The headquarters office is not yet in its final form, and I want to keep evolving the office while incorporating employees' feedback.
Nakagawa: Until now, I have been the one following the trial and error method, but hearing what Mr. Yanagida said has made me want to consider moving to the side that creates such opportunities. Building on the AI study sessions, I have also started creating opportunities for employees engaged in citizen development within the company to present their work. Rather than rely only on communications from the Digital Technology Promotion Department, I want to share the practical examples of colleagues on the same front lines and thus raise the number of places where horizontal connections generate stimulation.
Uematsu: That the Omoro Festival has no clearly defined agenda is the reason it provides an enjoyable opportunity to think for ourselves and work toward our goals. If the range of challenging opportunities expands, this should promote both individual growth and the company's culture. The future look of the activities is still under consideration but, in any case, I want to keep this movement going and not let it die out.
Egawa: I believe that upon my return there are things I can bring to the table precisely because I have the experience of secondment. When I come back, I want to actively share my experience while thinking about how I can give back to Mizuho Leasing.
Kawashima: My own goal of taking up an overseas posting while still in my twenties has also become more realistic as the internal recruiting system has expanded. I used to think it might be difficult to achieve this while I was young, but employees are now being posted overseas at younger ages.
I want to build my career myself while making good use of the system.
Hayakawa: I want us to be an organization in which





each employee can work while holding on to their own personal aspirations. To that end, what I value is the "will-can-must" way of thinking. Rather than simply following a career path determined by the company, each employee charts their own career path based on their aspirations and pursues their goals through personal growth. My aim is for this kind of self-directed career development to take root in our culture to the point that it is taken for granted.
Yanagida: Just one last thing. The new headquarters is based on terracotta orange rather than blue, our corporate color. We adopted a warm terracotta orange that evokes "Action!" in response to employees saying they want to enjoy their work with high passion. I would be happy if, when people see the orange around the office, they feel even a little more positive or think, "All right, let's give it a try."

"Accelerating transformation and securing future growth"
To make good on this vision, we are establishing a corporate culture that encourages each employee to think and act independently, engage those around them in creating new value.
Challenging initiatives originated on the front lines, from the headquarters relocation project to the Omoro Festival, the AI study sessions, and initiatives to improve operational efficiency, have cemented interrelationships that cross departments, positions and generations. Through opportunities such as the internal recruiting system, internal projects, and secondments, employees are increasingly developing their skills, broadening their experience, and carving out their own career paths in line with their aspirations.
Underlying these changes are management's readiness to encourage people with "Let's give it a try first" rather than "stop because there is no precedent," and the will of employees to speak up and act.
Each individual's sense that "It's my turn" gives rise to new challenges, and those challenges, in turn, spur the next step. Combining diverse knowledge and individuality, we continue to evolve into an organization that drives transformation powerfully and supports sustainable growth.

Feature

A New Head Office to Accelerate the Transformation of People and the Organization

- Our Medium-Term Management Plan 2028, which commenced in FY2026, sets out our vision of "Make a major leap from a leasing company to a platform company that co-creates the future together with our clients. "We position the plan as a three-year period to accelerate transformation while securing future growth, and are accelerating our transformation accordingly.
- We are also focusing on strengthening human capital and transforming our corporate culture as part of our efforts to achieve our vision. The relocation to our new head office is an important element of our management strategy aimed at evolving into an organization that adapts to change, transforms itself, and continues to grow.

Management strategy

Transforming our business portfolio and building a resilient management foundation to achieve our vision
Evolve into an organization that adapts to change, transforms itself, and continues to grow, with the aim of creating new value.

Business challenges

Amid rapid changes in the external environment, achieving sustainable growth requires **individuals who act autonomously, an organization resilient to change, and a transformation in working practices.**

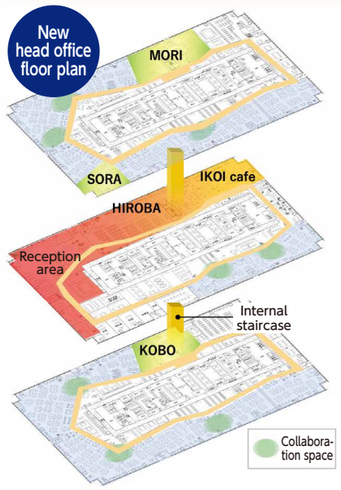
Office environments present challenges to communication and collaboration for new value creation (multi-floor layouts, dispersed locations, limited opportunities to expand co-creation spaces).

Why relocate?

1. Elevate the quality of our work
2. Make working practices more flexible
3. Increase engagement
4. Leverage digital technology
5. Strengthen our recruitment capabilities

The relocation concept: ACTION! IT'S MY TURN!

We're all performers on the business stage.
Sometimes we play the leading role; at other times, we work tirelessly behind the scenes.
We're a team in which each of us gives our all in our respective roles, sharing the joy when we bring a "production" to completion.
But wait a minute. Have we fallen into the habit of waiting for someone else to shout "ACTION!" before making a move?
What we're creating isn't a film with a fixed script.
Why not call out "Action!" ourselves and get things moving?
Taking that first step can lead to new discoveries and new connections.
"ACTION! It's my turn!"



Building an environment for ACTION !

- **A** Create an environment that stimulates the five senses and encourages spontaneous ACTION! through innovative environmental design and initiatives
- **B** Design spaces and layouts that encourage interaction and communication both within and outside the company
- **C** Create a working environment that leverages AI and digital technology to support diverse working styles and improve productivity



Watch the video to see our new head office.

Drone footage of the new head office

https://www.mizuho-ls.co.jp/ja/news/news523327367107136719 8.html



28F HIROBA B
Accommodates company-wide events and interaction with external companies.
Movable furniture allows the space to be adapted flexibly for a variety of purposes.

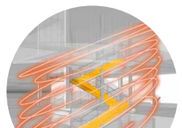


Employee co-created art A
A collaborative artwork created with the on-site participation of 265 employees. The mural incorporates ACTION! designs thought up by officers and employees, inspiring a renewed sense of ACTION! and energy each time they pass by.





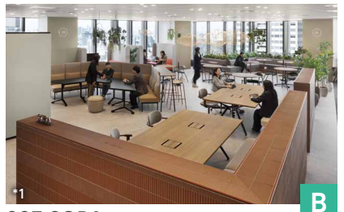
Meeting Rooms and Reception Rooms C
To improve productivity, we have provided several types of meeting and reception rooms that can be selected according to the purpose and size of each meeting.



Waves of ACTION! A
Each individual's ACTION! becomes a gust of wind, creating waves that spread across the floors from the internal staircase. These waves spread out through groups, generating a dynamic ripple of energy throughout the office.



28F Shared corridor (reception area) installation A
The resulting waves of light and sound represent the paths traced by the "winds" generated by each officer and employee.



29F SORA B
A space offering expansive views, with natural light entering from two directions.



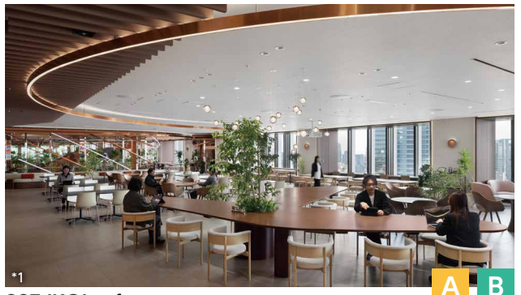
29F MORI B
A space symbolizing well-being in the office, featuring circadian lighting and biophilic design.



Staircase area A
Curved lighting expresses the concept of ripples.



Internal staircase B
An internal staircase connects the three floors, with circulation routes designed to encourage natural communication as employees move between them. This promotes spontaneous interaction across floors.



28F IKOI cafe A B
A relaxing space that encourages interaction over food and drinks. Here too, curved lighting expresses the concept of ripples.



Robots that appeal to the sense of touch A



C
The office is zoned to provide a gradual transition from dynamic spaces, such as open meeting areas, to quiet spaces, such as focus areas, toward the windows. Employees can choose where to sit within the working area according to the nature of their work.

Our new head office wins the Creative Office Award at the Nikkei New Office Awards

At the 39th Nikkei New Office Awards, organized by Nikkei Inc. and the New Office Promotion Association, our new head office received the New Office Promotion Award, which was presented to 16 of the 124 entries, and was also selected to receive the Creative Office Award.

▶Nikkei New Office Awards https://www.nopa.or.jp/prize/contents/congratulation39.html

*1 © Masato Kawano (Nacása & partners Inc.) *2 Artwork: Jointly created by artists omi and DENPA, with the participation of 265 employees of the group Art Direction: NOMAL ART COMPANY

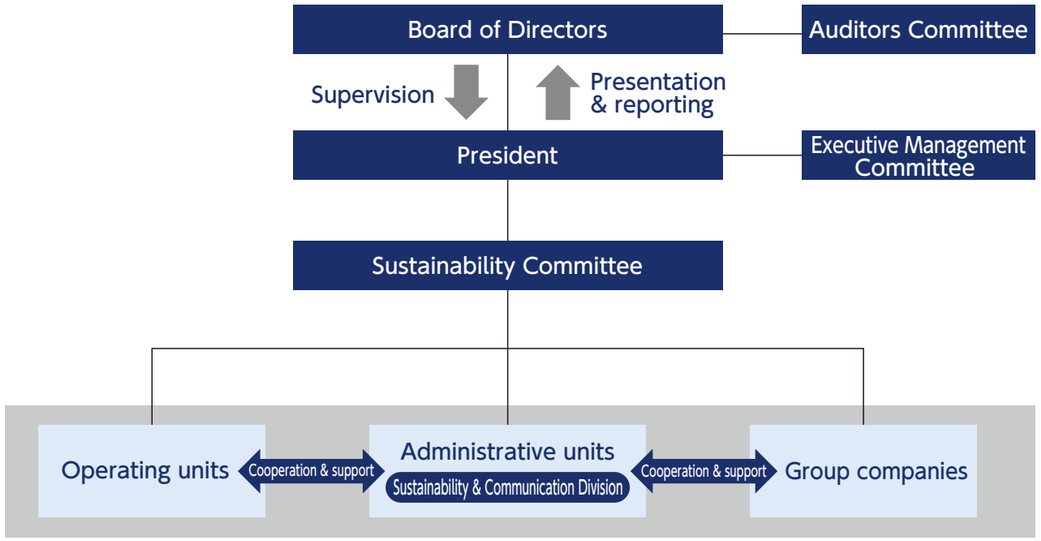
Promoting Sustainability Management

1 〉Policy

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

2 〉Sustainability Promotion Framework

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



Sustainability Committee

Co-chairs	Chief Sustainability Officer, Head of Human Resources & General Affairs Group
Committee members	Head of Human Resources and General Affairs Group, Head of Finance & Accounting Group, Head of Strategic Planning Group, Head of Risk Management Group, Head of IT Systems & Operations Group, Head of Legal & Compliance Group, Head of Credit Management Group, Head of Environmental Energy Business Headquarters, and other officers appointed by the president
Frequency	Quarterly (in principle)

3 〉Identifying material issues

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

STEP 1 | Identify issues

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

STEP 2 | Analysis

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

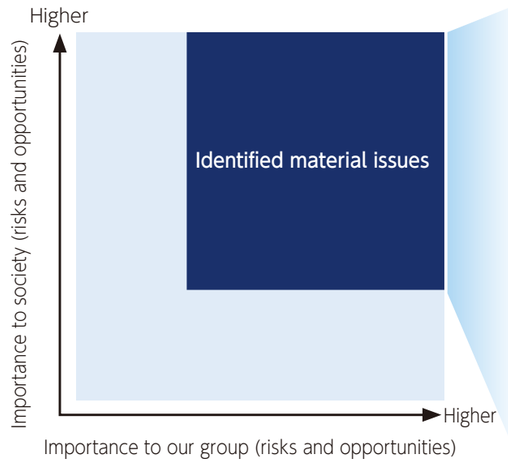
STEP 3 | Assessment

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

STEP 4 | Formalize topics

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

Visualizing the materiality assessment process



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

Materiality initiatives

Material theme		Risks & opportunities	Relevant SDGs	Vision	Medium-Term Management Plan 2025 indicators	Actual results FY2023	Actual results FY2024	Actual results FY2025	Example initiatives
Contributing to a decarbonized society	Risks	● Earnings volatility at renewable energy business due to output constraints, system changes, and natural disasters ● Lost opportunities due to delays in addressing customers' decarbonization needs	7, 13	Contributing to the realization of a decarbonized society by expanding business domains in the renewable energy sector and providing solutions supporting customers' transition to carbon neutrality	• Secure 1GW of renewable power generation capacity (FY2025)	590MW	708MW	1,185MW	• Commencement of a tender offer for the investment units of Japan Infrastructure Fund Investment Corporation (Securities Code: 9287) by MM Power LLC, and the acquisition of shares in Japan Infrastructure Fund Advisors Co., Ltd. by Mizuho Leasing Company, Limited, as well as the execution of a business alliance agreement • Commencement of commercial operation of Takeo Grid Storage Plant —Grid storage battery initiatives in the Kyushu area, where there is a high need for grid stabilization— • Conclusion of basic agreement on virtual PPA utilizing the FIP scheme —Promoting renewable energy use in data centers—
	Opportunities	● Expansion of business domains in renewable energy and other environment-related areas ● Creation of new businesses accompanying decarbonization of the supply chain			• Reduce CO_2 emissions in Scope 1 & 2* Zero emissions (FY2030) * Non-consolidated and seven domestic consolidated subsidiaries	22% (vs. FY2016)	22% (vs. FY2016)	17% (vs. FY2016)	
Contributing to a healthy and prosperous lifestyle	Risks	● Loss of market cultivation opportunities due to delays in responding to advanced medical devices and next-generation services	3, 11	Contributing to a prosperous and secure lifestyle by harnessing diverse approaches and technologies in addressing issues related to health and medical care	—	—	—	—	• Investment in Riverfield, Inc., a company developing surgical assist robots —Investment through our CVC fund— • Investment in CaTe, Inc., a company developing medical devices for cardiac rehabilitation programs —Investment through our CVC fund—
	Opportunities	● Increased demand for investment in next-generation medical care and healthcare fields ● Greater need for real estate solutions supporting medical and long-term care facilities							
Contributing to the creation of social Infrastructure that supports our lifestyle	Risks	● Obsolescence of existing assets amid changes in work and lifestyles ● Risk of stagnation in business activity due to aging infrastructure, accidents, or natural disasters	9, 11, 13	Contributing to the development of sustainable, safe, and secure social infrastructure through the provision of solutions for diverse assets including real estate, aircraft, and ships	—	—	—	—	• Participation in build-to-rent development in Australia • Capital and business alliance with Star Asia Group LLC, and acquisition of equity interests in Star Asia Group LLC through subscription for a capital increase by third-party allotment (to make Star Asia Group LLC an equity-method affiliate)
	Opportunities	● Capturing capex needs arising from growth in logistics demand and digitization ● Increased demand for investment relating to renewal and strengthening of infrastructure							
Leading toward a circular economy	Risks	● Impact on business expansion from delays in system development and market formation ● Delayed response to demand accompanying society's shift from "owning to using"	12, 13	As a nexus between production/distribution and recycling/disposal indus-tries, we aim to build a resource recycling platform that leverages our unique expertise in goods and trade flows, leading to the realization of a circular economy	• Chemical/material resource recycling rate of 85% or more (FY2027)	80.5%	84.3%	85.5%	• Initiatives toward realizing a circular economy for aluminum —Building a closed-loop recycling system for aluminum recovered from commercial waste truck bodies— • Approximately 40,000 used PCs from Mizuho Bank recycled domestically through the ITAD service —Balancing information security and resource recycling through the use of ITAD—
	Opportunities	● Increased need for resource recycling owing to resource constraints and tougher environmental regulations ● New business opportunities stemming from changes in the value of physical goods and the way they are used							
Creating new value through technology	Risks	● Obsolescence of existing assets and businesses due to rapid technological innovations ● Risk of business stagnation due to information leaks caused by factors such as cyberattacks	8, 9	Creating new value-added for society and customers through the provision of solutions that utilize digital technology and anticipate changes in social structure and technological advances	• Develop digital IT talent: 200 or more(FY2025)	280	337	340	• Investment in Quemix Inc., a company engaged in R&D into quantum computer algorithm and software development —Investment through our CVC fund— • Investment in OOYOO Co., Ltd., a startup developing CO_2 separation membranes —Investment through our CVC fund—
	Opportunities	● Increased demand for investment in technologies targeting corporate DX and labor-saving ● Creation of innovative new businesses and services utilizing digital technologies							
Creating a society and workplace where everyone can thrive	Risks	● Loss of talent and decline in competitiveness owing to inadequate investment in talent and deterioration of the working environment	4, 5, 8, 10	Fostering an organizational culture in which diverse talent can make maximum use of their expertise and individuality, collaborate, and continuously challenge themselves to create new value	• Hire more specialized business talent: 80 or more (FY2025)	+26	+47	+89	• Headquarters relocation • Mizuho Leasing's headquarters wins New Office Promotion Award and concurrently selected for Creative Office Award at the 39th Nikkei New Office Awards —A co-creation hub that fosters diverse interactions and generates new value— • Joint seminar with Siemens Healthcare Co., Ltd. to address employee questions about breast cancer screening —Collaborative initiatives aimed at health awareness—
	Opportunities	● Strengthening organizational effectiveness by securing, hiring and training diverse talent Invigorating the organization by enhancing engagement			• More than tripling of the budget for talent development (FY2025/ compared to FY2022)	2.03x	2.93x	3.18x	
					• Ratio of paid annual leave taken: 80% or more (FY2025)	70.8%	74.6%	76.1%	
					• Management positions filled by women: 15% (FY2025)	11.6%	13.0%	15.6%	
					• Ratio of childcare leave taken by male employees: 100% (each year)	100.0%	100.0%	100.0%	

Environmental Initiatives

1 〉Response to climate change

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

Governance

See “Sustainability promotion framework” on p. 51 for details.

Risk Management

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

Strategy

Risks and opportunities related to climate change

The group views the various risks and opportunities associated with climate change as a key element of its corporate strategy and has identified decarbonization of society as a materially important matter. It is assessing and analyzing the impact of climate change over time frames of every duration. The time periods affected are assumed to be defined as short-term (approximately 1–5 years), medium-term (approximately 10 years) and long-term (approximately 30 years). The impact on the group of risks and opportunities attendant to economic transition and physical events associated with climate change is shown in the table below.

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

Scenario analysis

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

High-priority sector selection methodology

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

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

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

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

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

	Electric power sector		Real estate sector	
	1.5 to 2℃ scenario	4℃ scenario	1.5 to 2℃ scenario	4℃ scenario
Risks	From 2030 onward, new carbon taxes, stricter carbon emissions regulations, and changes to the energy mix will precipitate a reduction in the use of fossil fuels, which should impact power companies' profitability. However, we forecast a limited impact on our credit cost. Furthermore, we do not operate any businesses related to thermal power generation using coal or other such fuel.	The increasing possibility of frequent flooding raises the likelihood of damage to power generation facilities. In addition, rising crude oil prices are expected to make power generation more costly and undermine power companies' profitability. An indirect impact on our credit costs is possible, but we see the direct impact on our business as limited.	Stricter energy conservation standards should trigger a wave of capital investment. Costs will likely rise due to the mandatory implementation of ZEB*1/ ZEH*2, and if this increase cannot be passed on to tenants and other users, our credit costs could be affected over the long term due to the impact on our customers' businesses. But, we expected any such effect to be limited.	Flooding is expected to occur with increasing frequency, and potential flood damage to our company's properties could impair the value of the real estate assets and impose expenses for repair and so on. Our credit costs could also rise in response to the impact on our customers' businesses.
Opportunities	Expectations of growth in the renewable energy business are raising hopes of expanded opportunities for new business entry and investment.	–	The competitiveness of certain properties is expected to increase. We can expect business to expand as rents increase due to the growing awareness of the need for properties with low carbon emissions and high environmental performance.	Valuations could increase for properties that are less susceptible to disasters due to safer location selection and enhanced disaster resistance. Resulting competitiveness gains should benefit our business.
Action	Measures to optimize opportunity •Taking on business risk to develop various modes of renewable energy, including solar power and others, such as biomass, hydropower, and wind power •Maximizing profitability in our existing businesses by amassing operational know-how and introducing new technologies •Capital investment taking advantage of subsidies and other benefits. •Monetizing stranded assets and the recycling of used solar panels and other items.	Risk Reduction Measures •Careful multivariate risk assessment of individual projects that accounts for sector policies adopted in response to changes in our operating environment	Measures to optimize opportunity •Strengthening investment in and financing of environmentally friendly real estate •Use alliances to expand our business domains to include the property development phase and seize opportunities arising from environmental initiatives	Risk Reduction Measures •Use of more detailed hazard maps and other tools to assess financial and investment risk •Increased care in creditworthiness assessments regarding long-term holdings

*1 ZEB : Net Zero Energy Building
*2 ZEH : Net Zero Energy House

Environmental Initiatives

Indicators and Targets

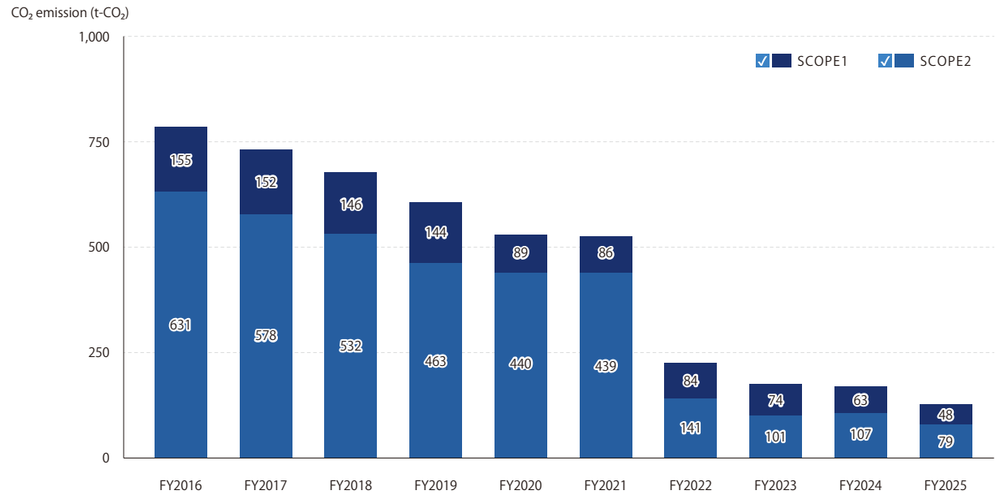
Decarbonization and related climate change and energy issues are among the most important global concerns. The Mizuho Leasing Group aims not only to meet our own targets for reducing CO_2 emissions, but also to contribute to reducing CO_2 emissions by society as a whole. To that end, we are promoting electricity generation from renewable resources and working to achieve a circular economy that makes effective use of resources and energy while reusing and recycling finished goods. We have set the following indicators and targets to aid in our pursuit of these goals.

Medium-Term Management Plan 2028

	Indicator	Target
Decarbonized society	Reduce CO_2 emissions from scope 1 & 2*	Carbon neutrality (FY2030)
Circular economy	Reuse and recycling rate	Maintain 98% or more (FY2026–28 average)

* Parent plus nine domestic consolidated subsidiaries.

CO_2 emissions (scopes 1 & 2)*1



CO_2 emissions (scope 3) *1

Leasing companies own and manage vast inventories of assets but, in most transactions, the customer selects and uses the leased assets exclusively, making it difficult to keep track of emissions. Moreover, it is not possible to offer only to lease assets with low emissions or to control the emissions associated with the use of leased assets, and CO2 emissions correlate with transactions' scale. Despite these complications, as the owner of leased assets, we are in a position to curb emissions within the scope of our own influence.
We have calculated emission volumes and mitigating controls and have estimated the scale of emissions in categories 11 and 13, which cover the transportation equipment sector (automobiles and aircraft).

t-CO_2

	Category	FY2023	FY2024	FY2025
1	Purchased products and services	72,105	106,044	106,877
2	Capital goods	2,310	5,892	7,115
3	Fuel- and energy-related activities not included in scope 1 or 2	72	71	69
5	Waste generated by operations	10	12	9
6	Business travel	167	169	174
7	Employee commuting	309	315	320
11	Use of sold products	65,908	92,396	76,584
12	Disposal of sold products	13	11	7
13	Leased assets (downstream)	770,237	765,430	694,945
15	Investment	20,270	24,348	— *2
	Total	931,401	994,688	— *2

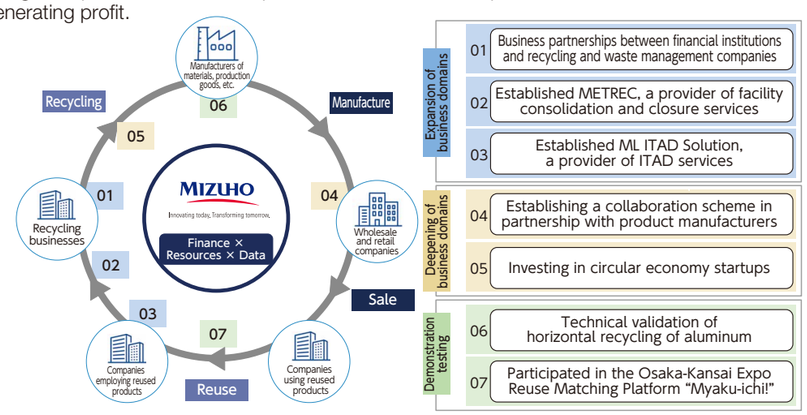
*1: Parent plus seven domestic consolidated subsidiaries. However, some scope 3 data includes overseas consolidated subsidiaries.
*2: This data is preliminary; official values will be disclosed on our website when finalized

2 〉Initiatives for a Circular Economy

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

Circular economy platform

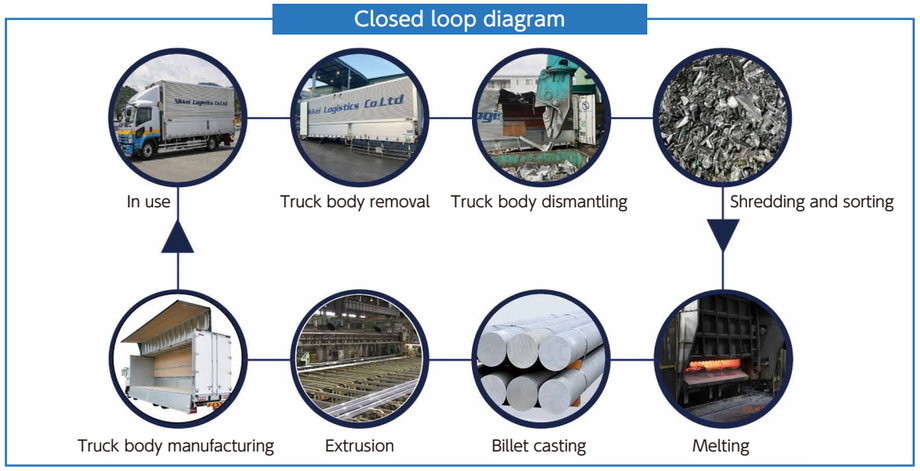
Mizuho Leasing will spearhead the development of a business that promotes resource circulation while creating social value and generating profit.



Technical validation of horizontal recycling of aluminum

In conjunction with Mizuho Bank, Mizuho Research & Technologies*1, Nippon Light Metal Holdings, and TRE Holdings, Mizuho Leasing conducted a demonstration project to build a closed-loop*2 system for aluminum recovered from end-of-life truck bodies, as a circular economy initiative.
This demonstration project—in which end-of-life truck bodies that had been used by Nippon Light Metal Group were sent to Rever Corporation (a TRE Holdings company) for dismantling and sorting, with the resulting recycled materials returned to Nippon Light Metal Group for melting, analysis, and use in the manufacture of extruded aluminum for new truck bodies—showed the potential for building a closed loop within the supply chain.
Based on these results, we will examine the feasibility of manufacturing truck bodies from recycled materials and using them in commercial operations. We will also pursue further improvement in sorting technology with a view to establishing closed-loop systems for various other applications.

*1: Now Mizuho Research Institute, an internal organization within Mizuho Bank
*2: A process in which used products are collected and recycled by the products' manufacturer into products for the same purpose.



Domestic recycling of approximately 40,000 used PCs from Mizuho Bank through ML ITAD Solutions

In April 2025, we established ML ITAD Solutions to run our IT asset disposition (ITAD) business. → p.26

Environmental Initiatives

Target-setting for participation in Circular Partners (CPs)

In line with the Growth-Oriented Resource Autonomous Circular Economy Strategy formulated by METI in March 2023, the Circular Partners initiative was founded to promote collaboration among industry, government and academia in the pursuit of a circular economy.
Mizuho Leasing joined Circular Partners in September 2023. Participants must set quantitative targets for a circular economy and disclose specific initiatives for achieving those targets, and we have now done so.

No	Target	FY2027	FY2025	
		Target	Result	Initiatives
1	Initiatives contributing to the transition to a circular economy and market development	5 (total)	5 (total)	We established companies involved in the circular economy, forming strategic partnerships with prospective collaborators
2	Transaction value for circular economy-related businesses	¥10.0 billion	¥19.7 billion	We greatly increased transaction value, mainly at rental businesses, and advanced circular-economy initiatives from multiple angles
3	Chemical/material resource recycling rate	85% or more	85.5%	We continued collaborating with key partners
4	Percentage of employees involved in asset returns who have obtained ITAD handling certification	100%	100%	We encourage employees involved in asset returns to obtain qualifications and we are progressively promoting the acquisition of such certification

3 〉Other environmental initiatives

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

In accordance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, which came into effect on April 1, 2022, we have announced our targets as well as actual waste volumes and recycling rate data for plastic components of leased items disposed of in FY2025.

Target	Results for FY2025
Recycling rate for properties at the end of the lease Recycling rate including thermal recycling for a five-year period starting in FY2022: average of 92% or more	· Amount of waste from plastic products at end-of-lease: 184 tons · Recycling rate at end of lease (including thermal): 93.1%

Initiatives for conserving biodiversity

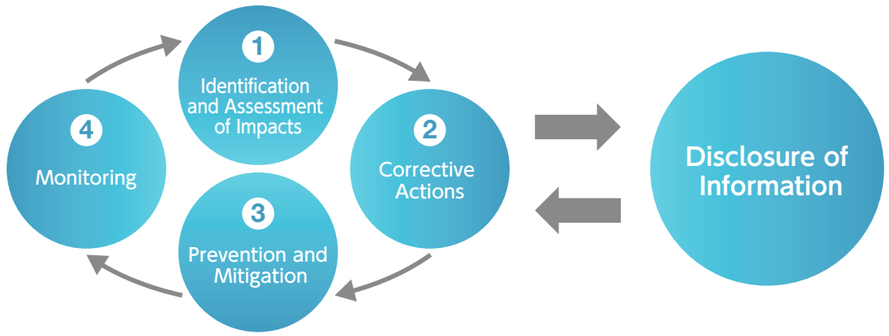
Development of a solution supporting the practice of nature-positive management in financial services
In collaboration with Green Elm Co., Ltd. and natural capital research companies, we are working to develop a solution that supports companies in practicing nature-positive management.
To that end, we have leased approximately 13,000 m² of forest land owned by Takeei Corporation in Ichihara City, Chiba Prefecture, to be used as a demonstration site for the creation of a naturally regenerative forest designed and overseen by Green Elm. This demonstration project is intended to verify the processes and time entailed in offering a solution supporting companies in practicing nature-positive management, while at the same time adding to our own know-how ahead of providing such services in the future.
Through this solution, we aim to help customers restore the natural capital and biodiversity used in corporate activities by having Green Elm draw on its academic knowledge and surveys of local vegetation and geographical characteristics to create forests suited to the local area. We hope that this solution will offer companies new options for integrating natural capital into their business strategies by allowing them to regularly visualize changes in natural capital and biodiversity across the service period.
Through the provision of this solution, we aim to support domestic client companies in practicing nature-positive management, thereby contributing to the realization of a sustainable society and economy.

Human Rights Initiatives

1 〉Approach to Human Rights

The Mizuho Leasing Group actively pursues solutions to social issues and contributes to a sustainable society. It recognizes respect for human rights as critical to realizing its own management philosophy.
Accordingly, the company has established the Mizuho Leasing Group Corporate Code of Conduct, which provides specific guidelines for the conduct of executives and employees, and has formulated a Human Rights Policy to externally demonstrate its responsibility and commitment to human rights
In addition, the group continues to carry out human rights due diligence on employees of the group and, as a means of assessing how well human rights education has penetrated the organization and verifying the effectiveness of its initiatives, the group conducted a survey in FY2025 as it had in the previous fiscal year.
Furthermore, based on our policy of respect for the personalities and characteristics of each and every employee and zero tolerance for any form of harassment, the group will continue to address problematic behavior through hotlines and consultation desks, while working to strengthen prevention, mitigation, and monitoring efforts.

2 〉Human Rights Due Diligence Process



3 〉Significant Human Rights Risks

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

High-priority human rights risk areas

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

4 〉Initiatives

Human rights due diligence initiatives

Corrective Actions	• To ensure early detection of misconduct in the workplace, we have established an internal reporting system for employees.
Prevention and Mitigation	• We have for some time been conducting internal training programs to enhance awareness of human rights.
Monitoring	• First, as part of our efforts to strengthen internal monitoring, we are conducting a questionnaire survey to determine the level of penetration of human rights education and evaluate the progress of human rights due diligence, and to confirm that related measures are functioning appropriately.

Corporate Governance

1 〉Basic Concept

The group recognizes that in order to continuously increase corporate value for shareholders and other stakeholders over the longer term, it is essential to ensure the effective functioning of corporate governance, a framework for preventing corporate misconduct, maintaining transparency by properly overseeing business execution, and promoting timely and decisive decision-making.
Protecting shareholders' rights and interests and ensuring equality commensurate with their holdings; respecting the rights and interests of various stakeholders, including business partners and employees, and fostering positive relationships with them; ensuring transparency in corporate activities through timely and appropriate disclosure to effectively safeguard stakeholder rights and interests; and making sure the Board of Directors and Audit & Supervisory Board appropriately fulfill their oversight and audit functions are all ways we plan to accomplish this. In order to improve the efficacy of our corporate governance, we are constantly improving these frameworks.

Board of Directors Activities

Under the open and active management of our Board of Directors meetings, resolutions and reports on business execution are made pertaining to matters stipulated by law and by the Board of Directors charter, along with discussions on management policies and strategies. Board of Directors activities last fiscal year included discussing and formulating Medium-Term Management Plan 2028, reviewing criteria for submitting matters to the Board of Directors in order to enhance its effectiveness, and developing a system for monitoring business portfolio transformation. To ensure that the board properly supervises the execution of responsibilities by the executive departments and that the resolutions and discussions of the Board of Directors are valid, reasonable and objective, we have appointed six outside directors who are fully demonstrating individualized skills based on their advanced knowledge and experience. (Please refer to the Skills Matrix on page 66 for each individual's skill status.)
Additionally, we proactively provide our outside directors with information to help them understand the company,* helping them to deepen their understanding of our business.



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

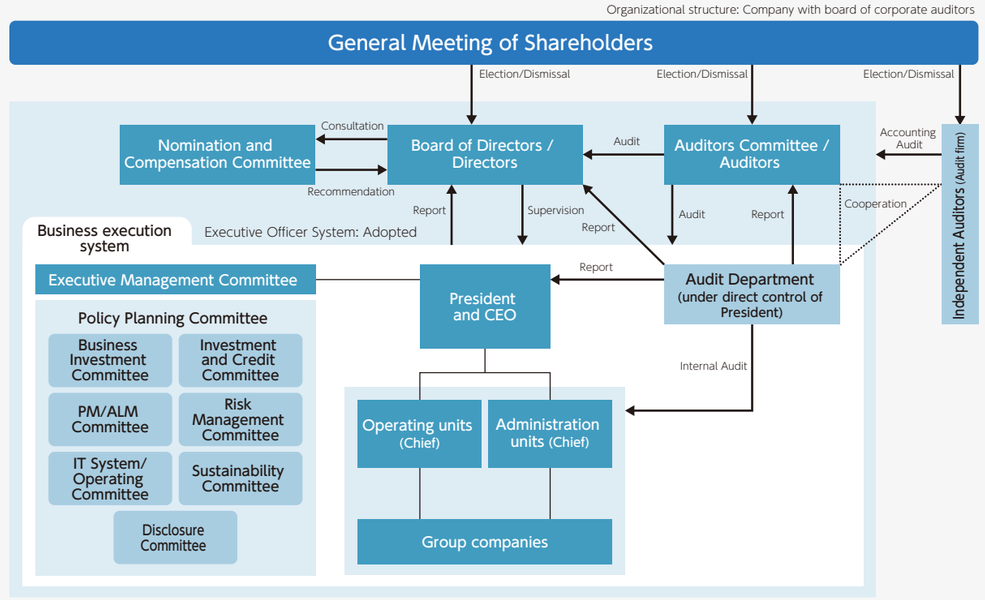
Members	Directors: 12 (including 5 independent outside directors and 1 outside director) (Term of office for directors: 1 year) Auditors: 4 (3 of whom are independent outside auditors)
Number of meetings held in fiscal 2025 / Attendance rate	15 meetings held / Director attendance rate: 99%, Auditor attendance rate: 100%

Annual Activities of the Board of Directors

■ Main Agenda Items in FY2025

Theme	1Q	2Q	3Q	4Q
Governance	Internal audit Actuals and Plans Compliance Report Auditor's Audit Report Internal Control System Convocation of General Meeting of Shareholders Auditors Committee Report Executive personnel affairs Evaluating the Effectiveness of the Board of Directors	Auditor Audit Plan	Internal Audit Actuals Compliance Report Auditor's Audit Report Review of significance of policy stock holdings	Executive personnel affairs Annual policy on policy stock holdings Amendments to Board of Directors rules Monitoring systems
Management strategy/ Sustainability	Business Plan State of business execution Execution of important operations	Plan 2025 progress reporting Business Plan progress Progress in formulating Plan 2028 State of business execution Execution of important operations Next-generation systems	Direction of Plan 2028 State of business execution Execution of important operations Next-generation systems	Formulation of Plan 2028 Business Plan Structure change State of business execution Execution of important operations
Financial statements	Self-assessment Financial results approval Shareholder returns IR-related reports	Financial results approval IR-related reports	Self-assessment Financial results approval Shareholder returns IR-related reports	Financial results approval IR-related reports
Risk management	Operational risk	Operational risk	Operational risk	Operational risk Cyber risk Top risk

Corporate Governance Framework



Status of Activities of the Nomination and Compensation Committee

The voluntary Nomination and Compensation Committee plays a role in enhancing the effectiveness and transparency of the decision-making process in the Board of Directors by engaging in lively discussions on the topics listed below.

Members	8 (5 independent outside directors, 1 independent outside auditor)
Number of sessions held in FY2025 / Attendance rate	8 meetings held / Attendance rate 97%
Key topics for FY2025	· Matters concerning the appointment and dismissal of directors and executives · Matters related to executive compensation: Review of company performance indicators that form the basis for remuneration calculations

Status of Executive Management Committee Activities

The Executive Management Committee has been established as an advisory body to the president, meeting to discuss and report on important business matters.

Number of sessions held in FY2025	16 meetings held
Key topics for FY2025	Governance Basic policy and evaluation results of the internal control system; review of the significance of policy stock holdings; plan for structure change; compliance program formulation status; audit results and report Management strategy Medium-term management plan, annual management plan, execution of important operations (inorganic investments, etc.), branch evaluation, group company financial results and business plans, IT system strategy status, major credit customer credit policy setting, corporate culture transformation, debt investment initiatives, infrastructure investment initiatives Risk Management Top risk management, cybersecurity measures

Internal Audit Overview

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

Corporate Governance

Activities of the Auditors Committee

We are organized as a company with a board of corporate auditors, and Auditors Committee makes resolutions and reports on the matters listed below. Audit activities also include attending and sharing opinions at key meetings like the Board of Directors, Executive Management Committee, and Policy Committee, exchanging views with representative directors, outside directors, division general managers, and group general managers, and conducting on-site audits of the head office and key business locations in Japan and abroad.



In addition to these measures, we audit the execution of directors' duties through the review of important documents, investigations into operations and assets, and hearings on the status and results of audits conducted by the accounting auditor and internal audit department. We also hold round table discussions with mid-level and junior employees and Standing Audit & Supervisory Board Member, striving to gather feedback from the field.Regarding subsidiaries, we conduct regular meetings with executives of major domestic and overseas subsidiaries and exchange information through liaison meetings with auditors, thereby strengthening the audit framework for the entire group.

Members	Auditors : 4 (3 of whom are independent outside auditors)
Number of sessions held in FY2025 / Attendance rate	14 meetings held / Attendance rate 100%
Key topics for FY2025	Resolution) Determination of audit policies and audit plans, preparation of audit reports, approval of the reappointment and remuneration of the accounting auditor, etc. Report) Status of system development to ensure the appropriateness of business operations, internal control reports, key audit matters (KAM), etc.

Message from Audit & Supervisory Board Member



Hideki Amano
Audit & Supervisory Board Member (Outside)

Risk Management under the New Medium-Term Management Plan

Fiscal 2026 marks the first year of Medium-Term Management Plan 2028. One of the key planks of this plan is business portfolio transformation with a view to further enhancing corporate value. In addition to deepening our involvement in existing core businesses, we will redirect management resources away from debt toward equity-based business investments. Additionally, we think it essential to actively pursue global expansion.

As each of these entails a high degree of risk, we also assign great importance to practicing risk management. To do so, we must strengthen our management foundations by such means as (1) performing risk analysis and evaluation as well as devising exit strategies at the planning stage; (2) setting and monitoring appropriate KPIs to ensure post-implementation risk management; and (3) rapidly executing the management cycle—including risk reassessment and strategy review—in the event of changes to the plan's underlying assumptions. In the current climate of geopolitical risk, cyberattack risk, and AI-driven swings in competitive advantage, we aim to ensure that risk management is functioning effectively.



Branch/office onsite audit

2 Evaluating the Effectiveness of the Board of Directors

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

In order to further elevate the effectiveness of the Board of Directors, we require a broader, more multifaceted understanding of directors and auditors' thoughts, opinions, and requests. To that end, when conducting our FY2025 survey evaluating the Board of Directors' effectiveness, we added some questions and altered* some others.

* Additional and altered questions covered the below subjects

Evaluation of the roles expected of outside directors / Appropriate disclosure concerning management strategy, governance framework, etc. / Development and oversight of structures for promoting constructive dialogue with shareholders and practicing operational risk management / Development and oversight of whistleblowing system / Other

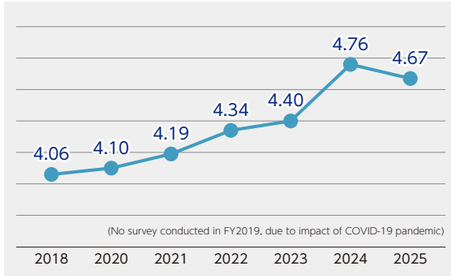
Effectiveness Assessment Process

Honest exchange of opinions and identification of challenges

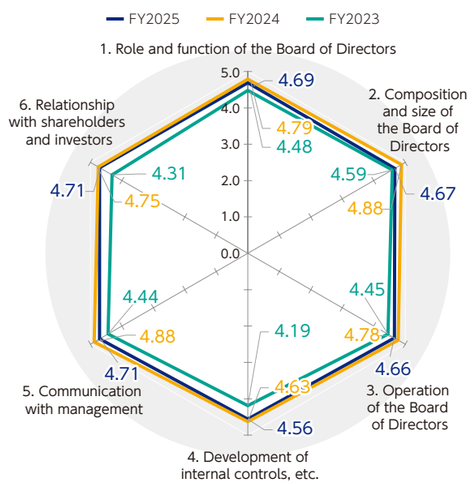
STEP 1	STEP 2	STEP 3	ACTION
Conduct the survey	Report to the Board of Directors	Conduct individual interviews with directors and auditors for purposes of improvement	Implement improvement measures

FY2025 Survey Scores

Overall average score across all survey questions



FY2025 Survey Item Scores (Comparison of Past Three Periods)



(Historical comparison scores are for reference only, as questions were added and changed in FY2025)

Key Actions Taken in FY2025 Based on FY2024 Evaluation Results

	Item	Main Response Examples
1	Role and function of the Board of Directors	**Enhancement of training content for outside directors** ・Opportunities for outside directors to attend external seminars
3	Operation of the Board of Directors	**Further enhancement of discussions on medium-to long-term management issues and initiatives to promote more active discussions at the Board of Directors.** ・Reporting on progress of Plan 2025 ・Enhancement of discussions surrounding formulation of Plan 2028 ・Explanation of initiatives being undertaken by each of the six operating units ・Incorporating opinions from outside directors regarding agenda-setting ・Review of criteria for submitting matters to the Board through amendments to the Board of Directors rules ・Development of system for monitoring business portfolio transformation
5	Communication with management	**Providing information to facilitate outside directors' understanding of the company** ・Facility tour at customer of Mizuho-Toshiba Leasing Company, Limited/Interaction with branch employees ・Weekly provision of competitor information
6	Relationship with shareholders and investors	**Enrichment of discussion regarding feedback on investor opinions and response policy** ・Reports to the Board of Directors on feedback and evaluations from institutional investors and analysts obtained through financial results briefings and IR activities

Positive feedback from FY2025 survey (concerning Items 1 and 5 above)

- The company offers online training conducted by an external organization. I undertook this training and found it to be extremely useful, covering numerous topics that outside directors should be made aware of in a timely manner.
- Onsite inspection tours for outside directors are designed to reflect the viewpoint of the entire Mizuho Leasing Group, and the scope of these tours is improving year by year.

Corporate Governance

■ Strengths and Challenges Identified by the Evaluation Agency Based on the FY2025 Effectiveness Evaluation Results / Key Initiatives for FY2026

Our Strengths

(1) A board consisting of directors with a diverse range of expertise, enabling multifaceted discussions
- The Board of Directors has an optimal structure, comprised of internal and external members with diverse expertise.

(2) Meetings conducted in a consistently open, frank, and high-quality manner, from premeeting dialogue to facilitation of actual board meetings
- The process—from thorough explanations of key discussion points at premeeting briefings for independent outside directors to outstanding facilitation by the chairman during actual board meetings—functions well, enabling effective as well as open and vigorous debate.

(3) Proactive IR activities by management and regular reporting of investor opinions to the Board of Directors
- The Board of Directors receives regular reports on investor and market opinions obtained via proactive IR engagement by senior management, ensuring that the PDCA cycle incorporates external perspectives and functions effectively.

Our Challenges

(1) Optimization of board operations (such as reviewing agenda criteria and streamlining materials) to facilitate a shift toward more strategic discussions
- Board operations should be optimized to allocate more time to substantive discussion of subjects such as the next medium-term management plan and the medium- to long-term business strategy.

(2) Enhancement of group-wide risk management and internal controls with an eye toward globalization and expanded business investments
- To provide directors with a firm grasp of the risks entailed in expanding business domains, reports to the Board of Directors should devote more space to matters such as post-merger integration (PMI) of investees and the status of internal control across the group as a whole (both domestically and overseas).

(3) Involvement of outside officers in the development of next-generation officer candidates

Key Initiatives for FY2026

- (1) Review agenda criteria (completed in March 2026)
  We will incorporate opinions from outside directors regarding board meeting agenda setting into the operation of the Board of Directors
  We will further streamline board meeting materials and ensure that they are distributed in a timely manner
- (2) Steadily implement the monitoring system developed in FY2025 for business management and risk management, providing feedback to the Board of Directors
- (3) As in FY2025, create opportunities for outside directors to participate in next-generation leadership development programs, such as the Next-Generation Management Leader Development Program

■ Providing information to facilitate outside directors' understanding of the company / Enhancement of training for outside directors

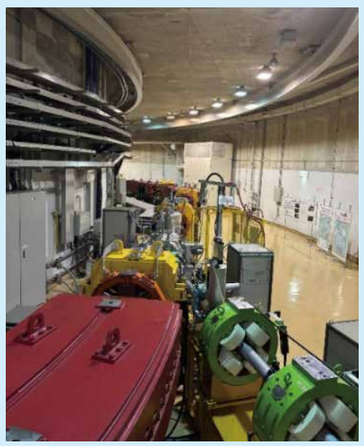
Facility inspection at a customer of Mizuho-Toshiba Leasing Company, Limited (MTL) / Site inspection of MTL workplace (December 2025)

(Purpose) To further enhance outside directors' understanding of the business and employees of MTL, which generates unique value-added distinct from Mizuho Leasing's business



Site inspection of MTL workplace



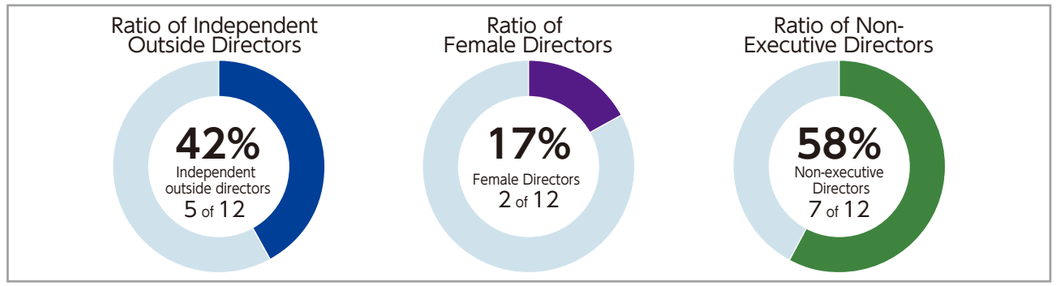




National Institutes for Quantum Science and Technology (QST, located in Inage Ward, Chiba City)
Facility inspected: Heavy Ion Medical Accelerator in Chiba (HIMAC)

Based on the results of the board effectiveness assessment, we will strive to improve not only the areas identified as challenges but also those that received positive evaluations, working to further enhance the effectiveness and functionality of the Board of Directors.

Board Composition



Skills Matrix

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

	Name	Gender	Position	Independent Executive	Skill / Experience: Corporate management	Legal & compliance, risk management	Finance/Accounting/ Finance and Economics	Global Business	Sustainability	Human Capital	IT／DX
Director	Shusaku Tsuhara	[M]	Director and Chairman		●	●	●		●	●	
	Akira Nakamura	[M]	President and CEO, Representative Director		●	●	●	●	●	●	
	Hiroshi Nagamine	[M]	Deputy President, Representative Director		●	●	●	●	●		
	Mutsumi Ishizuki	[M]	Deputy President		●	●		●	●	●	
	Masahiko Abe	[M]	Deputy President		●		●		●	●	
	Kensuke Sato	[M]	Managing Director				●		●	●	●
	Mari Sagiya	[F]	Outside Director	○	●			●	●	●	●
	Takayuki Aonuma	[M]	Outside Director	○		●		●	●	●	
	Hirozumi Sone	[M]	Outside Director	○	●	●		●	●		
	Natsumi Watanabe	[F]	Outside Director	○	●	●				●	●
	Haruyuki Urata	[M]	Outside Director	○	●	●	●	●		●	
	Jiro Itai	[M]	Outside Director		●	●		●	●		
Audit & Supervisory Board Member	Koji Arita	[M]	Standing Audit & Supervisory Board Member (Outside)	○	●		●			●	
	Shingo Suwabe	[M]	Standing Audit & Supervisory Board Member (Outside)	○	●		●			●	●
	Noboru Otaka	[M]	Standing Audit & Supervisory Board Member			●	●				●
	Hideki Amano	[M]	Audit & Supervisory Board Member (Outside)	○		●	●	●		●	

*The above list does not represent all the knowledge and experience possessed by each director and auditor.

Management TEAM

◆Number of shares of the company held (As of April 30, 2026) ◆Board of Directors Attendance Record (FY2025)

Inside Directors



Shusaku Tsuhara
Director and Chairman

◆ Number of shares of the company held: 110,600 shares
◆ Years Served as Director: 7 years
◆ Board of Directors Attendance Record: 15/15 (100%)

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



Akira Nakamura
President and CEO, Representative Director

◆ Number of shares of the company held: 110,800 shares
◆ Years Served as Director: 5 years
◆ Board of Directors Attendance Record: 15/15 (100%)

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



Hiroshi Nakamine
Deputy President, Representative Director

◆ Number of shares of the company held: 63,000 shares
◆ Years Served as Director: 4 years
◆ Board of Directors Attendance Record: 15/15 (100%)

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



Mutsumi Ishizuki
Deputy President

◆ Number of shares of the company held: 22,500 shares
◆ Years Served as Director: 2 years
◆ Board of Directors Attendance Record: 15/15 (100%)

April 1981 Joined Marubeni Corporation
April 2012 Executive Officer, Chief Operating Officer of Metals & Mineral Resources Division of Marubeni Corporation
April 2014 Managing Executive Officer, Chief Operating Officer of Metals & Mineral Resources Division II of Marubeni Corporation
April 2015 Managing Executive Officer, Chief Operating Officer of Metals & Mineral Resources Division of Marubeni Corporation
April 2018 Managing Executive Officer, Regional CEO for Europe & CIS, Regional COO for Europe of Marubeni Corporation, Managing Director and CEO of Marubeni Europe plc
June 2020 Senior Managing Executive Officer, Member of the Board, CAO of Marubeni Corporation
June 2022 Senior Managing Executive Officer, CAO of Marubeni Corporation
April 2024 Retired from Marubeni Corporation
June 2024 Deputy President, Deputy President Executive Officer of the company (current position)



Masahiko Abe
Deputy President

◆ Number of shares of the company held: 39,100 shares
◆ Years Served as Director: 2 years
◆ Board of Directors Attendance Record: 15/15 (100%)

July 2013 General Manager of Kabutocho Corporate Banking and Securities Business Division of Mizuho Bank, Ltd.
April 2015 General Manager of Corporate Banking Coordination Division (Large Corporations) of Mizuho Bank, Ltd.
April 2016 Executive Officer of Mizuho Financial Group, Inc. Executive Officer, General Manager of Corporate & Institutional Coordination Department of Mizuho Bank, Ltd.
April 2018 Managing Executive Officer of Mizuho Bank, Ltd.
June 2021 Managing Executive Officer of the company
April 2023 Managing Executive Officer, Deputy Chief of Circular Society Platform Headquarters of the company
April 2024 Senior Managing Executive Officer of the company
June 2024 Senior Managing Director and Senior Managing Executive Officer of the company
April 2026 Deputy President, Deputy President Executive Officer of the company (current position)

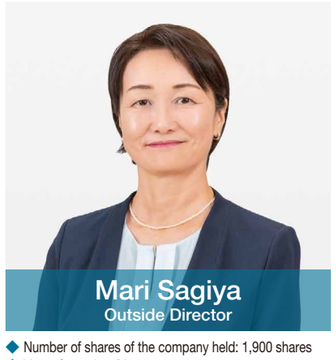


Kensuke Sato
Managing Director

◆ Number of shares of the company held: 45,000 shares
◆ Years Served as Director: 1 year
◆ Board of Directors Attendance Record: 12/12 (100%)

April 1991 Joined the company
April 2017 General Manager of Corporate Planning Department of the company
April 2019 Executive Officer and General Manager of Corporate Planning Department of the company
April 2020 Executive Officer and General Manager of Business Promotion Department of the company
April 2023 Managing Executive Officer and General Manager of Business Promotion Department of the company
April 2024 Managing Executive Officer and Deputy Chief of Business Promotion Headquarters of the company
June 2025 Managing Director and Managing Executive Officer of the company (current position)

Outside Directors



Mari Sagiya
Outside Director

◆ Number of shares of the company held: 1,900 shares
◆ Years Served as Director: 7 years
◆ Board of Directors Attendance Record: 15/15 (100%)

April 1985 Joined IBM Japan, Ltd.
July 2002 Director of IBM Japan, Ltd.
July 2005 Vice President, General Business of IBM Japan, Ltd.
July 2014 Vice President of SAP Japan Co., Ltd.
January 2016 Vice President of salesforce.com Co., Ltd.
June 2019 Outside Director of the company (current position)
March 2020 Outside Director of MonotaRO Co., Ltd.
June 2021 Outside Director of JBCC Holdings Inc.
June 2022 Outside Director of Mitsubishi Corporation (current position)
June 2025 Outside Director, Audit and Supervisory Committee Member of Mitsubishi UFJ Trust and Banking Corporation (current position)



Takayuki Aonuma
Outside Director

◆ Number of shares of the company held: 1,900 shares
◆ Years Served as Director: 5 years
◆ Board of Directors Attendance Record: 15/15 (100%)

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



Hirozumi Sone
Outside Director

◆ Number of shares of the company held: 1,900 shares
◆ Years Served as Director: 3 years
◆ Board of Directors Attendance Record: 14/15 (93%)

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



Natsumi Watanabe
Outside Director

◆ Number of shares of the company held: 800 shares
◆ Years Served as Director: 2 years
◆ Board of Directors Attendance Record: 15/15 (100%)

April 2002 Joined Recruit Co., Ltd.
October 2016 Senior Manager of Human Resources Department of Recruit Holdings Co., Ltd.
October 2017 Senior Manager of Business Management Department of Recruit Holdings Co., Ltd.
April 2018 Senior Manager of Corporate Planning Office of Recruit Co., Ltd.
April 2021 Senior Manager of Compliance Office of Recruit Co., Ltd.
October 2021 Senior Manager of Risk Management Office of Recruit Co., Ltd.
October 2022 Senior Manager of Customer Contact Management Office of Recruit Co., Ltd.
February 2023 Director of UPRO Co., Ltd.
December 2023 Corporate Auditor of Interactive, Inc. (current position)
April 2024 Vice President of Customer Experience Promotion Unit of Recruit Co., Ltd. (current position)
June 2024 Outside Director of the company (current position)
April 2025 Senior Director of Indeed Japan, Inc.
April 2025 Vice President of Indeed Recruit Partners Co., Ltd.



Haruyuki Urata
Outside Director

◆ Number of shares of the company held: 0 shares
◆ Years Served as Director: 1 year
◆ Board of Directors Attendance Record: 12/12 (100%)

April 1977 Joined Orient Leasing Co., Ltd. (now ORIX Corporation)
February 2005 Executive Officer of ORIX Corporation
June 2007 Managing Director of ORIX Corporation
January 2008 Director and Deputy President of ORIX Corporation
January 2009 Director and Deputy President, and Group CFO of ORIX Corporation
January 2011 Representative Director and Deputy President, and Group CFO of ORIX Corporation
June 2015 Representative Director and President of ORIX Bank Corporation
June 2020 Director and Chairman of ORIX Bank Corporation
June 2022 Outside Audit & Supervisory Board Member of Asahi Kasei Corporation (current position)
June 2025 Outside Director of the company (current position)
September 2025 Outside Director of Kumimachi Fintech Corporation (current position)



Jiro Itai
Outside Director

◆ Number of shares of the company held: 0 shares
◆ Years Served as Director: 1 year
◆ Board of Directors Attendance Record: 12/12 (100%)

April 1987 Joined Marubeni Corporation
April 2013 General Manager of Construction Machinery Dept. of Marubeni Corporation
April 2018 Executive Officer and Chief Operating Officer of Construction & Industrial Machinery Div. of Marubeni Corporation
April 2022 Managing Executive Officer and Chief Operating Officer of Construction, Industrial Machinery & Mobility Div. of Marubeni Corporation
April 2023 Managing Executive Officer and Chief Executive Officer of Transportation & Industrial Machinery, Financial Business Group of Marubeni Corporation
April 2025 Senior Managing Executive Officer, Member of Corporate Management Committee, and Supervisor of Finance, Leasing & Real Estate Business Div. and Aerospace & Mobility Div. of Marubeni Corporation (current position)
June 2025 Outside Director of the company (current position)

Management TEAM

Audit & Supervisory Board Members



Koji Arita
Standing Audit & Supervisory Board Member (Outside)

- Number of shares of the company held: 2,700 shares
- Board of Directors Attendance Record: 15/15 (100%)

April 2010
General Manager of Operations Services & Support Division of Mizuho Bank, Ltd.
April 2012
General Manager of Operations Planning Division of Mizuho Financial Group, Inc.
April 2013
Executive Officer, General Manager of the Administrative Planning Department
April 2015
Managing Executive Officer, Joint Deputy Head of Group Chief Operations Officer of Mizuho Financial Group, Inc.
April 2019
Managing Executive Officer, Joint Head of Group Chief Operations Officer of Mizuho Financial Group, Inc.
January 2021
Deputy President & Representative Director of Custody Bank of Japan, Ltd.
June 2023
Standing Audit & Supervisory Board Member (Outside) of the company (current position)



Shingo Suwabe
Standing Audit & Supervisory Board Member (Outside)

- Number of shares of the company held: 300 shares
- Board of Directors Attendance Record: 15/15 (100%)

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



Noboru Otaka
Standing Audit & Supervisory Board Member

- Number of shares of the company held: 61,600 shares
- Board of Directors Attendance Record: 12/12 (100%)

April 1987
Joined the company
June 2000
Deputy Director of the Planning Department
June 2014
Deputy Director of the Planning Department
April 2015
Deputy General Manager of the Corporate Planning Department
April 2017
Director of System Planning Department, Executive Officer of the company
April 2018
Executive Officer, Director of System Planning Department
April 2020
Managing Executive Officer of the company
June 2023
Managing Director, Managing Executive Officer of the company
April 2025
Company Director
June 2025
Standing Audit & Supervisory Board Member of the company (current position)



Hideki Amano
Audit & Supervisory Board Member (Outside)

- Number of shares of the company held: 0 shares
- Board of Directors Attendance Record: 15/15 (100%)

September 1980
Registered as a certified public accountant of Japan
September 1992
Partner of Inoue Saito Eiwa Audit Corporation (now: KPMG AZSA LLC)
September 2011
Vice President (Head of Audit) of KPMG AZSA LLC Member of KPMG Global Audit Steering Group
July 2015
Executive Senior Partner of KPMG AZSA LLC
March 2017
Outside Audit & Supervisory Board Member of Kao Corporation
April 2017
Outside Director of ORIX Bank Corporation
June 2018
Audit & Supervisory Board Member (External) of Ajinomoto Co., Inc.
June 2019
Outside Audit & Supervisory Board Member of Seiko Group Corporation (current position)
June 2022
Audit & Supervisory Board Member (Outside) of the company (current position)
June 2026
Outside Independent Director (Audit and Supervisory Committee Member), Nidec Corporation (current position)

Executive Officers

Managing Executive Officers

Toshiyuki Takezawa
Nobuhisa Zama
Yasuhiko Hashimoto
Kazuomi Funakawa
Hirohide Ishiyama
Hiroyuki Kudo
Akira Kinoshita
Takashi Yao
Akira Tanaka
Masashi Takahata
Hiroya Uchimura
Taketo Imai
Makoto Matsubara
Koki Minami
Kenji Akiyama

Executive Officers

Ryuji Fujiwara
Masato Matsui
Kenji Wakui
Toshiya Matsuo
Toshihiko Moriya
Mitsuhiro Sakamoto
Yasuhisa Yokoyama
Toshiaki Ito
Toshiharu Naoi
Kazunaga Ueno
Morimichi Sano
Masateru Kawahara

Outside Directors Roundtable

Positioning the Medium-Term Management Plan 2028 as Phase 2 of our leap forward, implementing initiatives to accelerate transformation.
We asked our outside directors to reflect on the previous Medium-Term Management Plan and share their views on the challenges and expectations for the new Plan.



Jiro Itai
Outside Director

Haruyuki Urata
Outside Director

Mari Sagiya
Outside Director

Takayuki Aonuma
Outside Director

Hirozumi Sone
Outside Director

Natsumi Watanabe
Outside Director

Proactive M&A and diversification of resources: Boldly embracing challenges to meet targets early

—— Please share your reflections on the Medium-Term Management Plan 2025

Sone I was appointed as outside director in the first fiscal year of the Medium-Term Management Plan 2025 (Plan 2025). At the time, I was given a clear explanation of the Plan and how outside directors were involved in the formulation process. That gave me the impression that the outside directors and executives had joint ownership of the management plan—which could fairly be called the "strategy document"—even from the start of the 2025 Plan.
Looking back on the past three years, there were some things that did not go according to plan, as well as changes in the management environment. In the first year, I thought there might be some difficulty in aligning frontline operations staff with management's strong commitment. However, the company held to its course and performance targets were met. I believe the President and executive team must have engaged in extensive discussion as they moved the plan forward. Despite developments that were not initially expected, such as various M&A transactions and the partnership with Marubeni, I respect management's ability to work these into the plan. I was also impressed by the pace of growth in the second half of the plan, which is not something that just any company could have achieved.
Urata I have been involved since fiscal 2025, so I can perhaps provide an opinion on the company's position from a more external perspective, especially if I set aside the 2025 Plan's background and assumptions for now. What surprised me in a positive way was the emergence of several M&A proposals. Not only that, but the proposals were brought from existing business departments such as domestic sales, real estate, and environment & energy, rather than the departments that specialize in investment. I found this greatly encouraging.
I feel that the reason we were able to continue undertaking so many M&A deals in our existing business departments was a widespread recognition that we could not simply continue as we were. I believe each business department discussed questions such as "What new things should we be doing?" and "What are we currently lacking?" These led to the actions above. The 2025 Plan ended with very strong numerical results, and I hope this will continue under the new plan.

Outside Directors Roundtable



Sagiya I have served longest out of the outside directors and have been watching the company's transformation since my appointment in 2019. Under the 2025 Plan, we split our business into Core, Growth, and Frontier segments. At the time I thought the overarching vision was excellent, but believed the key would be identifying how best to draw out the potential of frontline operations and translate that into action.

What was needed to achieve the vision was changing employees' mindsets and securing the participation of key people who could realize that vision. While we were already partnering with Mizuho Financial Group, we welcomed a number of capable management staff from Mizuho Financial Group into the company to deepen the alliance further.

Another breakthrough was recruiting experienced Marubeni officers to serve as executive-level managers of the company. That concentration of expertise and knowledge held by people with diverse backgrounds helped us conduct rigorous assessments of a wide range of opportunities and enabled the Board of Directors to make well-grounded decisions.

Another major factor behind achievement of the plan was the transformation in the mindset and culture of the employees responsible for its execution. Led by President Nakamura, management at all levels engaged in persistent and careful dialogue with frontline employees. I feel that there was a thorough effort to bring the plan from the management level into actionable form.

Itai I joined as outside director from fiscal 2025, at the same time as Mr. Urata. The 2025 Plan was already running at high gear, and that gave me a view of the company's dynamism. The 2025 Plan marked the first couple of steps in the transformation away from a leasing company into a business that offers much more, moving from Core to Growth within the segments mentioned by Ms. Sagiya. I see us as having graduated from the previous 2025 Plan and reached the stage where the next Plan will focus on developing our Growth businesses. Without doubt, the secret behind the rapid growth and acceleration we have been talking about is the leadership from senior management. Leadership that simply marches on without communicating its vision risks leaving the rest of the organization behind. I believe the progress that has been made was possible because management successfully brought employees with them.

Aonuma If I were to highlight one factor behind the progress under the 2025 Plan, I would point to our relationship with Marubeni. Our alliance began in 2019, and following the capital and business alliance in 2024, talent from Marubeni also joined our executive team, which I feel brought new perspectives to the company. In 2025, we also entered into a capital and business alliance with Nippon Steel Kowa Real Estate, strengthening our capital base for generating earnings. In our Core businesses, earnings from real estate projects grew significantly.

I understand that at the start of the previous Medium-term Management Plan, our mainstay leasing businesses, called Core, and our Growth businesses, accounted for around 80:20 of earnings, respectively, but that the ratio has already shifted to around 70:30. This is not because Core has contracted, but because Growth has expanded at an even faster pace than overall earnings growth. In that sense as well, I believe we have made steady progress. Some projects leveraged the customer base and network of Mizuho Financial Group, while others originated from Marubeni. I believe these alliances played a major role in accelerating our growth.

Watanabe What particularly stood out to me in our vision was the declaration that we would evolve beyond leasing into a platform company that co-creates the future together with our clients. However, simply declaring such words does not mean that everyone immediately shares the same understanding of what it means.

I believe that, over the past three years, the meaning of what a platform company is has gradually taken shape within the company as concrete examples have accumulated.

In this process, as Mr. Aonuma mentioned, we have drawn on a diverse range of resources rather than relying solely on our own and have expanded the value chain itself, in addition to our alliances with Mizuho Financial Group and Marubeni. From a people and organizational perspective, what I consider important is that employees understand that each of these examples could happen in their own departments. As Mr. Urata noted, M&A opportunities were not confined to a particular department but emerged from multiple business departments. It was this cross-company breadth that did the most to make management's declaration personally relevant to employees.

This approach of steadily expanding into new areas while delivering solid business results would not have emerged without the idea of "going beyond leasing." I believe



employees are now beginning to feel this transformation in their jobs, rather than simply seeing it as a strategic slogan.

The perspectives we incorporated into our new Medium-Term Management Plan

—— Please tell us how you, as outside directors, were involved in the formulation of the Medium-Term Management Plan 2028

Sone The previous Medium-Term Management Plan was developed by working backward from a future vision of what we aspire to be. With the Medium-Term Management Plan 2028 (Plan 2028) positioned as the second stage, we had opportunities to carefully discuss how we would build on the 2025 Plan and further accelerate our efforts.

Also, as in last year's Integrated Report Roundtable Discussion, we considered what kind of value we should create for investors. This included discussion of the need to become a company that appeals to overseas investors. To achieve this, we need to further enhance the corporate value reflected in our financial performance and establish a stronger global presence as a company. Although we already have overseas operations, I believe there is still room to explore ways of better connecting



our domestic and overseas businesses. In that sense, we can further strengthen our businesses by leveraging the expertise in overseas business possessed by banks, trading companies, and other organizations.

Itai I share that view. One of our strengths is the solid foundation we have as a member of Mizuho Financial Group. While maintaining this foundation, we need to go beyond it and move into the next stage. I believe the key themes for accelerating our business portfolio transformation will be global expansion, inorganic growth, and M&A. These are not specific to any particular business area, but will be important themes in developing Mizuho Leasing's next Growth business.

As businesses in the Growth segment continue to increase, they will gradually transition into Core. Then we will look to the next Growth businesses, and further out still, the next Frontier opportunities. Some investors look



for growth investments over the short to medium term, while others take a longer-term perspective. For investors with a long-term perspective, I believe we need to give greater visibility to our Frontier businesses.

Aonuma As a legal professional, I contributed to the formulation of the Medium-Term Management Plan from a risk management perspective. For the goal of strengthening the management foundation to support growth, as Mr. Itai mentioned, focusing on segments such as Growth and Frontier ultimately means making strategic investments. Naturally, these investments involve risk, and how those risks are managed is a matter of foremost concern to both investors and us.

Under the 2025 Plan, we established a risk management framework, including how much risk capital to allocate and how it should be managed. We have now reached the stage where the focus is on the more practical, operational aspects of risk management. The important question as we work to enhance risk management is whether we have the necessary capabilities and the talent able to put them into practice, and I expect strengthening these areas to be key to the company's further growth.

Another important question is how we deal with failures. When taking on challenges, failures will inevitably occur to some extent. We need to examine the causes of those failures in depth, learn from experience, and ensure that we do not repeat the same mistakes. This is my area of expertise, so I have asked Headquarter chiefs, responsible executive officers, and those directly involved in the businesses concerned to attend Board of Directors meetings, where I ask them specific questions such as why things turned out as they did and whether withdraw was appropriately timed. Those being questioned may not have enjoyed the experience, but the purpose is not to assign blame for failure. Rather, by examining the systems, processes, and decision-making criteria and conducting a thorough review, I believe we can foster a culture in which failures become important lessons for the organization as a whole and are applied to the next challenge.

Watanabe I was involved from the perspective of strengthening human capital. Even with a strategy in place, the plan cannot be executed without the people to carry it out. While discussing formulation, I therefore repeatedly raised the question of how we should build a talent portfolio that would align with our strategy. This includes our own talent, including at group companies,

Outside Directors Roundtable

talent from Marubeni and Mizuho Financial Group, and mid-career hires. In which areas do we need people, how many, by when, and through what means should we secure and develop them? My questions focused on the effectiveness of execution.
One point I particularly emphasized was that recruitment and development operate on different timelines. While it may take only a few months to hire someone, it can take years before that person is able to deliver results to the company. If we are to implement our human capital strategy in time to support a three-year Medium-Term Management Plan, the measures taken in the first year will be critically important.
Picking up on the question of how failures should be handled, one aspect of the company's approach that I particularly appreciate is that matters raised at Board of Directors meetings are continuously followed up on at subsequent meetings. Far from only discussing matters with favorable outcomes, matters that have not progressed as expected are more likely to be brought up. We established a practice where comments from outside directors do not end with one-off reports but are instead turned into organizational learning. All members of the Board share the understanding that we should not become overly cautious because of past failures, but should continue to take on challenges.
The Plan 2028 contains many challenging themes, but I believe it was built on this mutual trust.
Urata During the formulation of the plan, I discussed the challenges involved in investing and operating businesses that go beyond leasing, which differ from the traditional finance business centered on leasing.
The debt businesses, our Core business historically, are primarily about how to recover or secure the principal invested. Equity businesses, on the other hand, offer the potential for high returns, but if things go wrong, there is a risk of recovering nothing at all. I believe the management team has a reasonable understanding of these challenges. The question is how the next level of management, who will actually drive these businesses forward, will understand and overcome these challenges and deliver results. I believe this is something we outside directors need to keep a close eye on.
Under the category of business portfolio transformation, Mizuho Leasing must undertake initiatives to significantly expand our equity and overseas businesses as its own businesses. Rather than simply following the lead of personnel who joined us from Marubeni, the key over the next three years will be whether we can translate their capabilities, including at the management level, into genuine organizational strengths of Mizuho Leasing. I believe we will also need to change our culture and, in some cases, the nature of our management, while our financial strategy will naturally need to evolve as well.
Sagiya The Plan 2025 was formulated at a time when the war in Ukraine had begun and we were also trying to anticipate how the COVID-19 pandemic would unfold.
During the pandemic, our aviation business experienced a temporary downturn, while changes in the external environment also meant that some businesses fared somewhat differently from our initial expectations. As the Board of Directors received regular progress reports on the Plan 2025, we came to a shared understanding that, while a management plan has a fixed fundamental direction, changes in the business environment will inevitably affect the progress and performance of individual businesses, making responsive, agile management essential. In other words, we have exercised oversight and conducted reviews based on the idea that slight adjustments are permissible while maintaining a set fundamental direction.
Against this background, after assessing the achievements of the 2025 Plan, the outside directors fully agreed to carry forward the basic policy of continuing to pursue growth across the three segments—Core, Growth, and Frontier—into the new Plan 2028.
During the discussions held while formulating the plan, we also offered many candid opinions, and I hope they helped management make appropriate decisions.



The keys to accelerating transformation are the talent who execute the strategy and the corporate culture

—— What do you believe is necessary to execute Medium-Term Management Plan 2028, and what challenges does Mizuho Leasing face going forward?

Aonuma I believe the greatest challenges are transforming our corporate culture and strengthening our human capital. President Nakamura often emphasizes the importance of each employee thinking for themselves, proactively and autonomously. In other words, we need to foster initiative, particularly in mid-level personnel who execute strategy. I feel that the other members of management share this view. Whether in transforming our culture or developing talent, I believe one of our most important priorities will be how we foster greater practical initiative, over both the three years of the Plan 2028 and a much longer horizon.
Watanabe
I believe the biggest key is the ability of mid-level and management personnel to develop talent. Until now, employee development at the company has, to some extent, reflected approaches that individual managers experienced in their former organizations. Having people from diverse backgrounds is a major strength, but differences in development approaches between managers can mean the experiences of those being developed depend on chance. Going forward, we will establish our own Mizuho Leasing approach to developing people and, on that foundation, enhance the talent management capabilities of each individual. We decided on this policy when formulating the Plan 2028.
Specifically, managers will regularly discuss the development of each of their team members in depth at Personnel Development Council. The approach is to first establish the framework and then use it to drive cultural change.
Another perspective I want us to maintain is how the company is perceived in the external labor market. Whether we are chosen by diverse—even global—talent will depend not only on compensation and benefits, but also on whether we can explain how the individual can grow by working here. It is not the HR department but management on the front lines that can communicate this. I believe Mizuho Leasing's own approach to talent development will begin to take root when mid-level personnel are able to explain, in their own words, what makes the company an exciting place to work.
Sagiya We have also incorporated AI as a key element of our strategy.
With the widespread adoption of large language models (LLMs) in recent years, we have entered an era in which anyone can use AI easily. While AI can pose a threat, it is also a partner in enhancing competitiveness.
From a management perspective, AI can be used to transform business processes and enhance the value we provide (customer services). AI skills should therefore be positioned as one of today's essential business skills, and it is crucial that we provide continuous training and opportunities to raise AI literacy throughout the ompany. Going forward, an important factor will be whether those engaged in business and corporate functions can proactively consider what AI could enable them to do, then turn their business transformation ideas into reality.
Itai Taking a longer perspective than the short three-year period of the Plan 2028, I feel that we have entered an era in which not only the company, but society as a whole, must come to terms with AI.
Underestimating AI means risking being left behind, and this applies to corporate activities. We need to be more conscious of AI and actively take it on, including through talent development, if we are to remain competitive.
One potentially relevant area, for example, is the issue of failure that came up earlier. Even if we try to accurately accumulate information on past failures, human emotions and memories inevitably make the record somewhat unclear. However, rather than simply recording this information, we can use it as data, which will allow us to learn from past failures and derive the right answers for the present. I believe this is another area in which AI has significant potential.
Sone My background is in manufacturing, including engineering, and as the use of AI has advanced, we have increasingly seen it applied to business planning. Using AI to design new businesses can speed up the process, reduce risk, and result in business plans that are more compelling to customers and society as well as to our partners. There is growing demand for the use of AI to expand existing businesses and create new ones.
Using AI in business planning requires highly skilled professionals to select the appropriate data, but it is also important for people with an in-depth understanding of the business to work together with digital experts. I hope that initiatives of this kind will lead to the emergence, in our digital strategy, of language that is distinctive to the company rather than generic terminology. Similarly, in our human capital strategy, I hope to see language that reflects the company's unique culture and talent, rather than generic concepts.
Urata On strengthening our management foundation, management has undoubtedly engaged in extensive discussions. However, as an outside director, I believe there may be scope to take those discussions a little deeper. For example, the Medium-Term Management Plan began on the premise that our existing vision for where we want to be in ten years would remain in place. However, both the business environment and Mizuho Leasing itself have changed significantly, so naturally I believe that both "where we want to be" and "the path to achieving it" will also change. Going forward, we will need to reconsider and discuss these in light of the current circumstances.
I also believe it may be worth revisiting as management what exactly we mean by the term "platform company." This was discussed recently at an off-site meeting for department and branch general manager-level personnel, and I thought the discussion was extremely valuable, as there was a wide range of views on what the term meant.
As participants shared and debated how they viewed it from the perspective of their respective departments, the discussion led to a variety of new insights. As an outside director, I hope to support the company's efforts to reach for transformation by providing advice and oversight from an external perspective, including by raising issues such as these.
Aonuma Finally, I would like to comment on my expectations, rather than end on an issue. I feel that the recent relocation of our head office will be positive for cultural transformation and talent development. Previously, employees were dispersed across separate floors, but the new office occupies three floors connected by internal staircases and includes spaces where everyone can relax. It really gave the sense of a more open workplace . The design is also excellent, and I saw people from different departments interacting very freely. Seeing employees on the front lines holding meetings with such bright expressions and clearly enjoying themselves, I feel that we can look forward to seeing the benefits of this investment emerge going forward.



Message from the Chairman of the Board of Directors

Enhancing corporate value through collaboration between executive and supervisory functions

Now that the Medium-Term Management Plan 2028 is under way, tackling challenges in uncharted territory has become essential. The Board of Directors must fulfill its oversight role and serve as the driving force behind these challenges. I am pursuing a new form of governance that fosters a culture unafraid of failure and in which executive and supervisory work as one to drive sustainable growth.



1. Assembling a board that drives transformation: cultivating an environment for active discussion

For the Board of Directors to fully perform its intended supervisory and decision-making functions, it must do more than receive reports from the executive team; it must be a forum for strategic discussion from a medium-to-long-term perspective. I attach great importance to creating an atmosphere in which outside directors with diverse expertise can candidly engage in discussion. I also want to run the Board in a way that draws out recommendations representing true wisdom arising from the personal character the directors have cultivated rather than from their expertise alone.

2. Improving operational effectiveness and pursuing self-transformation through continuous refinement of the Board of Directors

The executive team's explanations of agenda items and its reporting materials have evolved and are now easier to understand. As chair and having come up through the company, when I regard an explanation to be insufficient, I designate the appropriate person in charge to investigate and provide additional detail. Building a trusted corporate governance regime hinges on two concepts: the separation of executive and supervisory and the continuous improvement of the Board of Directors. I find it interesting that in effectiveness assessments conducted to identify issues, outside directors' scores tend to be higher than those of internal directors. The effectiveness assessment is not merely an occasion to voice opinions; it is something for which we ourselves must also take responsibility. I believe that all directors must not only express their thoughts but also take up the challenge of continuous self-transformation, and in so doing raise the Board's effectiveness.

3. Encouraging discussions that view failure positively rather than being discouraged by it

When I assumed the role of chair at the start of the new fiscal year, I proposed—and won support for—three principles governing how the Board of Directors should operate: discussion from the perspective of medium-to-long-term sustainable growth, taking necessary risks, and openly acknowledging failures and using them as lessons for the future. As the executive divisions take on challenges in new areas beyond our existing frameworks, the Board of Directors emphasizes forward-looking discussion that is not averse to failure but treats it as fuel for growth. A management attitude that tolerates failure and encourages bold attempts is essential to creating innovation. The key to learning from failure is to disclose it honestly, and I have told the executive side to make the lessons learned company knowledge rather than individual experience. By creating a forum for discussion where we can learn from failures resulting from proactive initiatives, we aim to foster organizational growth and establish new business models.

4. Evolving the investment decision process and governance policy to address new risk-taking

Going beyond our core leasing business requires multilayered evaluation criteria. Decisions must weigh not only short-term profitability but also strategic fit and future value. Governance must redefine risk, tolerate failure, and set clear early exit criteria. I also take care to incorporate the perspectives of all stakeholders, including minority shareholders, and ensure that the Board operates fairly and with a high degree of transparency. Diversity of perspectives is directly linked to enhancing medium-to-long-term corporate value. I believe it is important for outside directors to take the lead in voicing their opinions from that perspective.

5. Enhancing corporate value through constructive dialogue between the executive and supervisory functions

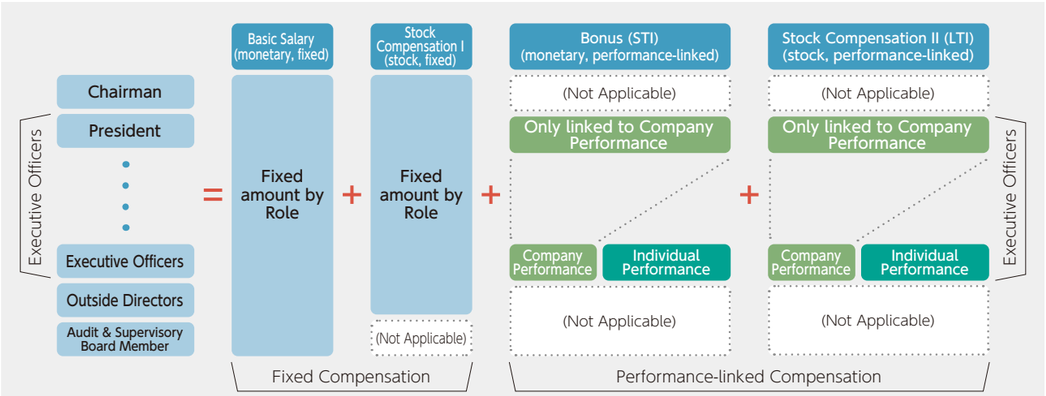
With regard to driving sustainable growth for the company, as set out in our Plan 2028, improving capital efficiency, as measured by ROA and ROE, and improving PBR are among the Board of Directors' most important themes. There is no endpoint in evolving governance to achieve our financial targets; we need to look beyond simple compliance and regularly question what governance truly means. I greatly value the ideal of approaching challenging initiatives as one team. Executive and supervisory functions have different roles, but I believe that building a sense of unity through constructive dialogue is important for further enhancing corporate value at this moment of transformation.

Executive Compensation

Basic policy

Our basic policy on executive compensation is to link compensation more clearly to the company's performance and the value of its shares. This incentivizes officers to contribute to improving performance and increasing corporate value over the mediumtolong term and, in turn, offer shareholders a commitment to raising the value of the company's stock. To this end, compensation for executive officers is structured as a combination of base salary (fixed compensation) and performancelinked compensation.
The maximum amount of compensation for directors is deliberated on by the optional Nomination and Compensation Committee (a majority of whose members are outside directors), resolved by the Board of Directors, and then put forward as an agenda item at the General Meeting of Shareholders. The composition ratio and calculation method of compensation for directors are likewise determined by the Board of Directors following deliberation by the optional Nomination and Compensation Committee.
An overview of the Details of Policy on Decisions on the Remuneration for each Director resolved at the Board of Directors meeting held on June 25, 2025, is described below.

Composition of Executive Compensation



Company Performance Metrics

	Evaluation Metric	Description and Purpose
Bonus (STI)	Gross profit before Funding Costs	Selected as an indicator to measure the group's fundamental profitability
	Ordinary Income	Selected as an indicator to measure the group's profitability, including equity-method earnings
	Net Income Attributable to Owners of the Parent	A key management objective and the source of funds for dividends and other shareholder returns. Selected as an indicator to measure the degree to which it is achieved
Stock Compen-sation II (LTI)	Comprehensive Sustainability Assessment	A comprehensive evaluation of contributions to a decarbonized and circular economy, together with human capital management initiatives Adopted as an indicator that supports medium-to-long-term growth in cor-porate value Examples: Renewable energy-related targets, circular economy-related targets, human capital investment-related targets, work-style reform, women's advancement-related targets
	Relative TSR (vs. TOPIX Growth Rate)	Adopted as an indicator that protects shareholder interests through dividend policy and sustained growth in corporate value
	Consolidated ROE (Net Income)	Adopted as an indicator for steadily improving earnings power relative to shareholders' equity and thereby lifting the stock price and PBR
	Consolidated ROA (Ordinary Income)	Adopted as an indicator to measure improvements in asset efficiency and the shift to an asset-turnover-centered business model

Fiscal 2025: Total compensation for directors and corporate auditors

Category	Total Compensation (¥ million)	Total by Type of Compensation (¥ million)				Number of Eligible Officers
		Base Salary (fixed compensation)		Performance-linked Compensation		
		Basic Salary	Stock Compensation I	Bonus Monetary Compensation	Stock Compensation II	
Directors (of which are outside directors)	482 (77)	317 (71)	27 (6)	57 (—)	80 (—)	15 (8)
Corporate Auditors (of which are outside corporate auditors)	86 (62)	86 (62)	–	–	–	5 (3)
Total (of which are outside officers)	568 (140)	404 (133)	27 (6)	57 (—)	80 (—)	20 (11)

Compliance

Message from the Head of Legal and Compliance Group

Our goal is to gain the respect of the market and shareholders as well as the general trust of the public, and to that end we seek to accurately understand changes in the local and international environment as well as rising social expectations, while improving our compliance framework to meet the demands of our growing and diverse business model.
We will strive to foster a culture where each officer and employee takes ownership of compliance through messages from management and ongoing training.

(Mizuho Leasing Group Corporate Code of Conduct)

- The group has formulated the Mizuho Leasing Group Corporate Code of Conduct to set out concrete behavioral guidelines for officers and employees.

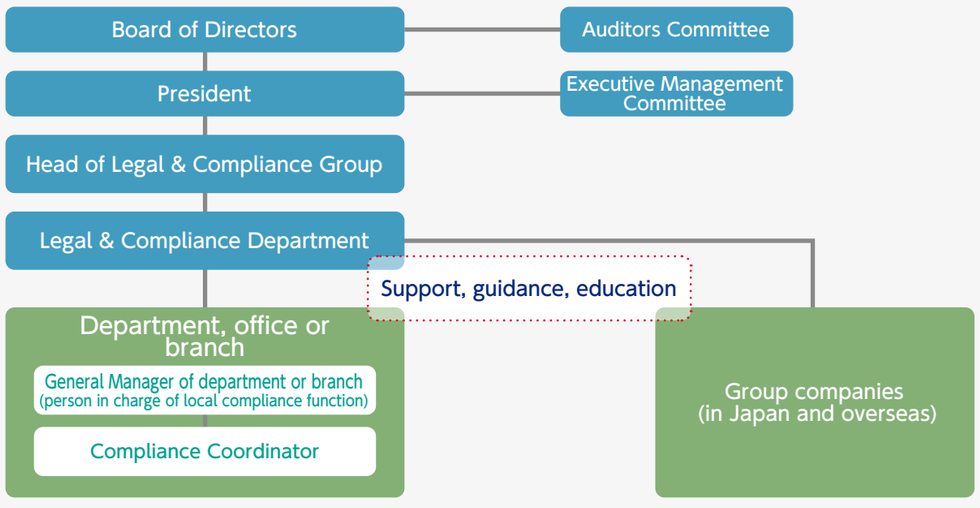
Ⅰ Our Fundamental Commitment	Conducting business honestly and fairly in compliance with laws and regulations, fostering a sound risk culture, and practicing fair information disclosure
Ⅱ Our Commitment to Customers and Business Partners	Providing high-quality financial and business solutions that contribute to customers' growth, and creating new value together with our business partners
Ⅲ Our Commitment to Society and the Economy	Contributing to sound social and economic activities through respect for human rights, consideration for the environment, and prevention of money laundering and bribery, etc.
Ⅳ Stance toward employees	Realizing a safe and healthy working environment that respects diversity and enables employees to thrive, free from discrimination and harassment



1 〉Compliance Management System

In our group, the Legal & Compliance Department, under the leadership of the Chief Compliance Officer (CCO), who is responsible for overall compliance, is responsible for planning and managing compliance-related activities as well as monitoring compliance and providing guidance.
As a person in charge of the local compliance function, general managers of departments and branches conduct autonomous control activities such as checking compliance status based on the instructions of the Legal & Compliance Department.
Additionally, we develop an annual Compliance Program setting out specific action plan, the compliance program, annually and report on the status of our efforts related to compliance measures to the Executive Management Committee and the Board of Directors every six months, following up on the implementation status.

Compliance Framework



2 〉Education and Training

In order to enhance the compliance awareness of officers and employees and to promote autonomous compliance activities, we are implementing theme-based training for all officers and employees, as well as position-specific training depending on their roles, utilizing e-learning.
In this training, we seek to promote understanding and awareness of the Mizuho Leasing Group Code of Conduct, which provides specific guidelines for the daily decision-making and behavior of officers and employees. We also provide explanations of the relevant rules and procedures and use case studies taken from real-world scenarios to further enhance awareness and feed this through to practical action.
Additionally, we are promoting the awareness of compliance throughout the organization by utilizing the internal social networking service for information sharing and introducing case studies.

Mizuho Leasing Group Code of Conduct

Ⅰ. Honest behavior
Ⅱ. Financial integrity
Ⅲ. Fair and impartial business practices
Ⅳ. Protection and appropriate use of information
Ⅴ. "Speak-up" culture and whistleblowing system

Training Conducted in FY2025

- Executive Compliance Training (annually)
- Compliance Training for General Managers of departments and branches (twice a year)
- Compliance Training for managers, etc. (annually)
- Compliance Training for new employees and mid-career hires (monthly)
- Compliance Training for departments and branches (four times a year)
- Training on compliance themes for headquarters, etc.


Executive Training Session

3 〉Whistleblowing System (Compliance Hotline)

We have established a whistleblowing system to enable the early detection and correction of misconduct and legal violations, etc. and have set up various reporting channels both within and outside the company.
We promote awareness and utilization of these systems through training sessions for all officers and employees, displaying on digital signage within the office, etc., while also enabling anonymous reporting. Furthermore, we have established a Whistleblower Policy that prohibits any adverse treatment of whistleblowers, and we operate appropriately to ensure thorough protection of whistleblowers.

Reporting Channels Available

- **Compliance Hotline (Internal)**
  [Scope] – Misconduct - Compliance-related issues
- **External Reporting Hotline (External: Law Firm)**
  [Scope] – Misconduct - Compliance-related issues
  - Human Rights-related issues such as harassment
- **Harassment Consultation Desk (Internal)**
  [Scope] - Human rights-related issues such as harassment
- **Auditors Hotline (Internal)**
  [Scope] – Misconduct - Compliance-related issues
  - Human Rights-related issues such as harassment



Notice for Compliance Hotline displayed on internal digital signage

4 〉Measures to Prevent Money Laundering and Bribery, etc.

Based on the Mizuho Leasing Group Corporate Code of Conduct, the group has put in place measures for Anti-Money Laundering and Combating the Financing of Terrorism, also establishing rules and systems for managing the severance of ties with antisocial forces and the prevention of bribery, etc. To enhance the efficacy of these initiatives, we also conduct ongoing training for officers and employees.

1 Measures to prevent money laundering, terrorist financing, etc.

- Verification at time of transaction and reporting of suspicious transactions
- Screening against sanctions lists
- Applying a risk-based approach

2 Severance of ties with antisocial forces

- Inclusion in contracts of clauses prohibiting transactions with organized crime groups
- Screening when transactions are initiated and on a regular basis thereafter
- Collaboration with the police and external experts

3 Preventing bribery, etc.

- Setting internal rules concerning entertainment and gift-giving
- Clarifying standards for interacting with government officials, etc.
- Establishing a process for reporting and correcting violations

Mizuho Leasing Group Corporate Code of Conduct
https://www.mizuho-ls.co.jp/en/sustainability.html

Risk Management

Message from the Head of Risk Management Group

Under Medium-Term Management Plan 2028, the Mizuho Leasing Group is pursuing value chain and business domain expansion, the creation of new businesses and inorganic business investments, with a view to accelerating transformation of our business portfolio.
This has resulted in even greater diversification of the risks and issues that need to be assessed and addressed—not only credit-, market- and asset-related risks and issues, but also those pertaining to changes in the business climate, the feasibility of business plans, contract terms and conditions, governance, and so forth.
Against this backdrop, we are working to enhance our risk management in recognition of how important it is to accurately assess risks associated with various business strategies and the nature of individual projects, in order to achieve healthy growth while enhancing our corporate value.
As part of this endeavor, in April 2026 we established the Business Investment Review Division to address the growing number of business investment opportunities and enhance our investment decision-making process. With the cooperation of relevant departments, the Business Investment Review Division is spearheading efforts to strengthen evaluation of investment returns relative to the attendant risks, and to enhance the effectiveness of investment discipline while strengthening post-investment monitoring.
Going forward, we will continue working to support the group's evolution and growth by carefully assessing the nature and amount of risk the Group can appropriately assume, establishing clearer criteria for evaluating risk and return (including consideration of capital efficiency), and fostering a robust risk culture.



1 〉Risk Management Structure

To ensure that we accurately detect, analyze, and control risks related to our business activities and reduce their impact on the company's management, the head of the Risk Management Group oversees and promotes risk management from a companywide perspective. A system has been established to respond quickly and flexibly to risk events via organizations in charge of specific risks according to class and scope.
The group categorizes the risks that arise in the course of business into financial risks, which are managed quantitatively, and operational risks, which are managed qualitatively. It has established a risk management system for each category. In addition, meetings of the PM/ALM Committee and Risk Management Committee are convened with the goal of enhancing risk-related communications and reporting the status of risk management to the Board of Directors.

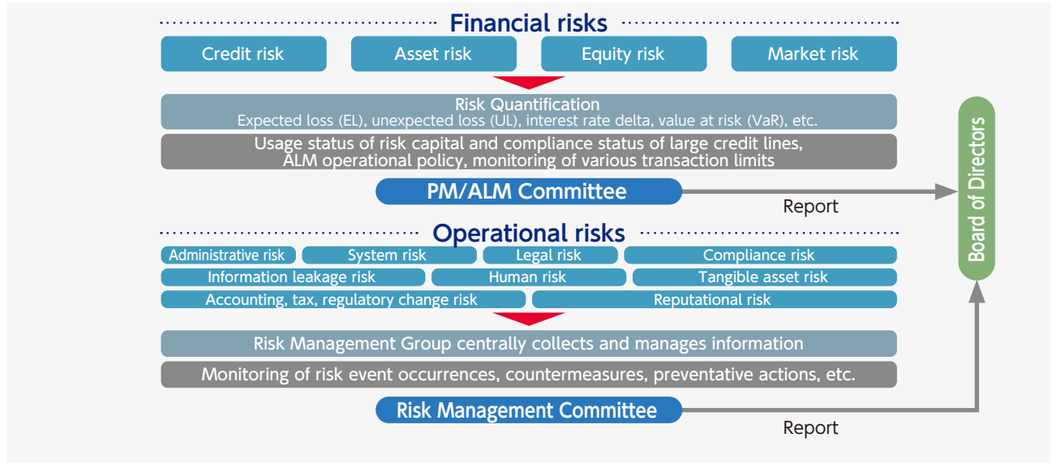
2 〉Financial Risk Management System and Risk Capital Allocation

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

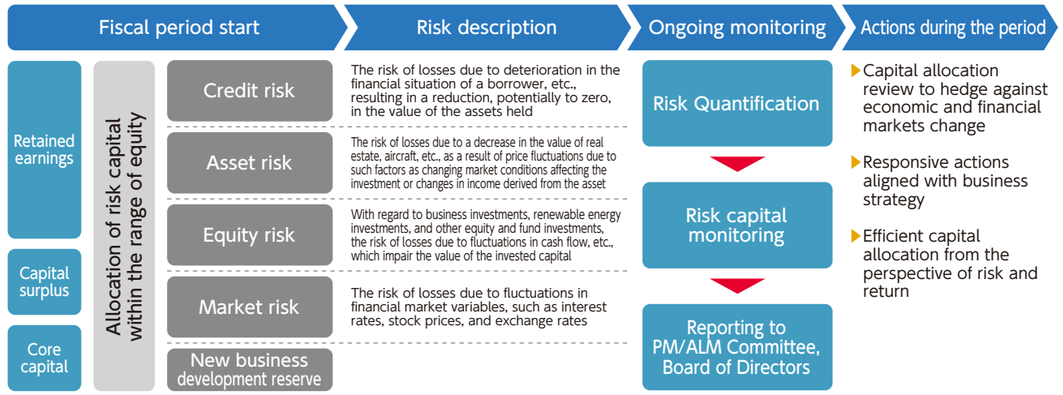
3 〉Operational Risk Management

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

Risk Management Structure



Risk Capital Allocation



*Please also refer to page 87, "Business Risks."

Company-wide Response to Cybersecurity Risks

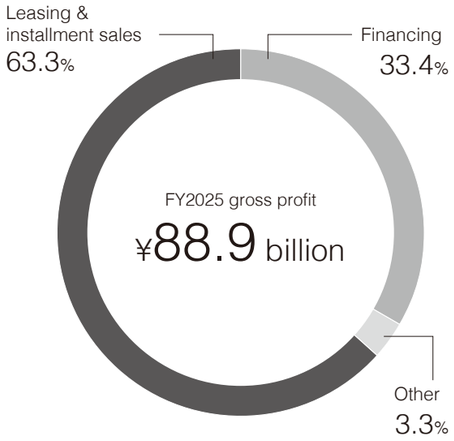
Our group views the increase in cybersecurity risks as one of the important management issues and is strengthening its company-wide response. The risk management framework, including the group-wide response policy, responsible parties, management structure, and the duties and responsibilities of pertinent staff, has been clarified, and we have specifically designed a basic policy for cybersecurity risk management Additionally, we are strengthening measures to enhance early detection and defense capabilities against cyberattacks. These include implementation of monitoring systems by specialized teams such as the Computer Security Incident Response Team (CSIRT) and Security Operation Center (SOC), deployment of multi-layered defenses, and adoption of zero trust frameworks, all in collaboration with external experts.
In recent years, cyberattacks affecting our business partners have become more frequent, necessitating strengthened cybersecurity measures across the entire supply chain. We are taking appropriate countermeasures.
For both executives and employees, we are working to enhance their response capabilities through joint cybersecurity training (pictured) across the Mizuho Leasing Group and to raise security awareness through e-learning


Information Sharing and Action Plan Discussion at the Emergency Task Force Meeting (Exercise)

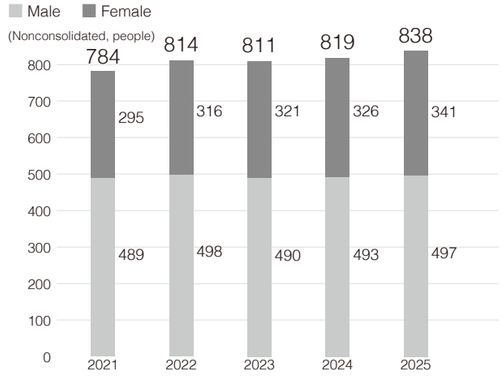
Financial & Nonfinancial Highlights

The Mizuho Leasing Group is comprised of the parent company, 51 consolidated subsidiaries, and 15 equity-method affiliates (as of March 31, 2026). It provides a broad range of financial and business services in Japan and overseas, leveraging its expertise in leasing physical assets, installment sales, and lending, along with its financial expertise.

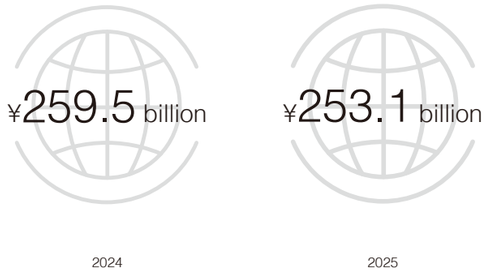
- Leasing & installment sales — FY2025 gross profit ¥56.2 billion
- Financing & other — FY2025 gross profit ¥32.6 billion



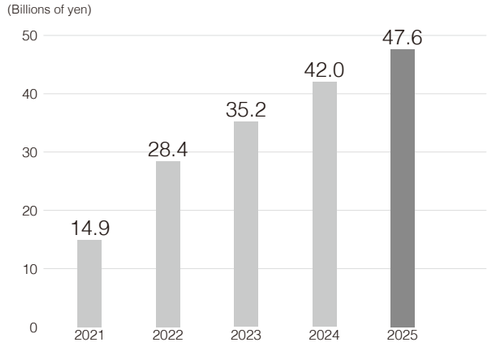
Number of employees



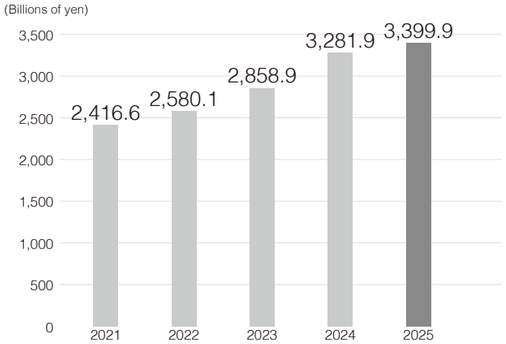
Balance in the global domain
(Overseas affiliates, aviation & ship)



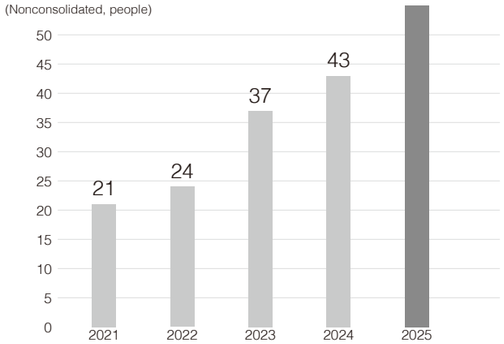
Net income attributable to owners of the parent



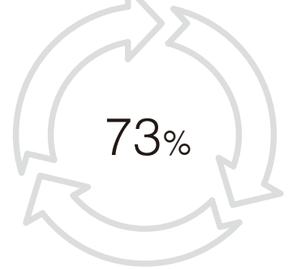
Operating assets balance



Number of women in managerial posts

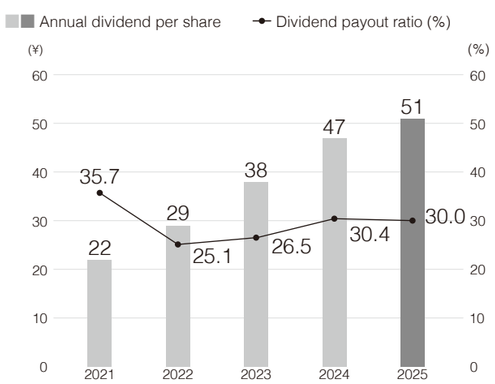


Reuse rate* (FY2025)



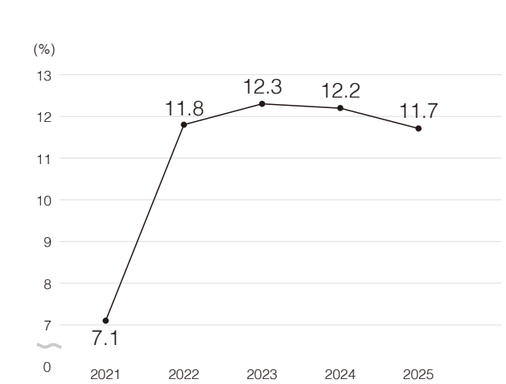
*Reuse rate: Number of assets sold ÷ Number of assets for which the lease term or re-lease term has expired

Annual dividend per share/dividend payout ratio

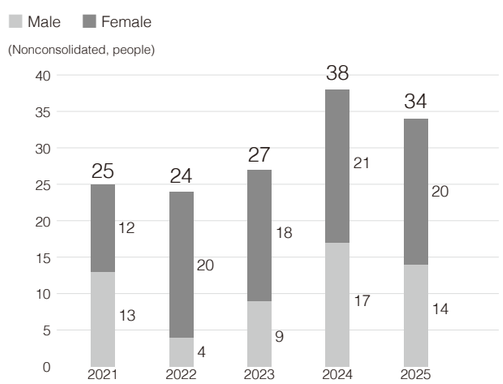


(Note) On April 1, 2024, the company split its common stock at a ratio of 5 for 1. Accordingly, the "dividend per share" has been calculated assuming that the stock split was carried out, including for prior fiscal years.

ROE



Number of employees who took childcare leave



Composition of the Board of Directors

(as of end-June, 2026)

12 directors

6 outside directors, 2 female directors



Ratio of outside directors 50%

■ 10-year Financial Summary

Consolidated Financial Results

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
For the year: (Millions of yen)										
Revenues	429,405	399,738	384,893	539,241	497,852	554,809	529,700	656,127	695,423	**921,592**
Gross profit before funding costs*1	44,904	45,157	52,596	60,263	59,332	62,115	72,299	91,197	112,301	**123,107**
Funding costs	5,697	6,959	8,467	9,744	7,985	7,581	10,932	17,575	25,957	**34,247**
Gross profit	39,206	38,197	44,128	50,519	51,347	54,534	61,366	73,621	86,343	**88,859**
Selling, general and administrative expenses	21,244	19,034	21,214	24,243	25,383	36,640	29,610	34,109	37,377	**44,185**
Operating income	17,962	19,162	22,913	26,275	25,963	17,893	31,756	39,511	48,966	**44,674**
Ordinary income	18,789	19,964	24,226	26,714	27,542	20,064	40,110	50,897	66,219	**64,969**
Net income attributable to owners of the parent	12,414	13,643	16,594	17,512	21,772	14,902	28,398	35,220	42,038	**47,609**
At year-end: (Millions of yen)										
Total assets	1,752,284	1,821,501	2,161,872	2,348,416	2,603,190	2,748,810	2,954,634	3,363,336	3,898,061	**4,175,256**
Operating assets	1,608,718	1,683,005	2,021,368	2,090,305	2,322,398	2,416,558	2,580,137	2,858,898	3,281,857	**3,399,877**
Lease	950,318	983,590	1,160,218	1,327,723	1,476,331	1,487,631	1,500,511	1,590,557	1,856,387	**1,852,892**
Installment sales receivable*2	137,820	138,592	145,888	139,715	124,433	106,601	95,296	104,359	113,951	**110,267**
Loans	348,085	360,073	469,135	400,999	500,674	582,481	661,664	733,765	777,850	**805,105**
Operational investment securities	172,493	196,860	239,814	221,866	220,959	239,843	322,663	363,711	439,643	**477,775**
Bankruptcy reorganization claims, etc.	3,331	2,440	3,432	5,448	11,477	32,691	25,813	28,867	18,856	**16,360**
Interest-bearing debt	1,492,438	1,536,240	1,834,757	2,000,636	2,255,387	2,375,243	2,537,555	2,842,428	3,278,071	**3,474,058**
Equity	141,755	154,632	182,159	195,780	210,852	230,803	275,834	329,800	401,495	**454,469**
Per share data: (yen)										
Net income	58.22	63.98	77.73	72.10	90.03	61.61	117.35	145.07	154.54	**169.98**
Equity	640.45	698.51	710.78	765.80	829.48	907.23	1,085.55	1,270.62	1,367.89	**1,527.83**
Dividends	64.00	70.00	78.00	82.00	92.00	110.00	147.00	192.00	47.00	**51.00**
Key indicators: (%)										
Return on equity (ROE)	9.4	9.6	10.3	9.8	11.3	7.1	11.8	12.3	12.2	**11.7**
Return on assets (ROA)	1.1	1.1	1.2	1.2	1.1	0.7	1.4	1.6	1.8	**1.6**
Equity ratio	7.8	8.2	8.0	7.9	7.7	8.0	8.9	9.2	9.8	**10.3**
Other (Number of persons)										
Number of employees	1,053	1,081	1,627	1,745	1,795	1,864	1,964	2,176	2,282	**2,434**

On April 1, 2024, our company carried out a 5-for-1 stock split of common shares.
Per-share data for the 2016 fiscal year is on a post-split proforma basis, except for dividend per share, which is shown on a pre-split basis for all years.

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

■ Analyses on Business Conditions & Operating Results

1. Business Performance and Conditions

Looking back on the economic conditions in fiscal 2025, the United States maintained steady economic growth driven by increased capital investment amid expansion in AI-related demand, and higher consumption supported by rising stock prices. Europe also experienced moderate growth on the back of solid domestic and external demand. In Asia, too, there was a prolonged correction in the real estate market in China, but the economy continued to grow at a steady pace as a result of government measures to stimulate domestic demand and the expansion of exports to third countries. In Japan, a moderate economic recovery continued, supported by solid capital investment and increased personal consumption. On the other hand, the impact of U.S. tariff policies is becoming apparent in some areas, while concerns about accelerating inflation and economic deterioration are increasing due to heightened geopolitical risks including rising short- and long-term interest rates, and higher crude oil prices due to the escalating situation in Iran. Due to these complex factors, there is ongoing uncertainty concerning the economic and financial outlook.

In the leasing industry, supported by the upward trend in capital investment, the volume of leasing transactions exceeded the level of the previous fiscal year.

Against this backdrop, the group has focused on offering a diverse range of solutions that address the social and business challenges faced by our customers, as a value co-creation partner that transcends the boundaries of finance. In each business area, we have worked to strengthen existing businesses and create new business opportunities by making maximum use of Mizuho's customer base and Marubeni's network. Regarding our profit and loss situation, funding costs were higher but gross profit nonetheless rose ¥2,516 million (2.9%) from the previous fiscal year (fiscal 2024) to ¥88,859 million, supported by an increase in operating assets and solid profit margin. Operating profit decreased by ¥4,291 million (8.8%) to ¥44,674 million, as increased personnel and property expenses outweighed strong gross profit. Ordinary profit decreased by ¥1,249 million (1.9%) to ¥64,969 million.

As a result of the foregoing, and other factors such as the sale of strategic shareholdings, net income attributable to owners of the parent increased by ¥5,571 million (13.3%) to ¥47,609 million.

Highlights of our financial position are as follows.

Contract execution volume in the Leasing & Installment Sales segment decreased by 1.3% from the previous fiscal year (fiscal 2024) to ¥944,610 million. In the Finance segment, contract execution volume increased by 26.6% to ¥1,031,621 million. As a result, the overall volume of newly executed contracts increased by 10.5%, to ¥1,984,727 million. Operating assets expanded by ¥118,020 million from the previous fiscal year end, to ¥3,399,877 million, and total assets increased by ¥277,194 million, to ¥4,175,256 million, as a result of the accumulation of assets through business solutions centering on collaboration within Mizuho that address issues facing customers primarily in real estate and domestic leasing.

Total liabilities increased by ¥224,221 million from the previous fiscal year end, to ¥3,720,786 million. The interest-bearing debt component of this figure grew by ¥195,987 million, to ¥3,474,058 million, in line with the increase in operating assets.

Net assets increased to ¥454,469 million, reflecting the accumulation of period profits.

Operating results by segment

Financial results broken down by segment are as follows. (Note: Sales are sales to external customers.)

[Leasing and Installment Sales]

Operating profit in the Leasing & Installment Sales segment decreased by 5.3% from the previous fiscal year (fiscal 2024) to ¥26,851 million. At the end of the fiscal year under review (fiscal 2025), the balance of operating assets was ¥7,178 million lower than the previous fiscal year-end, at ¥1,963,160 million.

[Finance]

Finance segment operating profit decreased by 28.6% from the previous fiscal year, to ¥17,010 million.

At the end of the fiscal year under review, the balance of operating assets was ¥65,387 million higher than the previous fiscal year-end, at ¥1,282,881 million.

[Other]

Other operating profit increased by 37.8% compared with the previous fiscal year, to ¥1,933 million.

At the end of the fiscal year under review, the balance of operating assets was ¥59,811 million higher than the previous fiscal year-end, at ¥153,835 million.

2. Operating Results and Financial Position

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

Specific initiatives in each business domain for fiscal 2025 were as follows.

[Domestic Leasing]

In the domestic leasing business, we aim to co-create value as a strategic business partner for our customers.

In September 2025, we entered into a capital and business alliance agreement with Rental System Co., Ltd., and in December 2025, we made P-C-S Co., Ltd. (PCS) a consolidated subsidiary, with a view to strengthening our mobility & rental business domain and expanding our value chain. We also worked to promote circular economy businesses by concluding a capital and business alliance agreement to strengthen our strategic partnership with TRE Holdings Co., Ltd., and establishing ML ITAD Solutions Co., Ltd. to create new services and value stemming from the recovery of used IT equipment.

[Real Estate and Environment & Energy]

In the real estate business, the group aims to expand its existing core business while also promoting new business domains. In addition to strengthening existing businesses in response to customer needs, we launched the office property brand MipLa and the logistics facility brand Malien as proprietary brands. Furthermore, we expanded our value chain by participating in a build-to-rent (BTR) development in Australia, strengthening collaboration with Nippon Steel Kowa Real Estate Co., Ltd. and CCReB Advisors Inc., and acquiring an interest in Star Asia Group LLC.

In the environmental energy business, we conducted a tender offer for Japan Infrastructure Fund Investment Corporation (JIF) with the aim of creating new business opportunities. We also sought to expand our business domains and revenue opportunities by securing renewable energy sources through our subsidiary ML Power Company, Limited, and by commencing commercial operation of the Takeo Battery Storage Station in the energy storage business.

[Overseas and Aviation Operations]

In our overseas business, we regard strengthening our inorganic strategy and deepening and expanding our collaboration with Marubeni Corporation as key strategies, and we are pursuing business expansion in overseas markets where further growth is expected.

In the aircraft business, we focused on aircraft leasing through Aircastle Limited, an equity-method affiliate hat we jointly own with Marubeni Corporation, and saw significant growth in earnings. For Japanese investors, we established a scheme enabling us to offer aircraft engines as an investment product alongside aircraft and ships.

[Finance and Investment]

In the Finance and Investment business, we provided various financial solutions for customers at different stages of development covering a wide range of strategic situations, including acquiring an equity interest in TotalEnergies' renewable energy portfolio in Portugal, investing in a grid-scale battery storage project in the United Kingdom, and participating in a domestic natural gas power generation business aimed at realizing a decarbonized society.

Capital Resources and Liquidity of Funds

To provide a wide range of financial services that meet the needs of our customers, our group strives to secure stable access to funding while controlling costs. We also maintain readiness to obtain funding opportunistically as events warrant under an asset and liability management (ALM) policy that is sensitive to our annual funding needs and changes in the financial environment.

The group's financing includes long- and short-term funding raised indirectly through borrowing from financial institutions and directly from the market. At the end of the fiscal year under review (fiscal 2025), indirect funding was ¥305,872 million higher than the previous fiscal year end, at ¥2,337,035 million. Direct funding was ¥109,884 million lower, at ¥1,137,022 million, reflecting the issuance of commercial paper, corporate bonds, and the like.

In order to ensure working capital liquidity and maintain ready access to funding, we have concluded overdraft and commitment line agreements with 49 financial institutions, for a total credit line of ¥1,346,160 million as of the fiscal year end. Our unused balance stood at ¥645,129 million, demonstrating our adequate funding liquidity.

Status of Cash Flows

The cash flow status for the current fiscal year (fiscal 2025) is as follows.

Cash flows from operating activities resulted in an outflow of ¥18,413 million.

Cash flows from investing activities resulted in an outflow of ¥106,661 million.

Cash flows from financing activities consisted of an outflow of ¥14,698 million for dividend payments, an inflow of ¥274,161 million from indirect funding and an outflow of ¥110,167 million from direct funding through the issuance of commercial paper and corporate bonds, resulting in a net inflow of ¥146,366 million for financing activities as a whole.

As a result of the above, the balance of cash and cash equivalents increased by ¥20,801 million from the end of the previous fiscal year (fiscal 2024), to ¥88,801 million.

Business Risks and Other Risks

The group's financial position, operating results, cash flows, and other categories of business risk that we recognize as having the potential to materially affect investors' decisions are discussed below.
In addition to taking mitigating measures in each of these risk categories, the group is working to develop and strengthen its risk management system so that it can respond quickly and appropriately when actual risks materialize.
Note that any statements regarding the future included in this section are based on judgments made as of the end of the current consolidated fiscal year.

(1) Risks Related to the Operating Environment
The group's business development effort centers on leasing transactions in support of customers' business activities.
The group's business results stand to be affected if worsening business performance among our customer base sharply curtails capital investment. Circumstances that could precipitate this include a spike in energy and resource prices against a backdrop of regional conflict, manufacturing cutbacks amid disruption to global supply chains, and pronounced international market volatility in interest and forex rates.

(2) Credit risk
The group's leasing operations and other primary business activities revolve around transactions that provide customers with credit in the form of leasing over relatively long periods (averaging around five years). While initial earnings projections are premised on collecting the full amount of leasing and other fees from customers, these initial revenue expectations face the potential risk that the economic situation could worsen, undermining the customer's business environment, and making it impossible to collect the initially expected payments.
Prior to entering into a potential transaction, our group mitigates nonpayment risk through such measures as strict initial credit checks and thorough assessments of the future resale value of leased items. During the term of a live transaction, we regularly monitor the lessee's credit situation and take measures to protect our receivables as necessary.
In addition, if a customer's credit situation deteriorates and they fail to make payments, we will try to recover as much as possible by selling the leased properties or diverting them to other customers.
Nevertheless, if our cost of credit exceeds our projections due to such factors as a sudden shift in economic conditions or deterioration in the customers' creditworthiness, the group's business results may ultimately be affected.

(3) Liquidity Risk (funding)
In order to obtain the capital necessary to run our business, our group funds its operations through such means as bank loans and the issuance of debt instruments, including corporate bonds and commercial paper. If volatility in the financial markets or deterioration in the group's financial position complicates our fundraising objectives, restrictions on access to capital could affect the group's business activities.
In order to minimize such liquidity risk, we are diversifying our array of funding methods, adjusting our funding framework to better account for market conditions, and maintaining liquidity on hand.

(4) Interest Rate Risk
In order to obtain the capital necessary to run our business, our group funds its operations through such means as bank loans and the issuance of debt instruments, including corporate bonds and commercial paper.
The group's interest income and expenses are exposed to interest rate risk stemming from the differing interest parameters — e.g., levels, term, degree of variability (fixed, adjustable) — on its receivables and payables, the former being lease income and returns on investments in marketable securities and the latter consisting of interest obligations on its borrowing.
To respond to interest volatility, the group procures funds that balance against the interest rate conditions of its assets and also hedges using derivative strategies.
Specifically, using the asset and liability management (ALM) method, we manage interest rate risk by controlling the matching ratio (the ratio of the portion of assets not subjected to interest rate fluctuation risk by allocating liabilities and derivatives with fixed-rate interest and variable-rate interest to assets with fixed-rate and variable-rate yields).

(5) Asset Risk
The Mizuho Leasing Group engages in such businesses as real estate leasing, real estate investment and financing, and aircraft leasing. In undertaking these activities, we carefully assess the creditworthiness, potential income and expenditure, and asset holdings of our business partners. The possibility nevertheless remains that the group's performance could be affected by deteriorating business performance among our business partners or significant impairment of properties they own.
To contend with the potential for declines in asset value, we have established an internal management system to monitor such factors as the credit standing of our business partners, trends in asset values, and forecasted income and expenditure. This system enables flexible countermeasures to minimize the impact on our group.

(6) Equity Risks
The Mizuho Leasing Group invests in renewable energy projects, other business ventures, and funds.
These investments are subject to the risk that changes in business conditions, such as economic fluctuations or supply and demand factors, may impair the value of these assets. In addition, there is a risk that cash flow volatility may prevent the realization of initially expected returns, thereby reducing the possibility of recovering the invested amounts.
When undertaking individual projects, the group carefully evaluates future income and expenditures as well as asset values from a broad perspective, and makes a comprehensive assessment of whether returns commensurate with the associated risks can be secured.
Furthermore, to enable a prompt response to changing circumstances, we continue to monitor the operational status and external environment even after the commencement of each project.

(7) Risks Arising from Business Activities
The group faces several categories of business risk that can expose it to litigation and other trouble: (1) IT/system risk, which includes system failure and improper use, leading to clerical errors, (2) information security risk, which can result in the loss or leakage, or theft of data, and (3) compliance risk, in which the company may face reputational damage if found in noncompliance with laws, regulations, and company standards.
Should the risks manifest themselves, the company may forfeit business opportunities and become liable for restitution, thereby potentially harming the group's earnings.
The company has established a risk management system to enable the group to respond to various issues in a flexible and cross-sectional manner, and to control risks in order to minimize the impact on the group.

(8) Force Majeure and Other Risks
If the group suffers unexpected economic losses due to unpredictable events such as earthquakes, wind and water damage, or the spread of infectious diseases, its business performance may be affected.
To counter such situations, we have established a business continuity plan, implemented a system for maintaining business operations, and otherwise taken measures to minimize the impact on our group.

(9) Cybersecurity Risks
The group uses various information systems to manage its business activities and is connected to external networks for such purposes as email. These information systems are at risk of cyberattacks via computer virus infiltration, unauthorized external access, and other means.
In the event of a system shutdown or failure, an information leak, an unauthorized access incident, or the like, the group's business performance may be affected by liability for damage compensation, a loss of trust, and economic losses due to interruption of business activities.
In response to such situations, we have formulated a basic policy for cybersecurity risk management, clarifying our risk management system, including the group-wide response policy, responsible persons, management framework, and roles and responsibilities of relevant parties. We have also organized a Computer Security Incident Response Team (CSIRT) to react to security incidents. Additionally, we have strengthened our information countermeasures by establishing a 24/7 monitoring system through our Security Operation Center (SOC) and are working to strengthen our resilience by analyzing viruses, implementing multilayered protection, and taking other defensive measures. In order to adapt to the growing threats posed by the use of cloud computing and the diversification of work styles, we are also responding to the latest security threats, such as promoting the introduction of a zero-trust architecture as a security measure to prevent attackers from freely acting within the company. In addition to conducting phishing email training and companywide initial response training for employees, we are also working to raise security awareness through e-learning programs.

(10) Risks Related to Climate Change
The group's measures in response to the effects of climate change include scenario analysis and information disclosure. If we are unable to respond to abnormal weather such as typhoons and torrential rain, the strengthening of laws and regulations concerning climate change countermeasures, and the advancement of technological innovation and business model transformation to address these issues, the group's business performance and our customers' operations could suffer.

Consolidated Balance Sheet

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
ASSETS			
Current Assets:			
Cash and Cash Equivalents	¥ 88,801	¥ 67,999	$ 555,254
Lease Receivables and Investments in Lease (Notes 7, 9, 17 and 18)	1,008,235	1,040,972	6,304,230
Receivables (Notes 7, 9 and 18):			
Notes and Accounts	9,532	2,720	59,603
Lease	5,039	5,523	31,510
Installment Sales	115,892	120,323	724,648
Loans	611,510	598,428	3,823,616
Factoring	193,594	179,421	1,210,496
Total Receivables	935,570	906,418	5,849,873
Operational Investment Securities (Notes 6, 7, 9 and 18)	477,775	439,643	2,987,406
Prepaid Expenses and Other (Note 23)	95,684	89,805	598,291
Allowance for Doubtful Receivables (Note 3)	(3,618)	(2,323)	(22,627)
Total Current Assets	2,602,449	2,542,515	16,272,427
Property and Equipment:			
Leased Assets (Notes 6, 7, 9 and 18)	836,801	807,006	5,232,297
Advances for Purchases of Leased Assets	2,300	3,387	14,387
Other Operating Assets (Note 7)	153,835	94,024	961,892
Own-used Assets	8,206	3,904	51,316
Total Property and Equipment	1,001,144	908,323	6,259,892
Investments and Other Assets:			
Investment Securities (Notes 6, 9 and 18)	25,872	27,286	161,775
Investments in Unconsolidated Subsidiaries and Associated Companies	469,382	349,928	2,934,927
Long-term Receivables (Note 18)	16,360	18,856	102,295
Goodwill (Note 16)	10,080	4,212	63,031
Intangible Leased Assets (Note 7)	7,855	8,408	49,121
Deferred Tax Assets (Note 12)	6,695	4,372	41,867
Asset for Employees' Retirement Benefits (Note 11)	2,767	1,479	17,307
Other	34,938	35,137	218,460
Allowance for Doubtful Receivables (Note 3)	(2,291)	(2,458)	(14,328)
Total Investments and Other Assets	571,662	447,222	3,574,455
Total Assets	¥ 4,175,256	¥ 3,898,061	$ 26,106,774

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheet

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
As of March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
LIABILITIES and EQUITY			
Current Liabilities:			
Short-term Borrowings (Notes 9, 10, 18 and 23)	¥ 1,371,040	¥ 1,425,799	$ 8,572,755
Current Portion of Long-term Debt (Notes 9, 10, 18 and 23)	464,541	423,364	2,904,656
Lease Payable (Notes 17 and 18)	20,707	18,562	129,480
Accounts Payable - trade (Note 18)	35,927	30,939	224,648
Accrued Expenses (Note 23)	16,670	14,066	104,239
Income Taxes Payable	6,805	8,984	42,553
Deferred Profit on Installment Sales (Note 7)	5,625	6,372	35,173
Reserve for Management Board Benefit Trust - current	455	281	2,850
Accruals for Debt Guarantees	4	12	26
Provision for Head Office Relocation Expenses - current (Note 2(q))	557	106	3,489
Other	64,188	63,387	401,354
Total Current Liabilities	1,986,526	1,991,876	12,421,223
Long-term Liabilities:			
Long-term Debt (Notes 9, 10, 18 and 23)	1,638,476	1,428,907	10,244,960
Deposits Received	48,678	38,566	304,374
Liability for Employees' Retirement Benefits (Note 11)	2,328	2,498	14,557
Provision for Head Office Relocation Expenses (Note 2(q))	-	590	-
Reserve for Management Board Benefit Trust (Note 2(aa))	-	94	-
Other	44,777	34,032	279,980
Total Long-term Liabilities	1,734,260	1,504,688	10,843,871
Commitments and Contingent Liabilities (Note 13)			
Equity:(Notes 2(aa), 14, 21 and 24)			
Common Stock	46,925	46,925	293,411
Authorized, 700,000,000 Shares; Issued, 282,666,300 Shares as of March 31, 2026 and 2025			
Capital Surplus	42,811	42,524	267,690
Retained Earnings	275,547	239,594	1,722,924
Treasury Stock - at cost	(1,849)	(2,060)	(11,563)
2,479,490 shares as of March 31, 2026 and 2,763,080 shares as of March 31, 2025			
Accumulated Other Comprehensive Income:			
Unrealized Gain on Available-for-sale Securities	22,829	19,181	142,746
Deferred Loss on Derivatives under Hedge Accounting	(1,803)	(3,534)	(11,276)
Revaluation Reserve For Land	(10)	(10)	(64)
Foreign Currency Translation Adjustments	41,652	39,151	260,442
Defined Retirement Benefit Plans	1,975	1,104	12,349
Total	428,078	382,877	2,676,659
Non-controlling Interests	26,391	18,618	165,021
Total Equity	454,469	401,495	2,841,680
Total Liabilities and Equity	¥ 4,175,256	¥ 3,898,061	$ 26,106,774

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Income

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Revenues	¥ 921,592	¥ 695,423	$ 5,762,477
Cost and Expenses	832,733	609,080	5,206,860
Gross Profit	88,859	86,343	555,617
Selling, General and Administrative Expenses (Note 15)	44,185	37,377	276,278
Operating Income	44,674	48,966	279,339
Other Income (Expenses):			
Interest Income (Note 23)	186	300	1,168
Dividend Income	776	1,024	4,853
Equity in Earnings of Associated Companies	22,464	18,008	140,462
Interest Expenses	(6,980)	(4,676)	(43,649)
Gain on Sales of Investment Securities	4,292	403	26,842
Loss on Devaluation of Investment Securities	(1,246)	(41)	(7,795)
Loss on Retirement of Own-used Assets	(28)	-	(180)
Provision for Head Office Relocation Expenses	-	(697)	-
Head Office Relocation Expenses	(1,190)	-	(7,444)
Other- net (Note 4)	3,848	2,586	24,063
Income before Income Taxes	66,796	65,873	417,659
Income Taxes:(Note 12)			
Current	18,607	17,190	116,351
Deferred	(681)	3,787	(4,262)
Total	17,926	20,978	112,089
Net Income	48,869	44,895	305,570
Net Income attributable to Non-controlling Interests	1,260	2,857	7,879
Net Income attributable to Owners of the Parent	¥ 47,609	¥ 42,038	$ 297,691

	Yen		U.S. dollars (Note 1)
	2026	2025	2026
Amounts per Share of Common Stock (Notes 2(x) and 23)			
Net Income attributable to Owners of the Parent per Share	¥ 169.98	¥ 154.54	$ 1.06
Cash Dividends applicable to the fiscal year	¥ 51.00	¥ 47.00	$ 0.32

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Net Income	¥ 48,869	¥ 44,895	$ 305,570
Other Comprehensive Income:(Note 20)			
Unrealized Gain (Loss) on Available-for-sale Securities	1,736	(2,957)	10,855
Deferred Gain on Derivatives under Hedge Accounting	1,833	1,002	11,465
Foreign Currency Translation Adjustments	191	6,831	1,195
Defined Retirement Benefit Plans	557	(264)	3,483
Share of Other Comprehensive Income in Associated Companies	3,906	489	24,429
Total Other Comprehensive Income	8,224	5,102	51,427
Comprehensive Income	¥ 57,094	¥ 49,997	$ 356,997
Total Comprehensive Income attributable to:			
Owners of the Parent	¥ 56,359	¥ 46,196	$ 352,400
Non-controlling Interests	735	3,800	4,597

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 2026

	Thousands	Millions of yen			
	Number of shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock
Balance as of April 1, 2024	48,622	¥ 26,088	¥ 23,578	¥ 208,545	¥ (1,040)
Increase resulting from stock split	194,491				
Net Income attributable to Owners of the Parent				42,038	
Issuance of new shares	37,646	20,837	20,837		
Cash Dividends Paid				(10,994)	
Purchase of Treasury Stock	(1,101)				(1,202)
Disposal of Treasury Stock	245				182
Change in Scope of Consolidation				5	
Capital increase of consolidated subsidiaries			(1,890)		
Change in Equity in Entities Accounted for Using Equity Method, etc					
Net change during year					
Balance as of March 31, 2025	279,903	¥ 46,925	¥ 42,524	¥ 239,594	¥ (2,060)
Net Income attributable to Owners of the Parent				47,609	
Issuance of new shares					
Cash Dividends Paid				(14,698)	
Purchase of Treasury Stock	(0)				(0)
Disposal of Treasury Stock	283				211
Change in Scope of Consolidation					
Capital increase of consolidated subsidiaries					
Change in Equity in Entities Accounted for Using Equity Method, etc			287	3,041	
Net change during year					
Balance as of March 31, 2026	280,186	¥ 46,925	¥ 42,811	¥ 275,547	¥ (1,849)

	Millions of yen							
	Accumulated Other Comprehensive Income							
	Unrealized Gain on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Revaluation Reserve For Land	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
Balance as of April 1, 2024	¥ 22,720	¥ (4,584)	–	¥ 32,299	¥ 1,298	¥ 308,905	¥ 20,894	¥ 329,800
Increase resulting from stock split								
Net Income attributable to Owners of the Parent						42,038		42,038
Issuance of new shares						41,674		41,674
Cash Dividends Paid						(10,994)		(10,994)
Purchase of Treasury Stock						(1,202)		(1,202)
Disposal of Treasury Stock						182		182
Change in Scope of Consolidation						5		5
Capital increase of consolidated subsidiaries						(1,890)		(1,890)
Change in Equity in Entities Accounted for Using Equity Method, etc								
Net change during year	(3,539)	1,050	(10)	6,852	(193)	4,158	(2,275)	1,883
Balance as of March 31, 2025	¥ 19,181	¥ (3,534)	¥ (10)	¥ 39,151	¥ 1,104	¥ 382,877	¥ 18,618	¥ 401,495
Net Income attributable to Owners of the Parent						47,609		47,609
Issuance of new shares								
Cash Dividends Paid						(14,698)		(14,698)
Purchase of Treasury Stock						(0)		(0)
Disposal of Treasury Stock						211		211
Change in Scope of Consolidation								
Capital increase of consolidated subsidiaries								
Change in Equity in Entities Accounted for Using Equity Method, etc						3,328		3,328
Net change during year	3,647	1,730	-	2,500	870	8,749	7,772	16,522
Balance as of March 31, 2026	¥ 22,829	¥ (1,803)	¥ (10)	¥ 41,652	¥ 1,975	¥ 428,078	¥ 26,391	¥ 454,469

See accompanying Notes to Consolidated Financial Statements.

	Thousands of U.S. dollars (Note 1)			
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock
Balance as of March 31, 2025	$ 293,411	$ 265,895	$ 1,498,121	$ (12,886)
Net Income attributable to Owners of the Parent			297,691	
Issuance of new shares				
Cash Dividends Paid			(91,904)	
Purchase of Treasury Stock				(0)
Disposal of Treasury Stock				1,323
Change in Scope of Consolidation				
Capital increase of consolidated subsidiaries				
Change in Equity in Entities Accounted for Using Equity Method, etc		1,795	19,016	
Net change during year				
Balance as of March 31, 2026	$ 293,411	$ 267,690	$ 1,722,924	$ (11,563)

	Thousands of U.S. dollars (Note 1)							
	Accumulated Other Comprehensive Income							
	Unrealized Gain on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Revaluation Reserve For Land	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Non-controlling Interests	Total Equity
Balance as of March 31, 2025	$ 119,936	$ (22,098)	$ (64)	$ 244,806	$ 6,908	$ 2,394,029	$ 116,419	$ 2,510,448
Net Income attributable to Owners of the Parent						297,691		297,691
Issuance of new shares								
Cash Dividends Paid						(91,904)		(91,904)
Purchase of Treasury Stock						(0)		(0)
Disposal of Treasury Stock						1,323		1,323
Change in Scope of Consolidation								
Capital increase of consolidated subsidiaries								
Change in Equity in Entities Accounted for Using Equity Method, etc						20,811		20,811
Net change during year	22,810	10,822	-	15,636	5,441	54,709	48,602	103,311
Balance as of March 31, 2026	$ 142,746	$(11,276)	$ (64)	$ 260,442	$ 12,349	$ 2,676,659	$ 165,021	$ 2,841,680

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Mizuho Leasing Company, Limited and Consolidated Subsidiaries
For the year ended March 31, 2026

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Cash Flows from Operating Activities:			
Income before Income Taxes	¥ 66,796	¥ 65,873	$ 417,659
Adjustments for:			
Income Taxes Paid	(20,786)	(15,496)	(129,974)
Depreciation and Disposal of Fixed Assets	22,627	21,255	141,484
Equity in Earnings of Associated Companies	(22,464)	(18,008)	(140,462)
Profit from Investments	(2,275)	(2,543)	(14,228)
Increase (Decrease) in Allowance for Doubtful Receivables	1,116	(3,046)	6,983
Decrease in Accruals for Debt Guarantees	(8)	(0)	(51)
Gain on Sales of Marketable and Investment Securities	(4,292)	(393)	(26,842)
Loss on Devaluation of Investment Securities	1,246	41	7,795
Change in assets and liabilities:			
Decrease in Lease Receivables and Investments in Lease	31,802	15,522	198,852
Increase in Receivables	(28,933)	(53,409)	(180,916)
Increase in Operational Investment Securities	(35,499)	(77,739)	(221,971)
Increase in Accounts Payable - trade	4,861	3,593	30,400
Purchases of Leased Assets	(501,854)	(501,487)	(3,137,961)
Proceeds from Sales of Leased Assets	450,792	212,926	2,818,689
Increase (Decrease) in Interest Payable	657	(13)	4,109
Other - net	17,800	(40,398)	111,303
Total Adjustments	(85,209)	(459,197)	(532,790)
Net Cash Used in Operating Activities	(18,413)	(393,324)	(115,131)
Cash Flows from Investing Activities:			
Purchases of Own-used Assets	(10,912)	(6,611)	(68,233)
Purchases of Marketable and Investment Securities	(106,892)	(71,433)	(668,373)
Proceeds from Sales and Redemption of Marketable and Investment Securities	17,928	24,268	112,103
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation (Note22)	(20,083)	—	(125,575)
Proceeds from Sale of Shares of Subsidiaries resulting in Change in Scope of Consolidation	2,322	—	14,520
Other - net	10,976	592	68,632
Net Cash Used in Investing Activities	(106,661)	(53,184)	(666,926)
Cash Flows from Financing Activities:			
Net (Decrease) Increase in Short-term Borrowings	(65,880)	193,421	(411,935)
Proceeds from Long-term Debt	654,894	608,447	4,094,881
Repayments of Long-term Debt	(425,019)	(366,357)	(2,657,533)
Proceeds from issuance of shares	—	41,674	—
Cash Dividends Paid	(14,698)	(10,994)	(91,904)
Purchase of shares of subsidiary not resulting in change in scope of consolidation	—	(7,741)	—
Other - net	(2,929)	(1,318)	(18,319)
Net Cash Provided by Financing Activities	146,366	457,132	915,190
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	(490)	887	(3,064)
Net Increase in Cash and Cash Equivalents	20,801	11,510	130,069
Cash and Cash Equivalents at Beginning of the Year	67,999	56,194	425,185
Increase in Cash and Cash equivalents resulting from inclusion of subsidiaries in consolidation	—	294	—
Cash and Cash Equivalents at End of the Year	¥ 88,801	¥ 67,999	$ 555,254

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

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

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the Company's financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2025 consolidated financial statements to conform to the classifications used in 2026.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥159.93 to US$1.00, the approximate rate of exchange at March 31, 2026. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. The amounts indicated in millions of yen are rounded down by truncating the figures below one million. As a result, totals may not add up exactly.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of the Group, which include ML Estate Company, Limited, Daiichi Leasing Co., Ltd., Mizuho-Toshiba Leasing Company, Limited, Mizuho Auto Lease Company, Limited, ML Power Company, Limited, Japan Infrastructure Fund Investment Corporation, Mizuho Leasing (China) Ltd., Mizuho RA Leasing Pvt. Ltd., Capsave Finance Pvt. Ltd., and PT MIZUHO LEASING INDONESIA Tbk.

The number of consolidated subsidiaries as of March 31, 2026 and 2025 was 51 and 47, respectively. The consolidated financial statements for the year ended March 31, 2026 newly include the accounts of Japan Infrastructure Fund Investment Corporation and two other companies as the Company purchased their shares. The accounts of ML ITAD Solution Co., Ltd. and three other companies are also included as they were newly incorporated. On the other hand, Purple Sunbird Leasing Limited was excluded from the scope of consolidation as the Company disposed of its shares, and Aircraft MSN 2472 LLC and one other company were excluded as they were liquidated during the fiscal year.

The number of associated companies accounted for under the equity method as of March 31, 2026 and 2025 was 15 and 12, respectively. Investments in associated companies include Mizuho Marubeni Leasing Corporation, RICOH LEASING COMPANY, LTD., Mizuho Capital Co., Ltd., Japan Infrastructure Fund Advisors Co., Ltd., RENTALSYSTEM Company, Limited, NIPPON STEEL KOWA REAL ESTATE CO., LTD., Gecoss Corporation, Krungthai Mizuho Leasing Company Limited, Vietnam International Leasing Co., Ltd., PLM Fleet, LLC, Aircastle Limited, Affordable Car Leasing Pty Ltd., and Star Asia Group LLC. The consolidated financial statements for the year ended March 31, 2026 newly include the accounts of Japan Infrastructure Fund Advisors Co., Ltd. and two other companies as the Company purchased these shares.

The condensed financial information of the 15 and 12 associated companies (by simply compiling the amounts in the financial statements of the respective companies) as of and for the year ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Current Assets	¥568,754	¥498,197	$3,556,271
Non Current Assets	886,022	822,599	5,540,066
Current Liabilities	467,336	412,920	2,922,134
Long-term Liabilities	553,424	508,336	3,460,416
Total Equity	434,015	399,539	2,713,787
Revenues	¥249,405	¥218,002	$1,559,469
Income before Income Taxes	28,834	26,470	180,293
Net Income	¥21,870	¥20,026	$136,752

Kaikias Leasing Co., Ltd. and 142 other subsidiaries and associated companies are neither consolidated nor accounted for under the equity method, as they are acting as operators under Tokumei Kumiai agreements and the leased assets and liabilities do not substantially belong to the subsidiaries. APUS Line Shipping S.A. and 56 other subsidiaries are also not consolidated or accounted for under the equity method, as they are immaterial. Endeavour Maritime Partners S.A. and seven associated companies are not accounted for under the equity method, as they are immaterial.

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

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

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

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

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

As a result of securitizations, the Company had eight SPEs that were not consolidated under Guidance No. 15 as of March 31, 2026 and 2025, respectively. Total assets (simply compiled amount) of such SPEs as of March 31, 2026 and 2025 were ¥220,012 million ($1,375,682 thousand) and ¥254,903 million, respectively. Total liabilities (simply compiled amount) of such SPEs as of March 31, 2026 and 2025 were ¥219,992 million ($1,375,554 thousand) and ¥254,881 million, respectively. Some employees of the Company serve as directors of the SPEs, and the Company owns voting rights in more than half of these entities.

The total amounts of Lease Receivables and Investments in Lease transferred from the Company to such SPEs in 2026 and 2025 were ¥11,591 million ($72,480 thousand) and ¥11,209 million. The amount of Factoring Receivable transferred from the Company to such SPEs in 2026 was ¥3,003 million ($18,783 thousand) while no amount was transferred in 2025. The Company held subordinated interests of such transferred receivables of ¥827 million ($5,171 thousand) in 2026 while no subordinated interests were held in 2025. The Company recognized profit dividends of ¥484 million ($3,027 thousand) and ¥562 million, respectively, for the years ended March 31, 2026 and 2025, and servicing fees received of ¥0 million ($6 thousand) and ¥0 million with respect to the transactions with such SPEs for the years ended March 31, 2026 and 2025. These amounts do not include transactions with SPEs that do not meet the criteria for off-balance-sheet transactions, because the Company treats these asset transfer transactions to the SPEs as financial transactions.

(b) Business Combinations

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

(c) Cash Equivalents

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

(d) Lease Accounting

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

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

(e) Installment Sales

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

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

(f) Operational Investment Securities and Investment Securities

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

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

(g) Loans Receivables and Factoring Receivables

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

(h) Property and Equipment

1. Leased Assets
   Leased Property and Equipment are stated at cost and depreciated over the lease term by the straight-line method to the residual value, which is an amount to be realized at the time when the lease contract is terminated.
2. Other Operating Assets
   Other Operating Assets are stated at cost and depreciated by the straight-line method.
3. Own-used Assets
   Own-used Assets of the Company and its domestic consolidated subsidiaries are stated at cost and depreciated over the following estimated useful lives mainly by the declining-balance method:

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

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

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

(k) Bond Issue Costs
Costs for bond issuance are expensed upon payment.

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

The amounts of Long-term Receivables considered uncollectible, which include receivables from legally bankrupt creditors, were directly written off. The amounts directly written off were ¥6,716 million ($41,995 thousand) and ¥4,191 million at March 31, 2026 and 2025, respectively.

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

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

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

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

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

(q) Provision for Head Office Relocation Expenses
Provision for Head Office Relocation Expenses is recognized for the losses associated with the relocation of the headquarters based on the estimated amount of the losses at the end of the fiscal year.

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

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

(t) Income Taxes
The Company and its domestic consolidated subsidiaries are subject to corporate tax, inhabitants' taxes and enterprise taxes. Deferred income taxes are recorded by the asset and liability method based on the differences between the tax bases of assets and liabilities and those as reported in the consolidated financial statements, using enacted tax rates that will be in effect when the differences are expected to reverse.

(u) Recognition of Revenues and Cost of Sales
Revenues and cost of sales relating to finance lease transactions are recognized when lease payments are to be received.

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

(v) Translation of Foreign Currency Assets and Liabilities
1. Translation of foreign currency transactions
   All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the Consolidated Statement of Income as income or expenses.
   Revenue and expense items arising from transactions denominated in foreign currencies are generally translated into Japanese yen at the rates effective at the respective transaction dates.
2. Translation of foreign currency financial statements
   The assets, liabilities, revenues and expenses of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rates at the balance sheet dates of each subsidiary. Differences arising from such translation are shown in either Non-controlling Interests or Foreign Currency Translation Adjustments under Accumulated Other Comprehensive Income in a separate component of Equity.

(w) Derivatives and Hedging Activities
The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Interest rate swaps are utilized to manage interest rate risks associated with certain assets and liabilities, including Loans Receivables and Long-term Debt. Short-term Borrowings and Long-term Debt and Foreign currency forward

contracts are utilized to reduce risks from fluctuations of foreign currency exchange rates associated with certain assets including Operational Investment Securities and Investment Securities as well as committed transactions denominated in foreign currencies. Interest rate and currency swaps are utilized to manage interest rate risks as well as foreign currency risks. The Group does not enter into derivatives for trading or speculative purposes.

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

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

(x) Per Share Information

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

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

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

(z) New Accounting Pronouncement

Accounting Standard for Leases and other — On September 13, 2024, the ASBJ issued ASBJ Statement No. 34, "Accounting Standard for Leases" and ASBJ Guidance No. 33, "Implementation Guidance on Accounting Standard for Leases."

As part of its efforts to make the Japanese GAAP internationally consistent, the ASBJ had been considering developing accounting standards for leases in which assets and liabilities are recognized for all leases of lessees, taking into account international accounting standards. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc., which were developed under a basic policy with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while the adjustments are not required basically even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

As for the accounting treatment of lessees, the single accounting model is applied to the method of allocating the lessee's lease expenses. In this method, depreciation expenses for right-of-use assets and interest expenses for lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease, same as IFRS 16.

As for the accounting treatment of lessors, the revenue recognition method for finance leases is revised. Instead of recognizing revenues and cost of sales when lease payments are received, lease payments are allocated between an interest component and a principal recovery component, and the interest component is recognized in profit or loss for each period, while the principal component is accounted for as recovery of the lease receivable and investment in the lease.

The Group expects to apply the accounting standards and guidance for the fiscal year beginning on or after April 1, 2027, and is in the process of measuring the effects of applying the accounting standards and guidance in future applicable periods.

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

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

1. Outline of Stock Compensation System
   The Stock Compensation System is a performance-linked stock-based system where the Company's shares are acquired through a trust by fund contributed by the Company, and the Company's shares and/or the money equivalent to the market value of the Company's shares are paid to Directors, etc., through trusts in accordance with the Company's executive share benefit rules. In principle, Directors, etc., receive the Company's stocks at a certain time each year and receive benefits in the form of cash equivalent to the amount obtained by converting the Company's stocks at market value upon the retirement of the Directors, etc. If Directors, etc. receive benefits in the form of the Company's stocks during their term of office, they enter into a transfer restriction agreement with the Company prior to receiving benefits in the form of the Company's stocks.
2. Shares of the Company held in trust
   Shares of the Company held in trust are recorded as Treasury Stock in Equity at book value in the trust (excluding accompanying expenses). The carrying amount of such Treasury Stock for the year ended March 31, 2026 was ¥1,844 million ($11,532 thousand) while the number of such treasury stock was 2,471,900 shares.

3. Significant Accounting Estimate

Recognition of Allowance for Doubtful Receivables

(a) Carrying amount

Allowance for Doubtful Receivables in Current Assets and Investments and Other Assets ¥5,910 million ($36,955 thousand)

(b) Information on the significant accounting estimate

(i) Major assumptions used in the estimate calculation

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

(ii) Calculation of the estimate

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

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

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

4. Change in Presentation

Profit from Investments, which was presented separately in Other Income (Expenses) section for the fiscal year ended March 31, 2025, has been included in "Other net" for the fiscal year ended March 31, 2026, as the amount has become immaterial. The amount of Profit from Investments for the year ended March 31, 2026 and 2025 was ¥2,275 million ($14,228 thousand) and ¥2,543 million, respectively.

5. Business Combination

Business combination by acquisition

Acquisition of P-C-S Co., Ltd.,

(1) Overview of the business combination

(a) Name and business of the acquired company

Name	P-C-S Co., Ltd., ("PCS")
Main business	Forklift rental, used forklift sales, purchase, repair and maintenance, statutory inspections, and other related services

(b) Reason for the implementation of business combination

The Company is committed to focusing on assets closely aligned with its core business to address customer challenges, with particular emphasis on mobility and rental services. PCS's deep expertise in forklifts along with its rental operation and maintenance technology and know-how, combined with the collaboration with Rental System Co., Ltd., an associated company accounted for under the equity method, is expected to generate synergies within the rental platform we aim to build, enhancing the value of services offered to our customers. Accordingly, the Company executed this acquisition.

(c) Date of the business combination

December 19, 2025

(d) Legal form of the business combination

Acquisition of shares in consideration for cash

(e) Name after the business combination

It will not change.

(f) Ratio of voting rights acquired

Ratio of voting rights held immediately before the business combination	—%
Ratio of voting rights acquired on the date of the business combination	100.00%
Ratio of voting rights after the acquisition	100.00%

(g) Reason to have determined the acquiring company

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

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

From January 1, 2026 to March 31, 2026

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

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Acquisition consideration (cash)	¥5,400	$33,765
Total	¥5,400	$33,765

(4) Main acquisition related costs

Advisory fee of ¥55 million ($349 thousand)

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

Amount of goodwill	¥6,358 million ($39,759 thousand)
Cause of goodwill	As the acquisition costs exceed the fair value of the net assets acquired at the time of the business combination, the difference is recognized as goodwill.
Amortization method and period	Amortized on a straight-line method over 20 years

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

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Current Assets	¥2,186	$13,670
Non-Current Assets	2,793	17,465
Total Assets	4,979	31,135
Current Liabilities	3,803	23,784
Long-term Liabilities	2,134	13,345
Total Liabilities	¥5,938	$37,129

Acquisition of Japan Infrastructure Fund Investment Corporation

(1) Overview of the business combination

(a) Name and business of the acquired company

Name	Japan Infrastructure Fund Investment Corporation
Main business	Investment in renewable energy power generation facilities

(b) Reason for the implementation of business combination

The acquisition contributes to achieving the target set forth in the "Mid-term Management Plan 2025" of securing one GW of renewable power generation capacity. In addition, by leveraging the Group's customer base and partnerships with PPA/EPC contractors, as well as the repowering and consolidation of renewable power generation facilities planned for the future, the Company aims to establish a stable power sales business model and expand its peripheral businesses from power generation to areas including battery ownership. Accordingly, the Company executed this acquisition.

(c) Date of the business combination

January 29, 2026

(d) Legal form of the business combination

Acquisition of investment units in consideration for cash

(e) Name after the business combination

It will not change.

(f) Ratio of voting rights acquired

Ratio of voting rights held immediately before the business combination	—%
Ratio of voting rights acquired on the date of the business combination	66.92%
Ratio of voting rights after the acquisition	66.92%

(g) Reason to have determined the acquiring company

It is based on the fact that the Company's consolidated subsidiary, MM Power LLC, acquired the units with cash consideration.

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

From December 1, 2025 to February 28, 2026

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

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Acquisition consideration (cash)	¥19,693	$123,136
Total	¥19,693	$123,136

(4) Main acquisition related costs

Advisory fee of ¥603 million ($3,771 thousand)

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

Amount of goodwill	¥58 million ($363 thousand)
Cause of goodwill	As the acquisition costs exceed the fair value of the net assets acquired at the time of the business combination, the difference is recognized as goodwill.
Amortization method and period	Amortized in full in the fiscal year ended March 31, 2026.

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

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Current Assets	¥6,654	$41,607
Non-Current Assets	58,303	364,555
Total Assets	64,957	406,162
Current Liabilities	3,884	24,290
Long-term Liabilities	31,731	198,410
Total Liabilities	¥35,616	$222,700

6. Operational Investment Securities and Investment Securities

(1) Available-for-sale Securities whose fair values are readily determinable as of March 31, 2026 and 2025 were as follows:

Available-for-sale Securities

Securities with carrying amounts exceeding acquisition costs

(Millions of yen)

	2026			2025		
	Carrying amount	Acquisition cost	Unrealized gain	Carrying amount	Acquisition cost	Unrealized gain
Equity Securities	¥20,856	¥9,296	¥11,560	¥21,344	¥10,190	¥11,154
Bonds						
Corporate Bonds	31,251	30,489	762	57,116	55,772	1,344
Other	42,974	36,582	6,391	41,718	36,299	5,418
Total	¥95,082	¥76,368	¥18,714	¥120,179	¥102,262	¥17,917

(Thousands of U.S. dollars)

	2026		
	Carrying amount	Acquisition cost	Unrealized gain
Equity Securities	$130,412	$58,128	$72,284
Bonds			
Corporate Bonds	195,407	190,641	4,766
Other	268,708	228,743	39,965
Total	$594,527	$477,512	$117,015

Securities with carrying amounts not exceeding acquisition costs

(Millions of yen)

	2026			2025		
	Carrying amount	Acquisition cost	Unrealized loss	Carrying amount	Acquisition cost	Unrealized loss
Equity Securities	¥2,010	¥2,115	¥(105)	¥2,069	¥2,111	¥(41
Bonds						
Corporate Bonds	56,005	56,822	(816)	49,203	49,900	(696)
Other	2,244	2,248	(3)	3,151	3,158	(6)
Total	¥60,260	¥61,185	¥(924)	¥54,425	¥55,169	¥(744)

(Thousands of U.S. dollars)

	2026		
	Carrying amount	Acquisition cost	Unrealized loss
Equity Securities	$12,570	$13,227	$(657)
Bonds			
Corporate Bonds	350,189	355,293	(5,104)
Other	14,036	14,057	(21)
Total	$376,795	$382,577	$(5,782)

(2) Proceeds from sales of Available-for-sale Securities for the years ended March 31, 2026 and 2025 were ¥5,496 million ($34,370 thousand) and ¥988 million, respectively. Gross realized gains and losses on these sales were ¥3,546 million ($22,174 thousand) and none for the year ended March 31, 2026, and ¥408 million and ¥9 million for the year ended March 31, 2025.

(3) The Group recorded impairment losses on investment securities of ¥1,246 million ($7,795 thousand) and ¥41 million for the years ended March 31, 2026 and 2025, respectively.

7. Operating Assets

(1) Operating Assets as of March 31, 2026 and 2025 consisted of the following:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Leasing and Installment Sales:			
Finance Lease	¥1,008,235	¥1,040,972	$6,304,230
Operating Lease	844,657	815,415	5,281,418
Installment Sales (*1)	110,267	113,951	689,475
Leasing and Installment Sales total	1,963,160	1,970,339	12,275,123
Finance	1,282,881	1,217,493	8,021,518
Other	153,835	94,024	961,892
Total Operating Assets	¥3,399,877	¥3,281,857	$21,258,533

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

(2) The total amounts of new contracts for the years ended March 31, 2026 and 2025 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Leasing and Installment Sales:			
Finance Lease	¥388,697	¥389,832	$2,430,420
Operating Lease	502,940	507,350	3,144,757
Installment Sales	52,972	59,848	331,222
Leasing and Installment Sales total	944,610	957,031	5,906,399
Finance	1,031,621	814,940	6,450,454
Other	8,495	23,712	53,122
Total	¥1,984,727	¥1,795,684	$12,409,975

8. Investment Property

Certain domestic consolidated subsidiaries own certain rental properties such as commercial facilities with land in Tokyo and other areas. Net rental income for these rental properties for the years ended March 31, 2026 and 2025 was ¥10,649 million ($66,587 thousand) and ¥7,941 million, respectively. Rental income and operating expenses are mainly recognized as "Revenues" and "Cost and Expenses", respectively.

Gain on sales of rental properties for the years ended March 31, 2026 and 2025 was ¥4,031 million ($25,211 thousand) and ¥1,857 million, respectively. Proceeds from sales of rental properties and costs are recognized as "Revenues" and "Cost and Expenses", respectively, otherwise net gain on sales is recognized as "Other Income (Expense)".

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

(Millions of yen)

Carrying Amount			Fair Value
April 1, 2025	Increase	March 31, 2026	March 31, 2026
¥668,619	¥46,553	¥715,173	¥780,757

(Millions of yen)

Carrying Amount			Fair Value
April 1, 2024	Increase	March 31, 2025	March 31, 2025
¥404,256	¥264,363	¥668,619	¥732,137

(Thousands of U.S. dollars)

Carrying Amount			Fair Value
April 1, 2025	Increase	March 31, 2026	March 31, 2026
$4,180,703	$291,088	$4,471,791	$4,881,867

(*1) Carrying amount recognized in the Consolidated Balance Sheets is net of accumulated depreciation.
(*2) "Increase" for the year ended March 31, 2026 and 2025 primarily represents the acquisition of certain properties for ¥488,381 million ($3,053,723 thousand) and ¥484,502 million, respectively.
(*3) Fair values of properties are mainly determined by appraisal reports issued by real estate appraisers.

9. Pledged Assets

Assets pledged as collateral as of March 31, 2026 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Lease Receivables and Investments in Lease	¥32,838	$205,332
Loans Receivable	26,607	166,372
Factoring Receivable	1,500	9,379
Operational Investment Securities	13,962	87,305
Leased Assets	10,828	67,709
Other Operating Assets	53,395	333,865
Investment Securities	14	90
Total	¥139,147	$870,052

Liabilities secured by the above assets as of March 31, 2026 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Short-term Borrowings	¥15,878	$99,281
Current Portion of Long-term Debt	20,677	129,291
Long-term Debt	67,087	419,479
Other	9,642	60,294
Total	¥113,285	$708,345

10. Short-term Borrowings and Long-term Debt

(1)"Short-term Borrowings" as of March 31, 2026 and 2025 was as follows:

	(Millions of yen)		(Thousands of U.S. dollars)	Weighted average interest rate
	2026	2025	2026	2026
Short-term Borrowings				
Short-term Borrowings from banks and other financial institutions	¥766,978	¥711,901	$4,795,716	1.59%
Commercial Paper	549,256	662,600	3,434,353	0.98%
Payables under securitized lease receivables	54,805	51,298	342,686	0.91%
Total	¥1,371,040	¥1,425,799	$8,572,755	
Current Portion of Long-term Debt				
Bonds payable, Japanese Yen	¥72,200	¥62,000	$451,448	0.200%~2.343%
Bonds payable, U.S. Dollar	7,836	-	48,996	2.75%
Bonds payable, Indian Rupee	2,754	1,062	17,229	7.350%~8.350%
Long-term Debt from banks and other financial institutions	381,750	360,302	2,386,983	1.64%
Total	¥464,541	¥423,364	$2,904,656	

(2) "Long-term Debt" as of March 31, 2026 and 2025 was as follows:

	(Millions of yen)		(Thousands of U.S. dollars)	Weighted average interest rate
	2026	2025	2026	2026
Long-term Debt				
Bonds payable, Japanese Yen	¥408,000	¥413,200	$2,551,116	0.200%~2.343%
Bonds payable, U.S. Dollar	—	7,326	—	
Bonds payable, Indian Rupee	5,240	2,756	32,768	7.350%~8.350%
Long-term Debt from banks and other financial institutions	1,188,306	958,960	7,430,168	1.72%
Payables under securitized lease receivables	36,929	46,664	230,908	1.11%
Total	¥1,638,476	¥1,428,907	$10,244,960	

(*1) The Group has entered into overdraft contracts with 49 and 50 financial institutions that provide the Group with credit facilities amounting to ¥1,346,160 million ($8,417,183 thousand) and ¥1,186,083 million as of March 31, 2026 and 2025, respectively. The unused facilities maintained by the Group as of March 31, 2026 and 2025 amounted to ¥645,129 million ($4,033,823 thousand) and ¥537,651 million, respectively.

(*2) "Payables under securitized lease receivables" is a type of financing based on the law for the regulation of specific claims. The lease receivables sold under this law as of March 31, 2026 and 2025 were ¥116,430 million ($728,007 thousand) and ¥124,581 million respectively.

(*3) The aggregate annual maturities of "Long-term Debt" as of March 31, 2026 were as follows:

Years Ending	(Millions of yen)	(Thousands of U.S. dollars)
March 31	2026	2026
2028	¥476,905	$2,981,965
2029	380,849	2,381,353
2030	266,589	1,666,914
2031	250,425	1,565,842
2032 and thereafter	263,706	1,648,886
Total	¥1,638,476	$10,244,960

11. Retirement and Pension Plans

Outline of plans

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

Defined benefit plan

(1)The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Balance at beginning of year	¥7,702	¥7,348	$48,159
Current service cost	464	536	2,902
Interest cost	92	29	579
Actuarial losses	(587)	108	(3,674)
Benefits paid	(308)	(319)	(1,928)
Past service costs	(165)	—	(1,037)
Balance at end of year	¥7,196	¥7,702	$45,001

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

(2)The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Balance at beginning of year	¥6,682	¥6,611	$41,784
Expected return on plan assets	34	37	217
Actuarial losses	841	(76)	5,262
Contributions from the employer	262	252	1,641
Benefits paid	(184)	(141)	(1,153)
Balance at end of year	¥7,636	¥6,682	$47,751

(3) Reconciliation between the liability recorded in the Consolidated Balance Sheet and the balances of defined benefit obligation and plan assets as of March 31, 2026 and 2025, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Defined benefit obligation	¥4,868	¥5,203	$30,443
Plan assets	(7,636)	(6,682)	(47,750)
Total	(2,767)	(1,479)	(17,307)
Unfunded defined benefit obligation	2,328	2,498	14,557
Net liability arising from defined benefit obligation	¥(439)	¥1,019	$(2,750)

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Liability for employees' retirement benefits	¥2,328	¥2,498	$14,557
Asset for employees' retirement benefits	(2,767)	(1,479)	(17,307)
Net liability arising from defined benefit obligation	¥(439)	¥1,019	$(2,750)

(4) The components of net periodic benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Service cost (*1)	¥464	¥536	$2,902
Interest cost	92	29	579
Expected return on plan assets	(34)	(37)	(217)
Recognized actuarial gains	(136)	(122)	(851)
Recognized past service costs	(16)	(17)	(103)
Net periodic benefit costs	¥369	¥388	$2,310

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

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2026 and 2025, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Past service costs	¥149	¥(17)	$933
Actuarial gains (losses)	1,278	(341)	7,997
Total	¥1,428	¥(359)	$8,930

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2026 and 2025, were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Unrecognized past service costs	¥149	¥ —	$933
Unrecognized actuarial gains	2,712	1,433	16,960
Total	¥2,861	¥1,433	$17,893

(7) Plan assets as of March 31, 2026 and 2025, were as follows:

a. Components of plan assets

Plan assets consisted of the following:

	2026	2025
Domestic debt investments	20.7%	20.0%
Domestic equity investments	25.4	23.5
Foreign debt investments	7.1	8.4
Foreign equity investments	23.8	21.9
Insurance assets (general account)	20.6	22.6
Others	2.4	3.6
Total	100.0%	100.0%

b. Method of determining the expected rate of return on plan assets

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

(8) Assumptions used for the years ended March 31, 2026 and 2025, are set forth as follows:

	2026	2025
Discount rate	1.96 – 2.42%	0.30 – 0.47%
Expected rate of return on plan assets	0.52%	0.56%
Expected rate of future salary increases	2.82 - 6.76%	3.24 - 6.76%

Defined contribution plan

The Group's contributions to the defined contribution retirement plan for the years ended March 31, 2026 and 2025, were ¥61 million ($387 thousand) and ¥53 million, respectively.

12.Income Taxes

The Company and certain consolidated subsidiaries are subject to a number of taxes based on income, which, in the aggregate, resulted in a normal effective statutory tax rate in Japan of approximately 30.6% for the years ended March 31, 2026 and 2025.

Deferred Tax Assets and Liabilities consisted of the following:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Deferred Tax Assets:			
Allowance for Doubtful Receivables	¥2,285	¥1,214	$14,288
Depreciation	932	861	5,833
Liability for Employees' Retirement Benefits	334	355	2,093
Write-off of Securities	10,143	7,433	63,426
Accrued Enterprise Tax	570	765	3,567
Other	12,169	9,995	76,092
Deferred Tax Assets Subtotal	26,436	20,625	165,299
Valuation Allowance	(9,185)	(6,407)	(57,434)
Total Deferred Tax Assets	17,250	14,218	107,865
Deferred Tax Liabilities:			
Net unrealized gain on Available-for-sale Securities	(8,233)	(7,421)	(51,483)
Investments in Lease	(1,127)	(959)	(7,049)
Other	(8,648)	(8,418)	(54,076)
Total Deferred Tax Liabilities	(18,009)	(16,799)	(112,608)
Net Deferred Tax Assets	¥(758)	¥(2,581)	$(4,743)

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the years ended March 31, 2026 and 2025, are as follows:

	2026	2025
Normal effective statutory tax rate	30.6%	30.6%
Inhabitants tax per capita levy	0.1	0.1
Permanent differences, such as entertainment expenses	0.3	0.2
Amortization of goodwill	0.2	0.2
Valuation allowance	4.5	(0.1)
Equity in Earnings of Associated Companies	(6.9)	(0.4)
Increase in Deferred Tax Assets due to the rise in the statutory tax rate	(0.2)	(0.2)
Other-net	(1.8)	1.4
Actual effective tax rate	26.8%	31.8%

13.Commitments and Contingent Liabilities

(1) Commitments

The Company had loan commitment agreements as of March 31, 2026 and 2025 of ¥36,757 million ($229,836 thousand) and ¥58,467 million, respectively. The loans provided under these credit facilities as of March 31, 2026 and 2025 amounted to ¥17,175 million ($107,393 thousand) and ¥19,282 million, respectively. Many of these facilities expire without being utilized and the related borrowings are subject to periodic reviews of the borrowers' credibility. Any unused amount will not necessarily be utilized in full.

(2) Contingent Liabilities

Contingent Liabilities as of March 31, 2026 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Guarantee Obligations with respect to operating activities (*1)	¥23,043	$144,082
Other Guarantee Obligations	8,217	51,381
Total	¥31,260	$195,463

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

14.Equity

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

(a) Dividends

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

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

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

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

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

(c) Treasury stock and treasury stock acquisition rights

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

15.Selling, General and Administrative Expenses

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

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Accruals for Doubtful Receivables	¥4,239	¥1,081	$26,509
Reversal for Debt Guarantees	(8)	(0)	(51)
Salaries and Wages	13,295	12,024	83,132
Provision for Bonus Payments	2,712	2,220	16,963
Provision for Bonus Payments to Directors	308	311	1,929
Retirement Benefits Costs for Employees	431	442	2,697
Provision for Reserve for Management Board Benefit Trust	292	307	1,827
Commission Expenses	4,962	3,860	31,027

16.Segment Information

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

(1) Description and revision of reportable segments

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

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

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

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

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

(3) Information about sales, profit, assets, liabilities and other items for the years ended March 31, 2026 and 2025 was as follows:

(Millions of yen)

	2026					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated(*4)
Sales:						
Sales to external customers	¥863,468	¥43,492	¥14,632	¥921,592	¥ —	¥921,592
Intersegment sales and transfers	127	1,833	133	2,094	(2,094)	—
Total	863,595	45,326	14,765	923,687	(2,094)	921,592
Operating Expenses	836,744	28,315	12,832	877,891	(973)	876,918
Segment Profit	¥26,851	¥17,010	¥1,933	¥45,795	¥(1,121)	¥44,674
Segment Assets	¥2,124,997	¥1,718,718	¥167,615	¥4,011,331	¥163,924	¥4,175,256
Others						
Depreciation and Amortization	19,638	—	7,037	26,676	2,920	29,596
Capital Expenditure	501,854	—	8,495	510,349	10,912	521,262

(Millions of yen)

	2025					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated(*4)
Sales:						
Sales to external customers	¥645,193	¥41,488	¥8,742	¥695,423	¥ —	¥695,423
Intersegment sales and transfers	173	2,265	141	2,580	(2,580)	—
Total	645,366	43,753	8,883	698,003	(2,580)	695,423
Operating Expenses	617,009	19,945	7,481	644,435	2,021	646,457
Segment Profit	¥28,356	¥23,808	¥1,402	¥53,567	¥(4,601)	¥48,966
Segment Assets	¥2,107,174	¥1,574,651	¥105,210	¥3,787,036	¥111,024	¥3,898,061
Others						
Depreciation and Amortization	18,519	—	1,733	20,253	2,695	22,948
Capital Expenditure	501,487	—	23,712	525,200	6,611	531,812

(Thousands of U.S. dollars)

	2026					
	Reportable segment					
	Leasing and Installment Sales	Finance	Other	Total	Reconciliations (*1) (*2) (*3)	Consolidated(*4)
Sales:						
Sales to external customers	$5,399,039	$271,947	$91,491	$5,762,477	$ —	$5,762,477
Intersegment sales and transfers	795	11,467	836	13,098	(13,098)	—
Total	5,399,834	283,414	92,327	5,775,575	(13,098)	5,762,477
Operating Expenses	5,231,939	177,049	80,237	5,489,225	(6,087)	5,483,138
Segment Profit	$167,895	$106,365	$12,090	$286,350	$(7,011)	$279,339
Segment Assets	$13,287,044	$10,746,695	$1,048,057	$25,081,796	$1,024,978	$26,106,774
Others						
Depreciation and Amortization	122,793	—	44,005	166,798	18,264	185,062
Capital Expenditure	3,137,961	—	53,122	3,191,083	68,233	3,259,316

(*1) The details of Reconciliations to Segment Profit for the years ended March 31, 2026 and 2025 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Elimination of intersegment transactions	¥7,500	¥3,776	$46,896
Administrative expenses not allocated to the reportable segments	(8,621)	(8,377)	(53,907)
Total	¥(1,121)	¥(4,601)	$(7,011)

(*2) The details of Reconciliations to Segment Assets as of March 31, 2026 and 2025 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Elimination of intersegment transactions	¥(64,710)	¥(68,803)	$(404,615)
Corporate assets not allocated to the reportable segments	228,634	179,828	1,429,593
Total	¥163,924	¥111,024	$1,024,978

(*3) Reconciliations of "Depreciation and Amortization" and "Capital Expenditure" are related to corporate assets not allocated to the reportable segments.

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

(4) Information about Geographical Areas

Sales

Information by geographic segment of sales is not presented for the years ended March 31, 2026 and 2025, as domestic sales exceeded 90% of total sales of all segments.

Property and Equipment

Information by geographic segment of property and equipment is not presented for the years ended March 31, 2026 and 2025, as domestic assets exceeded 90% of total assets of all segments.

(5) Information about Major Customers

	(Millions of yen)	(Thousands of U.S. dollars)	
Name of Customers	2026		Related Segment Name
JUL Special Purpose Company	¥106,902	$668,433	Leasing and Installment Sales

(*1) Information about major customers for the year ended March 31, 2025 is not presented as there are no customers whose sales account for 10% or more of the revenues presented in the consolidated statement of income.

(6) Impairment loss of long-lived assets per reportable segment:

Not applicable

(7) Goodwill per reportable segment:

(Millions of yen)

	2026				
	Leasing and Installment Sales	Finance	Other	Elimination/ Corporate	Total
Amortization of goodwill	¥342	¥148	¥58	¥ —	¥548
Goodwill at March 31, 2026	8,708	1,371	—	—	10,080

(Millions of yen)

	2025				
	Leasing and Installment Sales	Finance	Other	Elimination/ Corporate	Total
Amortization of goodwill	¥251	¥159	¥ —	¥ —	¥410
Goodwill at March 31, 2025	2,577	1,634	—	—	4,212

(Thousands of U.S. dollars)

	2026				
	Leasing and Installment Sales	Finance	Other	Elimination/ Corporate	Total
Amortization of goodwill	$2,139	$927	$363	$ —	$3,429
Goodwill at March 31, 2026	54,454	8,577	—	—	63,031

17.Lease Transactions

Operating Leases as lessee

The minimum rental commitments under non-cancellable operating leases as of March 31, 2026 and 2025 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Due within one year	¥15	¥6	$99
Due after one year	25	9	159
Total	¥41	¥16	$258

Finance Leases as lessor

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

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Lease contract receivables	¥813,259	¥798,460	$5,085,094
Estimated residual value	23,176	14,391	144,915
Interest income equivalents	(62,823)	(58,819)	(392,816)
Total	¥773,612	¥754,031	$4,837,193

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

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
2027	¥87,791	$548,940
2028	58,050	362,977
2029	41,427	259,038
2030	25,865	161,727
2031	10,566	66,071
2032 and thereafter	18,519	115,796
Total	¥242,221	$1,514,549

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

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
2027	¥224,035	$1,400,836
2028	165,023	1,031,847
2029	148,781	930,293
2030	118,251	739,395
2031	58,442	365,428
2032 and thereafter	98,724	617,295
Total	¥813,259	$5,085,094

Operating Leases as lessor

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

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Due within one year	¥363,184	¥302,145	$2,270,894
Due after one year	429,971	453,147	2,688,498
Total	¥793,155	¥755,292	$4,959,392

Sub-lease transactions

Among the receivables and obligations relating to the sub-lease transactions, the amounts before deducting interest equivalents and included in the Consolidated Balance Sheet as of March 31, 2026 and 2025 were summarized as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Lease Receivable	¥10,971	¥9,954	$68,599
Investments in Lease	6,973	8,272	43,602
Lease Payable	20,109	18,468	125,737

18.Financial Instruments and Related Disclosures

(1) Policy for financial instruments

The Group provides comprehensive financial services, including leasing, installment sales and loans. From the perspective of financial stability, the Group diversifies its funding sources. In addition to the indirect funding from financial institutions, the Group utilizes direct funding such as issuing bonds, commercial paper and securitization of lease receivables. Further, the Group has an integrated Asset-Liability Management (ALM) program. Derivatives are used to avoid fluctuation risks such as interest rates and to secure stable profits.

(2) Nature and extent of risks arising from financial instruments

Financial assets held by the Group mainly consist of lease receivables and investments in lease, installment sales receivables, loans receivables, and factoring receivables mainly due from domestic business companies. These assets are exposed to the credit risks triggered by a contractual default of a counterparty to the transactions. In the case of deterioration in the credit conditions of counterparties caused by a change in economic conditions or the environment, it is possible that the repayment of obligations under the contract may not be performed. Investment securities, which are mainly comprised of stocks, bonds, preferred equities and investments in partnerships, are exposed to market price fluctuation risks if they are exchange-traded in addition to the credit risk of issuers. Transactions related to real estate finance are exposed to the risk of price fluctuations in the targeted real estate.

Borrowings, bonds and commercial paper are exposed to the interest rate fluctuation risk for floating interest rate funding, and the liquidity risk that ready access to funds may not be available due to a change in the financial market environment. An ALM analysis is employed in order to make stable profit as well as to manage these funding risks.

Derivative transactions are mainly composed of interest rate swaps arranged as a part of ALM. The Group enters into interest rate swap transactions as a hedging instrument and applies hedge accounting to the interest rate fluctuation risk associated with interest bearing debt such as bank loans. It is the Group's basic policy to utilize hedge transactions within the limit of the debt amount to reduce interest rate risks and to improve cash flow from financial activities. The effectiveness of the hedge transactions is assessed by comparing the changes in the market price and cumulative cash flows between the hedging instrument and the hedged item from the beginning of the hedge to the time of assessment.

The Group also utilizes derivative transactions such as foreign currency forward contracts and interest and currency swaps etc. to control the level of the risk associated with the assets and liabilities denominated in foreign currencies.

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(3) Risk management for financial instruments

(a) Integrated risk management

The Group places an extremely high priority on integrated monitoring and control of total financial risks, including credit risks and market risks which consist of interest rate risk and share price fluctuation risk. Thus, the Group incorporates an integrated risk management system into its management policy in order to improve the stability of the business. Specifically, the Group manages various quantified risks in an integrated fashion to control the total risk under a certain level of net equity (business capacity) of the company. In addition, a risk analysis is performed monthly, the results of which are reported to the Board of Directors.

(b) Credit risk management

The Group aims to minimize credit costs by optimizing its credit management structure at all stages of each transaction, from entrance to exit to manage the credit risks of business partners.

Firstly, at the initial stage of deal execution, the Group assigns a credit rating to each debtor under its client credit rating system, conducts a strict credit screening and makes judgments on contract arrangements based on the prospects of future value of leasing assets, and from the perspective of the avoidance of excessive concentrations of credit, the Group monitors its credit administration ceiling by using its credit rating monitoring systems. Any large contract or matter requiring complex risk judgment requires the deliberation and decision by the Investment and Loan Committee, which enhances the risk control process. When offering new services or new products, the Group thoroughly reviews the identification and evaluation of inherent risks through the Risk Control Committee.

Furthermore, as an ongoing management measures, the Group provides necessary write-offs or allowances in accordance with the self-assessment rules for assets conforming to "Temporary treatment of accounting and auditing on the application of accounting standard for financial instruments in the leasing industry". Furthermore, regarding credit risk management for the portfolio as a whole, through the quantification of the volume of the risk based on the credit rating of business customers, the Group endeavors to minimize credit costs. Also, the Group periodically follows up on non-performing assets and performs debt collection of assets for which the Group has already provided reserves to facilitate final disposal of non-performing assets.

(c) Market risk management

The Group establishes annual plans (e.g., funding policy, setting commercial paper program, hedging policy and securities trading policy) at the Board of Directors meeting that are designed based on market environments and financial strength meeting to control risks in line with financial operations. In addition, monthly ALM operating policies based on the annual plans, position limits, and loss limits, etc., are reported on a monthly basis at the PM ALM Committee, and the Group strives to maintain stable earnings by controlling risk factors. Also, with regard to market transactions, in order to maintain a mutual check system, the Group separately established the risk control department that is independent from departments that are responsible for executions or for approval of delivery settlement.

(i) Interest rate risk management

In order to manage interest rate risk, the Group monitors the matching ratio (i.e., proportion of assets that is not exposed to interest rate risk without allocation of the matching fixed/floating interest bearing debt to entire assets) under ALM. Also, the Group quantifies the interest rate and maturity of financial assets and liabilities based on *BPV (Basis Point Value). The Group analyzes and monitors them using statistical techniques such as *VaR (Value at Risk).

In addition, compliance with the internal rules etc. is managed by the risk control department.

Sensitivity to interest rate (10BPV) interest rate risk volume (VaR) figures in the Group as of March 31, 2026 and 2025, are as shown below. The Internal Models Approach applied to measure VaR is based on the assumption that past price fluctuations follow a normal distribution and the model calculates variance and covariance, based on which the Group estimates maximum losses statistically (variance/covariance method).

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Sensitivity to interest rate (10BPV)	¥(3,600)	¥(3,750)	$(22,510)
Interest rate risk volume (VaR)	¥8,190	¥7,940	$51,210

The VaR measurement method is as follows:
Variance-covariance model for linear risk
Quantitative criteria:
(1) Confidence interval: 99%;
(2) Holding period of one month; and
(3) Historical observation period of one year

(ii) Price fluctuation risk management of securities such as stock

Relating to the price fluctuation risk of securities, the risk control department captures the volume of the risk using the VaR. In addition, it monitors the status of compliance with our internal rules.

The VaR measurements in the Group as of March 31, 2026 and 2025, are shown below. To measure the VaR, the Group created a model that shows the price fluctuation of each stock based on the stock price index fluctuation. The Group adopted the stock price fluctuation model that sets the stock price index fluctuation ratio represented by the risk factor of general market risk. Also, the inherent fluctuation portion of each stock that is unable to be shown by the stock price index is set as a risk factor of individual risk in our model.

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Price variation risk of stock (VaR)	¥ —	¥3,890	¥ —

(Note) The VaR value shown above reflects annual realized profit or loss (including impairment loss) and unrealized profit or loss, net of corporate income taxes.

The VaR measurement method is as follows:
Quantitative criteria:
(1) Confidence interval: 99%;
(2) Holding period of one year; and
(3) Historical observation period of one year.

The market price at the measurement date is used for securities with market price. The moving-average acquisition costs or the amortized costs are used for securities without market price. General market risk (risk of suffering losses due to stock market movement) and individual risk (price variance risk due to factors associated with the issuer of stock) are calculated and combined.

(iii) Derivative transactions

The derivative transactions carried out by the Group mainly consist of interest rate swaps, entered as a part of ALM, to hedge the interest rate risks. The operating policy of hedging is determined at the monthly PM ALM Committee to control the interest rate risk. Also, from an operational control perspective, in order to ensure a proper review function, the Group has an organizational structure whereby the transaction execution department is clearly separated from the market risk control department, which is responsible for evaluation of the effectiveness of hedging transactions, and the operations department, which is responsible for delivery settlement. For the use of derivative transactions, the Group enters into such transactions only with major financial institutions in order to mitigate counterparty risk.

(d) Other price fluctuation risk management

The risk mainly consists of real estate price fluctuation risks for specified bonds, preferred shares, investments in partnerships, and non-recourse loans relating to a real estate finance vehicle. The risk is managed by estimating the fair value of real estate at exit and monitoring the quantified risk for loss of principal.

(e) Liquidity risk management

The Group manages liquidity risk by diversifying the method of funding and balancing its long-term and short-term funding needs, depending upon the market environment.

(4) Supplemental explanation for quantitative information concerning market risk

Because quantitative information concerning market risk is based on statistical assumptions, the quantitative information may differ depending upon the quantitative basis and measurement method assumed. Also, the quantitative information is a statistical result based on certain assumptions. It is not intended to show the expected maximum losses. Because future market conditions may differ considerably from past conditions, there are many limitations on the quantitative data that is estimated using observation values of past data.

(Glossary)

*BPV: BPV is one of the interest rate risk indices indicating the change in present value of subject assets or liabilities given a basis point (0.01%) change in interest rates. The Group adopts 10 basis points (0.1%) as the basis for change of value.

*VaR: VaR is a technique for estimating the probable maximum portfolio losses as a volume of risk when the market is affected adversely based on the statistical analysis of historical data under a given time and probability (99% one-sided confidence interval).

(5) Supplemental explanation for fair values of financial instruments

Fair values of financial instruments have been calculated based on variable factors, and may differ if calculated based on different assumptions..

Fair values of financial instruments

(Millions of yen)

31-Mar-26	Carrying amount	Fair value	Unrealized gain (loss)
Securities (*2) (*3)	¥155,337	¥155,337	¥—
Available-for-sale Securities			
Lease Receivables and Investments in Lease (*3) (*4) (*5)	958,534	994,925	36,390
Installment Sales Receivables (*3) (*6)	108,795	106,850	(1,945)
Loans Receivables (*3)	610,557	646,574	36,016
Factoring Receivables (*3)	193,441	193,652	210
Long-term Receivables (*7)	14,077	14,077	—
Assets total	¥2,040,745	¥2,111,416	¥70,671
Short-term Borrowings (*9)	¥1,371,040	¥1,370,543	¥(497)
Lease Payable	20,707	20,669	(38)
Accounts Payable-trade	35,927	35,796	(131)
Long-term Debt (*8) (*9)	2,103,017	2,062,552	(40,465)
Liabilities total	¥3,530,694	¥3,489,561	¥(41,133)
Hedge accounting is not applied (*10)	¥(1,142)	¥(1,142)	¥—
Hedge accounting is applied (*10)	3,648	3,648	—
Derivative transactions total	¥2,505	¥2,505	¥—

(Millions of yen)

31-Mar-25	Carrying amount	Fair value	Unrealized gain (loss)
Securities (*2) (*3)	¥174,597	¥174,597	¥—
Available-for-sale Securities			
Lease Receivables and Investments in Lease (*3) (*4) (*5)	1,002,559	1,046,055	43,495
Installment Sales Receivables (*3) (*6)	112,854	110,759	(2,094)
Loans Receivables (*3)	598,003	639,937	41,934
Factoring Receivables (*3)	179,332	181,478	2,146
Long-term Receivables (*7)	16,408	16,408	—
Assets total	¥2,083,755	¥2,169,236	¥85,481
Short-term Borrowings (*9)	¥1,425,799	¥1,423,711	¥(2,088)
Lease Payable	18,562	18,511	(50)
Accounts Payable-trade	30,939	30,852	(86)
Long-term Debt (*8) (*9)	1,852,271	1,823,647	(28,624)
Liabilities total	¥3,327,573	¥3,296,723	¥(30,850)
Hedge accounting is not applied (*10)	¥(1,246)	¥(1,246)	¥—
Hedge accounting is applied (*10)	(1,957)	(1,957)	—
Derivative transactions total	¥(3,203)	¥(3,203)	¥—

(Thousands of U.S. dollars)

March 31, 2026	Carrying amount	Fair value	Unrealized gain (loss)
Securities (*2)(*3)	$971,284	$971,284	$—
Available-for-sale Securities			
Lease Receivables and Investments in Lease (*3) (*4) (*5)	5,993,465	6,221,003	227,538
Installment Sales Receivables (*3) (*6)	680,269	668,105	-12,164
Loans Receivables (*3)	3,817,655	4,042,857	225,202
Factoring Receivables (*3)	1,209,541	1,210,858	1,317
Long-term Receivables (*7)	88,025	88,025	—
Assets total	$12,760,239	$13,202,132	$441,893
Short-term Borrowings (*9)	$8,572,755	$8,569,645	$(3,110)
Lease Payable	129,480	129,241	(239)
Accounts Payable-trade	224,648	223,826	(822)
Long-term Debt (*8) (*9)	13,149,616	12,896,593	(253,023)
Liabilities total	$22,076,499	$21,819,305	$(257,194)
Hedge accounting is not applied (*10)	$(7,145)	$(7,145)	$—
Hedge accounting is applied (*10)	22,811	22,811	—
Derivative transactions total	$15,666	$15,666	$—

(*1) Cash and Cash Equivalents are not presented as the carrying amounts of the deposits approximate their fair values because they are settled in a short period.

(*2) Securities include Operational Investment Securities and Investment Securities.

The following financial instruments are excluded from the disclosure of market value information as they do not have quoted market prices in an active market.

Carrying amount of these financial instruments are following;

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Unlisted Stocks*	¥309,748	¥205,239	$1,936,775
Preferred Equities	75,721	78,453	473,464
Other	1,476	7,198	9,231
Total	¥386,945	¥290,891	$2,419,470

*The impairment losses on certain unlisted stocks for the years ended March 31, 2026 and 2025 were ¥1,222 million ($7,647 thousand) and ¥41 million, respectively. Fair values of investments in funds, partnerships, etc., whose net amount equivalent to the equity interest is recorded on the consolidated balance sheets, are not presented. The amount of investments in partnerships, etc. to which this treatment is applied was ¥368,273 million ($2,302,718 thousand) on the consolidated balance sheets.

(*3) Lease Receivables and Investments in Lease, Installment Sales Receivables, Loans Receivables, Factoring Receivables and Operational Investment Securities are stated net of Allowance for Doubtful Receivables.

(*4) Investments in Lease are stated net of estimated residual value of lease assets for finance leases that are deemed not to transfer ownership of the leased property to the lessee.

(*5) Unearned lease payments received are not included in Lease Receivables and Investments in Lease.

(*6) Installment Sales Receivables are stated net of Deferred Profit on Installment Sales.

(*7) Long-term Receivables are stated net of Allowance for Doubtful Receivables.

(*8) Current Portion of Long-term Debt is included.

(*9) Short-term Borrowings and Long-term Debt include Payables under Securitized Lease Receivables.

(*10) Assets and liabilities incurred resulting from derivative transactions are netted. The net liability is presented in parenthesis.

(6)Maturity analysis for financial assets and securities with contractual maturities

(Millions of yen)

March 31, 2026	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and Cash Equivalents	¥88,801	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale Securities						
Bonds Corporate Bonds	9,500	30,850	11,282	23,500	12,260	—
Other	29,737	28,510	16,660	12,437	11,996	165,412
Lease Receivables and Investments in Lease	290,455	214,879	171,070	146,741	75,834	109,253
Installment Sales Receivables	35,109	22,357	23,147	16,269	15,291	3,718
Loans Receivables	140,863	151,600	116,425	81,201	83,437	37,980
Factoring Receivables	128,372	22,591	8,445	5,336	17,751	11,097
Total	¥722,840	¥470,788	¥347,032	¥285,486	¥216,572	¥327,462

(Millions of yen)

March 31, 2025	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and Cash Equivalents	¥67,999	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale Securities						
Bonds Corporate Bonds	20,500	9,500	30,850	16,000	23,500	5,437
Other	20,951	20,455	31,506	10,028	20,975	143,909
Lease Receivables and Investments in Lease	312,099	217,099	164,395	124,249	107,107	116,021
Installment Sales Receivables	40,854	24,715	18,279	19,340	11,868	5,266
Loans Receivables	107,428	150,355	122,311	81,664	82,437	54,231
Factoring Receivables	130,064	7,080	11,453	5,496	3,569	21,757
Total	¥699,898	¥429,206	¥378,795	¥256,779	¥249,458	¥346,623

(Thousands of U.S. dollars)

March 31, 2026	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and Cash Equivalents	$555,254	$ —	$ —	$ —	$ —	$ —
Securities						
Available-for-sale Securities						
Bonds Corporate Bonds	59,401	192,896	70,546	146,940	76,659	—
Other	185,940	178,268	104,172	77,771	75,014	1,034,278
Lease Receivables and Investments in Lease	1,816,142	1,343,584	1,069,660	917,536	474,175	683,133
Installment Sales Receivables	219,528	139,794	144,734	101,729	95,613	23,250
Loans Receivables	880,784	947,920	727,981	507,734	521,715	237,482
Factoring Receivables	802,680	141,256	52,808	33,365	110,997	69,390
Total	$4,519,729	$2,943,718	$2,169,901	$1,785,075	$1,354,173	$2,047,533

(*1) Please see Note 10 for annual maturities of Long-term Debt.

(7) Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in determining fair value measurements:

Level 1: Fair values measured by using quoted prices in active markets for identical assets or liabilities.
Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities.
Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(a) The financial instruments measured at the fair values in the consolidated balance sheet

(Millions of yen)

March 31, 2026	Level 1	Level 2	Level 3	Total
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥ —	¥40,687	¥46,569	¥87,257
Equity securities	18,786	1,532	2,548	22,867
Other	—	43,563	1,650	45,213
Assets total	¥18,786	¥85,783	¥50,767	¥155,337
Derivative transactions:				
currency swaps	¥ —	¥2,412	¥ —	¥2,412
Interest rate swaps	—	6,039	—	6,039
Interest rate and currency swaps	—	(5,946)	—	(5,946)
Derivative transactions total	¥ —	¥2,505	¥ —	¥2,505

(Millions of yen)

March 31, 2025	Level 1	Level 2	Level 3	Total
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥ —	¥67,569	¥38,751	¥106,320
Equity securities	19,002	1,765	2,645	23,414
Other	—	42,009	2,853	44,862
Assets total	¥19,002	¥111,344	¥44,250	¥174,597
Derivative transactions:				
currency swaps	¥ —	¥27	¥ —	¥27
Interest rate swaps	—	1,770	—	1, 770
Interest rate and currency swaps	—	(5,001)	—	(5,001)
Derivative transactions total	¥ —	¥(3,203)	¥ —	¥(3,203)

(Thousands of U.S. dollars)

March 31, 2026	Level 1	Level 2	Level 3	Total
Operational Investment Securities and Investment Securities:				
Available-for -sales Securities				
Bonds	$ —	$254,410	$291,185	$545,595
Equity securities	117,465	9,584	15,933	142,982
Other	—	272,389	10,317	282,706
Assets total	$117,465	$536,383	$317,435	$971,283
Derivative transactions:				
currency swaps	$ —	$15,088	$ —	$15,088
Interest rate swaps	—	37,761	—	37,761
Interest rate and currency swaps	—	(37,183)	—	(37,183)
Derivative transactions total	$ —	$15,666	$ —	$15,666

(b) The financial instruments other than those measured at the fair values in the consolidated balance sheet

(Millions of yen)

March 31, 2026	Level 1	Level 2	Level 3	Total
Lease Receivables and Investments in Lease	¥ —	¥ —	¥994,925	¥994,925
Installment Sales Receivables	—	—	106,850	106,850
Loans Receivables	—	—	646,574	646,574
Factoring Receivables	—	—	193,652	193,652
Long-term Receivables	—	—	14,077	14,077
Assets total	¥ —	¥ —	¥1,956,079	¥1,956,079
Short-term Borrowings	¥ —	¥1,370,543	¥ —	¥1,370,543
Lease Payable	—	20,669	—	20,669
Accounts Payable-trade	—	35,796	—	35,796
Long-term Debt	—	2,062,552	—	2,062,552
Liabilities total	¥ —	¥3,489,561	¥ —	¥3,489,561

(Millions of yen)

March 31, 2025	Level 1	Level 2	Level 3	Total
Lease Receivables and Investments in Lease	¥ —	¥ —	¥1,046,055	¥1,046,055
Installment Sales Receivables	—	—	110,759	110,759
Loans Receivables	—	—	639,937	639,937
Factoring Receivables	—	—	181,478	181,478
Long-term Receivables	—	—	16,408	16,408
Assets total	¥ —	¥ —	¥1,994,639	¥1,994,639
Short-term Borrowings	¥ —	¥1,423,711	¥ —	¥1,423,711
Lease Payable	—	18,511	—	18,511
Accounts Payable-trade	—	30,852	—	30,852
Long-term Debt	—	1,823,647	—	1,823,647
Liabilities total	¥ —	¥3,296,723	¥ —	¥3,296,723

(Thousands of U.S. dollars)

March 31, 2026	Level 1	Level 2	Level 3	Total
Lease Receivables and Investments in Lease	$—	$-	$6,221,004	$6,221,004
Installment Sales Receivables	—	—	668,105	668,105
Loans Receivables	—	—	4,042,857	4,042,857
Factoring Receivables	—	—	1,210,857	1,210,857
Long-term Receivables	—	—	88,025	88,025
Assets total	$—	$—	$12,230,848	$12,230,848
Short-term Borrowings	$—	$8,569,645	$—	$8,569,645
Lease Payable	—	129,241	—	129,241
Accounts Payable-trade	—	223,826	—	223,826
Long-term Debt	—	12,896,593	—	12,896,593
Liabilities total	$—	$21,819,305	$—	$21,819,305

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Operational Investment Securities and Investment Securities
The fair values of Operational Investment Securities and Investment Securities are classified as Level 1 if an unadjusted quoted price in active markets is available, among the published quoted price such as the quoted market price of the stock exchange or the quoted price obtained from the financial institutions. Listed equity securities are mainly included in it.
The fair values of securities are classified as Level 2 if a quoted price in inactive market is used. Corporate bonds are mainly included in it. The investment trusts that do not have quoted market prices in an active market are classified as Level 2 as there are no material restrictions on cancellation or repurchase requests that would require the payment for the risk by market participants. The fair values of these investment trusts are determined by the net asset values.
If a quoted price is not available, the fair values are determined by discounting the future cash flows, by credit risks categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.
Fair value information for securities by classifications is included in Note 6. Operational Investment Securities and Investment Securities.

Lease Receivables and Investments in Lease
The fair values of Lease Receivables and Investments in Lease are principally determined by discounting the future cash flows (lease payments received less maintenance fees), by credit risk categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Installment Sales Receivables
The fair values of Installment Sales Receivables are determined by discounting the future cash flows, by credit risk categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Loans Receivables and Factoring Receivables
The fair values of Loans Receivables and Factoring Receivables are determined by discounting the future cash flows, by credit risk categories for risk management, at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 3 as the impact of unobservable inputs of a credit spread to measure the fair values is significant.

Long-term Receivables
The carrying values of Long-term Receivables at the balance sheet date (net of Allowance for Doubtful Receivables) approximate fair values because the Allowance for Doubtful Receivables is determined based on the amount that is expected to be recovered from collateral and guarantees. They are classified as Level 3 as the impact of unobservable inputs of Allowance for Doubtful Receivables to measure the fair values is significant.

Derivatives
Derivative transactions are mainly composed of over-the-counter transactions and the fair values are based on the prices obtained from the financial institutions. They are classified as Level 2 as the fair values are determined using observable inputs.

Short-term Borrowings
Short-term Borrowings from banks and other financial institutions
The fair values of Short-term Borrowings from banks and other financial institutions are measured at the amount of principal plus interest to be paid at maturity discounted at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Commercial Paper
The fair values of Commercial Paper are measured at the amount of principal plus interest to be paid at maturity discounted at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Payables under Securitized Lease Receivables
The fair values of Payables under Securitized Lease Receivables are determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus spread for securitization. They are classified as Level 2 as the impact of unobservable inputs of a spread for securitization to measure the fair values is immaterial.

Lease Payable
The fair values of Lease Payable are principally determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Accounts Payable - trade
The carrying values of Accounts Payable - trade approximate fair value because they are settled within a short period. The fair values of long-term Accounts Payable are determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Long-term Debt
Bonds Payable
The fair values of Bonds Payable are principally determined by a published quoted price. They are classified as Level 2 as a quoted price in inactive market is used.

Long-term Debt from banks and other financial institutions
The fair values of Long-term Debt from banks and other financial institutions are measured at the amount of interest and principal to be paid at maturity discounted at an appropriate benchmark rate such as an interbank market rate plus a credit spread. They are classified as Level 2 as the impact of unobservable inputs of a credit spread to measure the fair values is immaterial.

Payables under Securitized Lease Receivables
The fair values of Payables under Securitized Lease Receivables are determined by discounting the future cash flows at an appropriate benchmark rate such as an interbank market rate plus spread for securitization. They are classified as Level 2 as the impact of unobservable inputs of a spread for securitization to measure the fair values is immaterial.

The following is an information about the Level 3 fair value of financial instruments measured at fair values on the consolidated balance sheet.

(i) Quantitative information on significant unobservable inputs

March 31, 2026	Valuation technique	Significant unobservable inputs	Range of inputs
Operational Investment Securities and Investment Securities:			
Available-for-sale Securities			
Bonds	Discounted cash flow	Discount rate	0.91-5.25%
Equity securities	Discounted cash flow	Discount rate	1.31-1.77%
Other	Discounted cash flow	Discount rate	—%

March 31, 2025	Valuation technique	Significant unobservable inputs	Range of inputs
Operational Investment Securities and Investment Securities:			
Available-for-sale Securities			
Bonds	Discounted cash flow	Discount rate	0.61-1.35%
Equity securities	Discounted cash flow	Discount rate	0.88-1.23%
Other	Discounted cash flow	Discount rate	1.42-1.75%

(ii) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current period as of March 31, 2026.

(Millions of yen)

March 31, 2026	Balance at beginning of year	Earnings of the period	Other comprehensive income (loss) (*1)	Net amount of purchase, sale, issuance and settlement
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥38,751	¥ —	¥501	¥7,315
Equity securities	2,645	—	(97)	—
Other	2,853	—	3	(1,206)

(Millions of yen)

March 31, 2026	Transfer to Level 3 (*2)	Transfer from Level 3 (*3)	Balance at end of year	Net unrealized gains (losses) on financial assets and liabilities held at the consolidated balance sheet date among the amount recognized in the earnings of the current period.
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥ —	¥ —	¥46,569	¥ —
Equity securities	—	—	2,548	—
Other	—	—	1,650	—

(Millions of yen)

March 31, 2025	Balance at beginning of year	Earnings of the period	Other comprehensive income (loss) (*1)	Net amount of purchase, sale, issuance and settlement
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥46,201	¥ —	¥-1,309	¥(6,140)
Equity securities	2,760	—	-114	—
Other	1,534	0	-2	1,320

(Millions of yen)

March 31, 2025	Transfer to Level 3 (*2)	Transfer from Level 3 (*3)	Balance at end of year	Net unrealized gains (losses) on financial assets and liabilities held at the consolidated balance sheet date among the amount recognized in the earnings of the current period.
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	¥ —	¥ —	¥38,751	¥ —
Equity securities	—	—	2,645	—
Other	—	—	2,853	—

(Thousands of U.S. dollars)

March 31, 2026	Balance at beginning of year	Earnings of the period	Other comprehensive income (loss) (*1)	Net amount of purchase, sale, issuance and settlement
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	$242,303	$ —	$3,138	$45,744
Equity securities	16,545	—	(612)	—
Other	17,840	—	23	(7,546)

(Thousands of U.S. dollars)

March 31, 2026	Transfer to Level 3 (*2)	Transfer from Level 3 (*3)	Balance at end of year	Net unrealized gains (losses) on financial assets and liabilities held at the consolidated balance sheet date among the amount recognized in the earnings of the current period.
Operational Investment Securities and Investment Securities:				
Available-for-sale Securities				
Bonds	$ —	$ —	$291,185	$ —
Equity securities	—	—	15,933	—
Other	—	—	10,317	—

(*1) The amounts shown in the table above are included in the Unrealized Gain on Available-for-sale Securities in Other Comprehensive Income of the Consolidated Statement of Comprehensive Income.

(*2) There was no transfer from Level 2 to Level 3 for the year ended March 31, 2026 and 2025. The transfer is made at the end of the fiscal year in which it occurs.

(*3) There was no transfer from Level 3 to Level 2 for the year ended March 31, 2026 and 2025. The transfer is made at the end of the fiscal year in which it occurs.

(c) Description of the fair value valuation process

At the Group, the risk control department, the finance department and the accounting department establish policies and procedures for the calculation of fair value, and each department which holds financial instruments calculates fair value in accordance with such policies and procedures. In measuring fair value, the Group uses different valuation models that most appropriately reflect the nature, characteristics, and risks of each asset. If quoted prices obtained from third parties are used, those values are verified by confirming the valuation technique and the inputs used by the third parties or trend analysis and other appropriate methods.

(d) Description of the sensitivity of the fair value to changes in significant unobservable inputs

Discount rate is a significant unobservable input used for measurement of the fair value of stocks, bonds and others. Discount rate is an adjustment rate regarding interbank market rate, and it is constituted from risk premium that market participants need against uncertainty of cash flow produced mainly by credit risks. In general, a significant increase or decrease in discount rate would result in a significant increase or decrease in a fair value.

19.Derivatives

Fair values of derivative transactions were as follows. The fair value is measured at quoted prices obtained from the financial institutions. The contract amounts shown in the tables are the notional amounts of derivatives and do not indicate the Company's exposure to credit or market risks:

Derivative transactions to which hedge accounting is not applied:

(1) Interest rate and currency swaps

(Millions of yen)

At March 31, 2026	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Loss
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	¥7,348	¥3,974	¥(1,142)	¥(1, 142)

(Millions of yen)

At March 31, 2025	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Loss
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	¥13,854	¥7,742	¥(1,246)	¥(1, 246)

(Thousands of U.S. dollars)

At March 31, 2026	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Loss
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	$45,949	$24,854	$(7,145)	$(7,145)

Derivative transactions to which hedge accounting is applied:

(1) Foreign currency forward contracts

(Millions of yen)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts Selling, U.S. dollars	Committed transactions in foreign currencies	¥2,445	¥ —	¥2,412

(Millions of yen)

At March 31, 2025	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts Selling, U.S. dollars	Committed transactions in foreign currencies	¥1,714	¥ —	¥27

(Thousands of U.S. dollars)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts Selling, U.S. dollars	Committed transactions in foreign currencies	$15,293	$ —	$15,088

(2) Interest rate swaps

(Millions of yen)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate, receipt - floating rate	Short-term Borrowings, Long-term Debt	¥170,191	¥135,489	¥6,816
Payment - floating rate, receipt - fixed rate	Long-term Debt	¥8,500	¥6,500	¥(327)
	Bonds Payable	¥10,000	¥10,000	¥-(449)

(Millions of yen)

At March 31, 2025	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate, receipt - floating rate	Short-term Borrowings, Long-term Debt	¥153,442	¥121,318	¥2,462
Payment - floating rate, receipt - fixed rate	Long-term Debt	¥17,724	¥10,742	¥(316)
	Bonds Payable	¥14,000	¥10,000	¥(374)

(Thousands of U.S. dollars)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate, receipt - floating rate	Short-term Borrowings, Long-term Debt	$1,064,160	$847,178	$42,621
Payment - floating rate, receipt - fixed rate	Long-term Debt	$53,148	$40,643	$(2,047)
	Bonds Payable	$62,527	$62,527	$(2,812)

(3) Interest rate and currency swaps

(Millions of yen)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate in Japanese Yen, receipt - fixed rate in U.S. dollars	Operational Investment Securities	¥5,954	¥2,011	¥(2,717)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	Operational Investment Securities	¥16,631	¥8,573	¥(2,102)
Payment - fixed rate in Indonesian Rupiah, receipt - floating rate in U.S. dollars	Long-term Debt	¥1,497	¥1,416	¥16

(Millions of yen)

At March 31, 2025	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate in Japanese Yen, receipt - fixed rate in U.S. dollars	Operational Investment Securities	¥7,327	¥5,954	¥(2,496)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	Operational Investment Securities	¥22,631	¥19,791	¥(1,295)
Payment - fixed rate in Indonesian Rupiah, receipt - floating rate in U.S. dollars	Long-term Debt	¥472	¥81	¥36

(Thousands of U.S. dollars)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Payment - fixed rate in Japanese Yen, receipt - fixed rate in U.S. dollars	Operational Investment Securities	$37,233	$12,578	$(16,995)
Payment - fixed rate in Japanese Yen, receipt - floating rate in U.S. dollars	Operational Investment Securities	$103,990	$53,610	$(13,146)
Payment - fixed rate in Indonesian Rupiah, receipt - floating rate in U.S. dollars	Long-term Debt	$9,363	$8,857	$102

Interest rate swaps to which specific accounting is applied:

The following interest rate swaps which qualify for hedge accounting and meet specific matching criteria, are not re-measured at market value. However, the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 18 is included in those of the hedged items (i.e. Loans Receivables, Factoring Receivables and Long-term Debt).

(1) Interest rate swaps

(Millions of yen)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year
Payment - fixed rate, receipt - floating rate	Loans Receivables	¥164	¥ —
	Long-term Debt	¥247,930	¥199,004

(Millions of yen)

At March 31, 2025	Hedged item	Contract Amount	Contract Amount due after One Year
Payment - fixed rate, receipt - floating rate	Loans Receivables	¥358	¥358
	Long-term Debt	¥230,600	¥201,854

(Thousands of U.S. dollars)

At March 31, 2026	Hedged item	Contract Amount	Contract Amount due after One Year
Payment - fixed rate, receipt - floating rate	Loans Receivables	$1,029	$ —
	Long-term Debt	$1,550,242	$1,244,325

20.Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2026 and 2025 were as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	2026	2025	2026
Unrealized Gain (Loss) on Available-for-sale Securities			
Gain (Loss) arising during the year	¥6,817	¥(2,531)	$42,631
Reclassification adjustments to profit or loss	(4,262)	(1,439)	(26,653)
Amount before income tax effect	2,555	(3,971)	15,978
Income tax effect	819	(1,014)	5,123
Total	¥1,736	¥(2,957)	$10,855
Deferred Loss on Derivatives under Hedge Accounting			
Losses arising during the year	¥(1,054)	¥(69)	$(6.590)
Reclassification adjustments to profit or loss	3,721	1,459	23,267
Amount before income tax effect	2,667	1,389	16,677
Income tax effect	833	386	5,212
Total	¥ 1,833	¥ 1,002	$11,465
Foreign Currency Translation Adjustments			
Adjustments arising during the year	¥191	¥6,831	$1,195
Reclassification adjustments to profit or loss	-	-	-
Amount before income tax effect	191	6,831	1,195
Income tax effect	-	-	-
Total	¥191	¥6,831	$1,195
Defined Retirement Benefit Plans			
Adjustments arising during the year	¥1,580	¥(219)	$9,884
Reclassification adjustments to profit or loss	(152)	(139)	(954)
Amount before income tax effect	1,428	(359)	8,930
Income tax effect	871	(94)	5,447
Total	¥557	¥(264)	$3,483
Share of Other Comprehensive Income in associates			
Income arising during the year	¥4,034	¥674	$25,224
Reclassification adjustments to profit or loss	(127)	(184)	(795)
Total	¥3,906	¥489	$24,429
Total Other Comprehensive Income	¥8,224	¥5,102	$51,427

21.Supplemental Information on Changes in Equity

The increase of ten shares of treasury stock is due to the purchase of shares less than one unit. The decrease of 283,600 shares of treasury stock is due to the payment from BBT mentioned above. Issued shares in common stock at the end of fiscal year includes treasury stock of 2,471,900 shares held by the Company's BBT. (See Note 2 (aa) for details on BBT.)

22.Supplemental Information of Cash Flows

As described in Note 5, the Company acquired shares of PCS and included the accounts of PCS in the scope of the consolidation. The net payment for the acquisition was calculated as the difference between the acquisition price and the cash and cash equivalents received. The details of the calculation, assets acquired and liabilities assumed at the date of the acquisition were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Current Assets	¥2,186	$13,670
Fixed assets	2,793	17,465
Goodwill	6,358	39,759
Current Liabilities	(3,803)	(23,784)
Long-term Liabilities	(2,134)	(13,345)
Acquisition cost of shares of subsidiaries	5,400	33,765
Cash and Cash equivalents	(333)	(2,086)
Net Expenditure	¥5,066	$31,679

As described in Note 5, the Company acquired investment units of Japan Infrastructure Fund Investment Corporation and included the accounts of Japan Infrastructure Fund Investment Corporation in the scope of the consolidation. The net payment for the acquisition was calculated as the difference between the acquisition price and the cash and cash equivalents received. The details of the calculation, assets acquired and liabilities assumed at the date of the acquisition were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Current Assets	¥6,654	$41,607
Fixed assets	58,303	364,555
Goodwill	58	363
Current Liabilities	(3,884)	(24,290)
Long-term Liabilities	(31,731)	(198,410)
Non-controlling Interests	(9,705)	(60,689)
Acquisition cost of investment units of subsidiaries	19,693	123,136
Cash and Cash equivalents	(4,676)	(29,240)
Net Expenditure	¥15,016	$93,896

23.Related-Party Disclosures

Transactions of the Group with related parties, i.e., a major shareholder, parent company of a major shareholder, unconsolidated subsidiaries, and fellow company for the year ended March 31, 2026 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Borrowing funds	¥6,484,523	$40,546,014
Securitization of receivables	599,119	3,746,135
Issuance of commercial paper	1,530,600	9,570,437
Payment of interest	11,176	69,885
Receipt of interest	0	2
Issuance of bonds payable	67,000	418,933

The balances due to or from these companies at March 31, 2026 were as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
	2026	2026
Prepaid expenses	¥49	$309
Short-term borrowings	264,921	1,656,482
Commercial paper	52,900	330,770
Payables under securitized lease receivables	12,688	79,335
Current Portion of Long-term debt	104,075	650,758
Current Portion of Bonds Payable	72,200	451,448
Bonds payable	407,000	2,544,863
Long-term debt	106,013	662,877
Long-term payables under securitized lease receivables	40	255
Accrued expenses	863	5,398

24.Per Share Information

Details of basic net income attributable to owners of the parent per share (“EPS”) for the years ended March 31, 2026 and 2025 were as follows:

	(Millions of yen)	(Thousands of shares)	(Yen)	(U.S. dollars)
For the year ended March 31, 2026:	Net income attributable to owners of the parent	Weighted- average shares	EPS	
Basic EPS				
Net income available to common shareholders	¥47,609	280,097	¥169.98	$1.06
For the year ended March 31, 2025:				
Basic EPS				
Net income available to common shareholders	¥42,038	272,015	¥154.54	$1.03

25.Subsequent Events

Appropriation of Retained Earnings

The following appropriation of Retained Earnings at March 31, 2026, was approved at the Company's shareholders' meeting on June 23, 2026:

	(Millions of yen)	(Thousands of U.S. dollars)
Year-end cash dividends, ¥26.00 ($0.16) per share	¥7,349	$45,953

Issuance of class shares through a third-party allotment, partial amendment to the Articles of Incorporation, execution of a capital and business alliance agreement with Mizuho Financial Group, Inc., change in Company's largest and major shareholders, execution of a capital and business alliance agreement with Nippon Steel Kowa Real Estate Co., Ltd., etc.

The Company resolved at the meeting of its Board of Directors held on May 14, 2026 to submit to the 57th Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") held on June 23, 2026 a proposal regarding a partial amendment to the articles of incorporation (the "Partial Amendment to the Articles of Incorporation") relating to the new creation of class A shares for the purpose of enabling the issuance of said class A shares.

In addition, the Company resolved to issue the class A shares in the total amount of ¥46,080 million ($288,126 thousand) by way of a third-party allotment (the "Capital Increase by Third-Party Allotment") to the planned allottee, Mizuho Financial Group, Inc. ("Mizuho FG" or the "Planned Allottee") on the condition that the proposal regarding the Partial Amendment to the Articles of Incorporation is approved at the General Meeting of Shareholders as originally proposed.

Further, the Company resolved to terminate the capital and business alliance agreement it executed with Mizuho FG on March 30, 2022 (as amended; the "Existing Capital and Business Alliance Agreement (Mizuho FG)"; the capital and business alliance entered into between the Company and Mizuho FG under the Existing Capital and Business Alliance Agreement (Mizuho FG) is hereinafter referred to as the "Existing Capital and Business Alliance (Mizuho FG)") subject to the Capital Increase by Third-Party Allotment becoming effective, and to execute a capital and business alliance agreement with the intention to reflect the capital alliance in accordance with the Capital Increase by Third-Party Allotment and to continue the business alliance on the same terms as those in the Existing Capital and Business Alliance (Mizuho FG).

Furthermore, the Company confirmed that Mizuho FG, the largest and major shareholder and other affiliated company of the Company, has reached an agreement on May 14, 2026 with Nippon Steel Kowa Real Estate Co., Ltd. ("NSKRE") regarding the transfer of part of the common shares of the Company held by Mizuho FG to NSKRE through an off-market negotiated transaction (the "Share Transfer"). Due to the Capital Increase by Third-Party Allotment and Share Transfer, there will be a change in the largest and major shareholder of the Company.

Also, in light of the change in the capital relationship, including the Share Transfer, the Company resolved to terminate the capital and business alliance agreement executed with NSKRE on April 24, 2025 (the "Existing Capital and Business Alliance Agreement (NSKRE)") subject to the Share Transfer becoming effective and other conditions being satisfied, and to execute a capital and business alliance agreement with the intention to reflect the capital alliance in accordance with the Share Transfer and to continue the business alliance on the same terms as those of the Existing Capital and Business Alliance Agreement (NSKRE).

Introduction of Employee Stock Ownership Plan (J-ESOP)

The Company resolved at the meeting of its Board of Directors held on May 14, 2026 to introduce J-ESOP, an employee stock ownership plan (the "Plan") under which Company shares are granted as incentives to managerial employees of the Company who satisfy certain requirements (the "Eligible Employees").

(1) Background and purpose of introduction

The Company has already introduced a performance-linked stock compensation plan for its Directors and Executive Officers who do not concurrently serve as Directors (the "Directors, etc.").

By further linking Eligible Employee benefits with the Company's stock price and business performance and sharing the economic benefits with shareholders, the Plan aims to foster a stronger sense of participation in management and greater motivation to achieve stock price appreciation and improved business performance.

Furthermore, the Plan is intended not only to accelerate the transformation of our business portfolio, but also to encourage Directors, etc. and Eligible Employees to work together as one to develop a resilient business foundation and ensure future growth under our three-year Medium-Term Management Plan 2028. By becoming "a platform company that co-creates the future together with our clients" through these efforts, we aim to enhance our corporate value even further.

(2) Overview of the Plan

The Plan distributes Company shares and cash equivalent to the market value of Company shares (the "Company Shares, etc.") to Eligible Employees in accordance with the Company's stock benefit rules established in advance.

The Company grants points to Eligible Employees according to factors such as their individual level of contribution, and then distributes Company Shares, etc. equivalent to those granted points when Eligible Employees acquire the right to receive benefits upon satisfying certain requirements. The shares to be distributed to Eligible Employees, including those to be distributed in the future, will be acquired in advance using money held in a trust and managed separately as trust assets.

(3) Overview of the stock benefit trust

(a) Name
Employee stock ownership plan (J-ESOP)
(b) Settlor
Mizuho Leasing Company, Limited
(c) Trustee
Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
(d) Beneficiaries
Those who acquired the right to receive benefits upon satisfying the requirements stipulated in the stock benefit rules at the time of separation from service
(e) Trust administrator:
Selected from among Eligible Employees
(f) Trust type
Trust of money other than a money trust (third-party beneficiary trust)
(g) Trust purpose
To grant Company Shares, etc., which are trust assets, to Beneficiaries in accordance with the stock benefit rules
(h) Execution date of trust agreement
May 28, 2026
(i) Date of entrustment of money
May 28, 2026
(j) Trust duration
From May 28, 2026, to termination of the trust (No specific termination date is set; the Trust will remain in place as long as the Plan continues.)

(4) Information on Company shares to be acquired by the stock benefit trust

(a) Type of shares to be acquired
Common shares of the Company
(b) Amount entrusted for share acquisition
¥71 million ($447 thousand)
(c) Share acquisition limit
49,200 shares
(d) Share acquisition method
Through market purchases
(e) Share acquisition period
May 28, 2026, to June 5, 2026 (planned)

■ Corporate Information / Stock Information

Corporate Information (As of March 31, 2026)

Company name	Mizuho Leasing Company, Limited
Head Office	2-3 Toranomon 2-chome, Minato-ku, Tokyo 105-0001, Japan Tel: +81-3-5253-6511 (main exchange)
Date of Establishment	December 1, 1969
Paid-in Capital	¥46,925.26 million * As the result of a capital increase on July 1, 2026, paid-in capital now stands at ¥69,965.26 million.
Number of Employees	Consolidated: 2,434; Non-consolidated: 838
Business Description	Integrated financial services

Business Sites (as of July 31, 2026)

Head Office	Toranomon Alcea Tower, 2-3 Toranomon 2-chome, Minato-ku, Tokyo 105-0001 +81-3-5253-6511
Sapporo Branch	Hulic Square Sapporo, 3-1-44 Kita Sanjo Nishi, Chuo-ku, Sapporo, Hokkaido 060-0003 +81-11-231-1341
Sendai Branch	Sendai First Tower, 3-1-1 Ichibancho, Aoba-ku, Sendai, Miyagi 980-0811 +81-22-223-2611
Corporate Business Department (Metropolitan Area No. 2)	V Square Omiya, 65-2, Naka-cho 2-chome, Omiya-ku, Saitama, Saitama 330-0845 +81-48-631-0751
Toyama Branch	5-13 Sakurabashi-dori, Toyama, Toyama 930-0004 +81-76-444-1080
Shizuoka Branch	Shizuoka Fukoku Seimei Building, 5-9 Miyuki-cho, Aoi-ku, Shizuoka, Shizuoka 420-0857 +81-54-205-3330
Nagoya Branch	Nagoya Intercity, 11-11 Nishiki 1-chome, Naka-ku, Nagoya, Aichi 460-0003 +81-52-203-5891
Kyoto Branch	Karasuma Chuo Building, 659, Tearaimizu-cho, Nishikikozi-agaru, Karasuma-dori, Nakagyo-ku, Kyoto, Kyoto 604-8152 +81-75-223-1545
Osaka Business Department (No. 1)	Yodoyabashi Station One, 6-22 Kitahama 3-chome, Chuo-ku, Osaka, Osaka 541-0041 +81-6-6201-3981
Osaka Business Department (No. 2)	Same as above
Hiroshima Branch	1-22, Kamiyacho 2-chome, Naka-ku, Hiroshima, Hiroshima 730-0031 +81-82-249-4435
Takamatsu Branch	6-8, Bancho 1-chome, Takamatsu, Kagawa 760-0017 +81-87-823-7321
Fukuoka Branch	ONE FUKUOKA BLDG., 11-1 Tenjin 1-chome, Chuo-ku, Fukuoka, Fukuoka 810-0001 +81-92-714-5671

Management (As of July 31, 2026)

Directors	Director and Chairman	Shusaku Tsuhara
	President and CEO, Representative Director	Akira Nakamura
	Deputy President, Representative Director	Hiroshi Nagamine
	Deputy President	Mutsumi Ishizuki
	Deputy President	Masahiko Abe
	Managing Director	Kensuke Sato
	Outside Independent Director	Mari Sagiya
	Outside Independent Director	Takayuki Aonuma
	Outside Independent Director	Hirozumi Sone
	Outside Independent Director	Natsumi Watanabe
	Outside Independent Director	Haruyuki Urata
	Outside Director	Jiro Itai
Audit & Supervisory Board Members	Standing Audit & Supervisory Board Member (Outside)	Koji Arita
	Standing Audit & Supervisory Board Member (Outside)	Shingo Suwabe
	Standing Audit & Supervisory Board Member	Noboru Otaka
	Audit & Supervisory Board Member (Outside)	Hideki Amano

Executive Officers

Managing Executive Officers	Toshiyuki Takezawa	**Executive Officers**	Ryuji Fujiwara
	Nobuhisa Zama		Masato Matsui
	Yasuhiko Hashimoto		Kenji Wakui
	Kazuomi Funakawa		Toshiya Matsuo
	Hirohide Ishiyama		Toshihiko Moriya
	Hiroyuki Kudo		Mitsuhiro Sakamoto
	Akira Kinoshita		Yasuhisa Yokoyama
	Takashi Yao		Toshiaki Ito
	Akira Tanaka		Toshiharu Naoi
	Masashi Takahata		Kazunaga Ueno
	Hiroya Uchimura		Morimichi Sano
	Taketo Imai		Masateru Kawahara
	Makoto Matsubara		
	Koki Minami		
	Kenji Akiyama		

Stock Information (As of March 31, 2026)

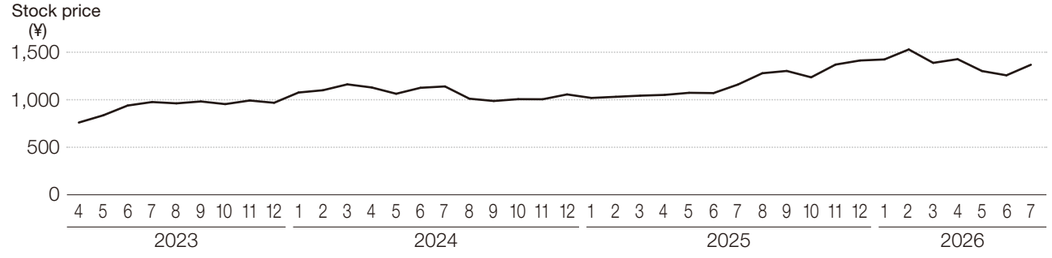
Number of Shares Authorized	700,000,000 * 732,000,000 shares as of June 23, 2026 (of which, 700,000,000 common shares and 32,000,000 Class A shares)
Number of Shares Issued	Ordinary shares 282,666,300 *32,000,000 Class A shares were issued on July 1, 2026
Number of Shareholders	91,663
Stock Exchange Listing	Tokyo Stock Exchange, Prime Market
Securities Code	8425
Shareholder Registry Administrator (Office Location)	Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Major Shareholders (Top 10)

Shareholders	Number of Shares Held	Shareholding Ratio (%)
Mizuho Financial Group, Inc.	65,278,500	23.09
Marubeni Corporation	56,533,300	20.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,396,500	7.22
Custody Bank of Japan, Ltd. (Trust Account)	8,626,800	3.05
RICOH LEASING COMPANY, LTD.	7,500,000	2.65
STATE STREET BANK AND TRUST COMPANY 505223	3,764,332	1.33
Custody Bank of Japan, Ltd. (TOSHIBA CORPORATION Retirement Benefit Trust Account re-entrusted by the Mitsui Sumitomo Trust & Banking Co., Ltd.)	3,000,000	1.06
Daiichi Life Insurance Co., Ltd.	2,925,000	1.03
DOWA HOLDINGS CO., LTD	2,800,000	0.99
Custody Bank of Japan, Ltd. (Trust Account E)	2,471,900	0.87

(Note) 1. The shareholding ratio is calculated excluding treasury stock (7,590 shares).
Note that treasury stock does not include 2,471,900 shares acquired through the Stock Benefit Trust (BBT-RS).
2. As announced in the timely disclosure dated May 14, 2026, and entitled "Notice Concerning Issuance of Class Shares through a Third-Party Allotment, Partial Amendment to the Articles of Incorporation, Execution of a Capital and Business Alliance Agreement with Mizuho Financial Group, Inc., Change in Company's Largest and Major Shareholders, Execution of a Capital and Business Alliance Agreement with Nippon Steel Kowa Real Estate Co., Ltd., Etc.," on July 1, 2026, Mizuho Financial Group, Inc. transferred its holding of 24,574,200 common shares in Mizuho Leasing (8.69% of shares outstanding (excluding treasury stock)) to Nippon Steel Kowa Real Estate Co., Ltd. Furthermore, Mizuho Leasing issued 32,000,000 Class A shares with no voting rights by way of a third-party allotment, to Mizuho Financial Group, Inc. as the allottee.

Stock Performance



(Note) On April 1, 2024, the company split its common stock at a ratio of 5 for 1. The above share price has been retroactively adjusted to take into account the stock split.

Major Group Companies (As of June 30, 2026)

<Consolidated Subsidiaries>

Company Name	Location	Paid-in Capital or Investment	Business Activity	Ownership
ML Estate Company, Limited	Japan	¥10 million	Real estate leasing	100%
Dai-ichi Leasing Co., Ltd.	Japan	¥2,000 million	General leasing	90%
Mizuho-Toshiba Leasing Company, Limited	Japan	¥1,520 million	General leasing	90%
Mizuho Auto Lease Company, Limited	Japan	¥386 million	Auto leasing	100%
Universal Leasing Co., Ltd.	Japan	¥50 million	General leasing	90%
MIRAIZ CAPITAL Co., Ltd.	Japan	¥15 million	Financing	100%
ML Shoji Company, Limited	Japan	¥310 million	Used equipment sales	100%
P-C-S Co., Ltd.	Japan	¥300 million	Other	100%
ML Power Company, Limited	Japan	¥10 million	Environment and Energy	100%
ML Office Service Company, Limited	Japan	¥10 million	Office services	100%
ML ITAD Solutions Co., Ltd.	Japan	¥100 million	Other	85%
Uguisu LLC	Japan	¥10 million	Other	100%
Japan Infrastructure Fund Investment Corporation	Japan	¥34,029 million	Other	100%
Mizuho Leasing (China) Ltd.	China	US$30 million	General leasing	100%
Mizuho RA Leasing Pvt. Ltd.	India	INR3,049 thousand	General leasing	94%
Mizuho Capsave Finance Pvt. Ltd.	India	INR240,907 thousand	General leasing	94%
PT MIZUHO LEASING INDONESIA Tbk	Indonesia	IDR568,735,399 thousand	General leasing	67%

31 other companies

<Equity method affiliates>

Company Name	Location	Paid-in Capital or Investment	Business Activity	Ownership
Mizuho Marubeni Leasing Corporation	Japan	¥4,390 million	General leasing	50%
RICOH LEASING COMPANY, LTD.	Japan	¥7,896 million	General leasing	20%
Mizuho Capital Co., Ltd.	Japan	¥902 million	Financing	36%
Japan Infrastructure Fund Advisors Co., Ltd.	Japan	¥450 million	Other	49%
Rental System Co., Ltd.	Japan	¥40 million	Other	49%
METREC Co., Ltd.	Japan	¥300 million	Other	33%
Nippon Steel Kowa Real Estate Co., Ltd.	Japan	¥19,824 million	Real estate	22%
GECOSS CORPORATION	Japan	¥4,397 million	Rental and sale of temporary construction materials	20%
Krungthai Mizuho Leasing Co., Ltd.	Thailand	THB100 million	General leasing	49%
Vietnam International Leasing Company Limited	Vietnam	VND580,000 million	General leasing	18%
PLM Fleet, LLC	USA	US$72,933 thousand	Trailer leasing	50%
Aircastle Limited	Bermuda	US$178	Aircraft leasing	25%
Affordable Car Leasing Pty Ltd (currently ACL FINANCE GROUP PTY. LTD.)	Australia	AUD40 million	Financing	50%
Star Asia Group LLC	USA	US$20 thousand	Other	25%

One other company

Link to Annual Report of Mizuho Leasing Company, Limited
https://www.mizuho-ls.co.jp/en/ir/library/securities.html

Mizuho Leasing Company, Limited

2-3 Toranomon 2-chome, Minato-ku, Tokyo 105-0001, Japan

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