

Mizuho Leasing Company, Limited

8425

Tokyo Stock Exchange Prime Market

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Summary

Net income attributable to owners of the parent expected to continue reaching historic highs in FY3/27 as well

Mizuho Leasing Company, Limited <8425> (hereafter, also “the Company”) is a major leasing company in the Mizuho Group. The Company aims to accelerate growth through its inorganic M&A and alliances strategy, collaborating primarily with Mizuho Financial Group, Inc. <8411> (hereafter, also “Mizuho FG”) and Marubeni Corporation <8002>. Not only that, the Company aims to become a business enterprise that grows beyond the traditional finance framework through initiatives to create new businesses.

1. Accelerating business development into high-growth-potential areas while steadily expanding core areas

Under its Medium-term Management Plan 2025, with fiscal 2025 as the final year, the Company classifies its business areas on a management accounting basis into domestic leasing business, real estate/environment and energy business, overseas/aviation business, and finance/investment business. While endeavoring to steadily expand the core areas that provide it with solid earnings (domestic leasing and real estate), the Company has seen remarkable expansion in its real estate/environment and energy business and overseas/aviation business due to accelerating the development of its businesses into high-growth-potential areas (environment and energy). This has created a well-balanced earnings structure supported by the three pillars of domestic leasing business, real estate/environment and energy business, and overseas/aviation business. The Company’s characteristics and strengths include a strong customer base centered on the Mizuho Group, a business base built on high-quality assets, thorough risk management, a financing base based on an external credit rating that is among the best in the industry, and a human resources base that possesses extensive knowledge and expertise about leasing transactions and financial services.

2. Net income in FY3/26 set a new record high

In FY3/26, the Company reported consolidated results of ¥921,592mn (up 32.5% year on year (YoY)) for net sales, ¥44,674mn (down 8.8%) for operating income, ¥64,969mn (down 1.9%) for ordinary income and ¥47,609mn (up 13.3%) for net income attributable to owners of the parent. Net income attributable to owners of the parent exceeded the revised forecast (dated November 6, 2025) and ended at a new record high. At the gross profit level, results were driven by domestic leasing business and real estate business. Although funding costs increased with rising domestic interest rates and growth in operating assets, the impact was offset by an increase in gross profit before funding costs, allowing the Company to secure an increase in gross profit. In addition, increases in the share of profit of entities accounted for using equity method under non-operating income and in the gain on sale of investment securities under extraordinary income contributed to the increase in net income attributable to owners of the parent. Moreover, newly executed contract volume on a Company-wide basis increased 10.5% to ¥1,984,727mn, and operating assets increased 3.6% to ¥3,399,877mn from the end of the previous fiscal year. Newly executed contract volume increased significantly in domestic leasing business, while operating assets increased steadily in domestic leasing business and real estate/environment and energy business.

Summary

3. Expecting record-high net income in FY3/27 as well

For the FY3/27 consolidated results, the Company is forecasting operating income to decrease 10.5% YoY to ¥40,000mn, ordinary income to increase 3.1% to ¥67,000mn, and net income attributable to owners of the parent to increase 9.2% to ¥52,000mn. The Company is anticipating that gross profit will be flat, as higher funding costs stemming from rising interest rates and business expansion will be offset by increased revenue from the steady accumulation of operating assets and lower credit costs. It expects operating income to decline due to higher SG&A expenses associated with investments in personnel and systems to strengthen managerial foundations, and ordinary income and net income attributable to owners of the parent to increase due to a non-recurring accounting gain under share of profit/loss of entities accounted for using equity method. Note that the Company anticipates the share of profit/loss of entities accounted for using equity method to increase ¥6.5bn to ¥29.0bn. The Company expects to record a non-recurring accounting gain recognized as negative goodwill, as its equity interest will increase following the purchase of treasury shares by an equity method affiliate. Net income attributable to owners of the parent will set a new record high for the second consecutive fiscal year.

4. Accelerating business portfolio transformation under Medium-term Management Plan 2028

In May 2026, the Company formulated Medium-term Management Plan 2028 (FY3/27 to FY3/29). Positioning this plan as a “three-year period to accelerate transformation and solidify future growth” with a view to achieving its vision, while expanding its foundation developed to date, the Company will accelerate the transformation of its business portfolio as well as build managerial foundations resilient to change. It will restructure its organization into five headquarters by business area (Business Promotion Headquarters, Real Estate Headquarters, Environmental Energy Business Headquarters, International Business Headquarters, and Investment Headquarters), and will facilitate the transformation and optimization of the overall business portfolio by selecting sub-portfolios to be managed by each headquarters. In addition, the Company will separate the Innovation Co-Creation Department from the five headquarters and promote new business exploration and alliances with startups under the direct control of management. It has set FY3/29 revenue targets for each business headquarters (Headquarters revenue: Gross profit + share of profit of entities accounted for using equity method + non-operating income): up ¥3.1bn versus FY3/26 to ¥46.0bn for the Business Promotion Headquarters; up ¥3.9bn to ¥42.0bn for the Real Estate Headquarters; up ¥3.8bn to ¥6.0bn for the Environmental Energy Business Headquarters; up ¥4.6bn to ¥23.0bn for the International Business Headquarters; and up ¥10.1bn to ¥24.0bn for the Investment Headquarters. The Company seeks to strengthen collaboration by leveraging the Mizuho Group’s customer base and Marubeni’s domestic and international networks, deepen alliances with existing investees, and utilize inorganic investments (M&A) to achieve a well-balanced business portfolio.

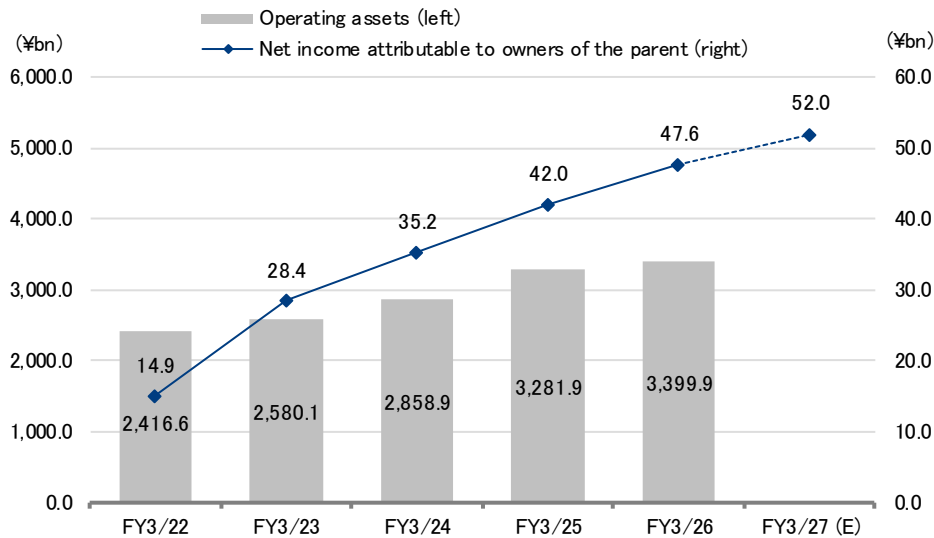
Additionally, as part of its capital policy and with the aim of securing the funds necessary for growth investments and strengthening its financial foundation, the Company will implement a third-party allotment capital increase with Mizuho FG as the allottee (issuing 32,000,000 non-voting Class A shares, with July 1, 2026 as the payment date, a total issue price of approximately ¥46.1bn, and funds raised (net proceeds) of approximately ¥45.9bn).

Key Points

- A major leasing company in the Mizuho Group, with a capital and business alliance with Marubeni as well
- Has a strong customer base, business base, financing base, and human resources base as its characteristics and strengths
- Net income attributable to owners of the parent ended at a historic high in FY3/26
- Record-high net income attributable to owners of the parent forecast for FY3/27 as well
- Will accelerate business portfolio transformation under Medium-term Management Plan 2028 and implement a capital increase through a third-party allotment as part of its capital policy

Summary

Results trends



Note: Operating assets are figures as of the end of each fiscal year.
Source: Prepared by FISCO from the Company's results briefing materials

Company profile

Strategic company for leasing and non-financial services within the Mizuho Group

1. Company profile

The Company is the Mizuho Group's strategic company for leasing and non-financial services. It aims to accelerate growth through an inorganic M&A and alliances strategy, collaborating primarily with the Mizuho Group and Marubeni. In addition, the Company aims to become a business enterprise that grows beyond the traditional finance framework through initiatives to create new businesses.

The Company Group consists of the Company itself and over 200 subsidiaries and affiliates. Its major consolidated subsidiaries include ML Estate Company, Limited, Dai-ichi 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. (India), Mizuho Capsave Finance Pvt. Ltd. (India), and PT Mizuho Leasing Indonesia Tbk, among others. Its major equity method affiliates include Mizuho Marubeni Leasing Corporation, RICOH LEASING COMPANY, LTD.<8566>, Mizuho Capital Co., Ltd., Japan Infrastructure Fund Advisors Ltd., Rental System Co., Ltd., Nippon Steel Kowa Real Estate Co., Ltd., GECOSS <9991>, Krungthai Mizuho Leasing Co., Ltd. (Thailand), Vietnam International Leasing Co., Ltd., PLM Fleet, LLC (US), Aircastle Limited (USA), Affordable Car Leasing Pty Ltd (Australia), and Star Asia Group LLC, among others. The Company is an equity method affiliate of Mizuho FG and Marubeni.

Company profile

At the end of FY3/26, the Company had total assets of ¥4,175,256mn, net assets of ¥454,469mn, and an equity ratio of 10.3%. The number of shares issued was 282,666,300 shares (including 2,479,490 treasury shares). The Company also executed a 5-for-1 share split, effective April 1, 2024. Additionally, from the standpoint of appropriately complying with the US Bank Holding Company Act and other financial regulations, in July 2026, the Company plans to optimize the voting rights ratio by having 8.7% of the Company's shares held by Mizuho FG transferred to Nippon Steel Kowa Real Estate Co., Ltd., and, with July 1, 2026 as the payment date, will conduct a third-party allotment of new shares to Mizuho FG (through which it will issue 32,000,000 non-voting Class A shares). As a result, Mizuho FG's equity interest on an economic interest basis (including indirect interests held by Mizuho Securities Co., Ltd.) will remain at 23.6%. However, on a voting rights basis after the capital increase, the shareholder composition will be 14.9% for Mizuho FG, 20.0% for Marubeni, and 8.7% for Nippon Steel Kowa Real Estate Co., Ltd.

2. History

The Company was established in December 1969 as Pacific Lease Co., Ltd. with investment from companies centered on The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.). In November 1981, the Company name was changed to IBJ Leasing Co., Ltd., and in October 2004, the Company was listed on the Second Section of the Tokyo Stock Exchange (TSE). In September 2005, the Company was redesignated to the First Section of the TSE. In October 2019, the Company name was changed to the current Mizuho Leasing Company, Limited, and in April 2022, the Company moved to the Prime Market due to a review of the TSE's market classifications. The Company has expanded its business operations by utilizing M&A and alliances. In March 2019, it formed a capital and business alliance with Mizuho FG, and one with Marubeni in June 2024.

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Company profile

History

Year Month	Main events
December 1969	Pacific Lease Co., Ltd. established based on investment from 15 companies centered on The Industrial Bank of Japan (now Mizuho Bank, Ltd.)
November 1981	Company name changed to IBJ Leasing Company, Limited
February 1987	Established IBJ Leasing (UK) Limited in the UK (now Mizuho Leasing (UK) Limited, a consolidated subsidiary)
February 1992	Acquired the equity interests of Krung Thai IBJ Leasing Co., Ltd. (now Krungthai Mizuho Leasing Co., Ltd., an equity method affiliate)
December 1993	Established Yaesu Leasing Company, Limited (now ML Estate Company, Limited, a consolidated subsidiary)
February 1999	Acquired Nissan Leasing Co., Ltd. (merger acquisition in April 2015)
June 2000	Acquired shares of Saison Auto Lease Systems Co., Ltd. (now Mizuho Auto Lease Company, Limited, a consolidated subsidiary)
June 2001	Acquired shares of Universal Leasing Co., Ltd. (now a consolidated subsidiary)
October 2004	Shares listed on the Second Section of the Tokyo Stock Exchange (TSE)
September 2005	Redesignated to First Section of TSE
October 2005	Established Marunouchi Shoji Company, Limited (now ML Shoji Company, Limited, a consolidated subsidiary)
March 2006	Acquired Dai-ichi Leasing Co., Ltd. (now a consolidated subsidiary)
April 2007	Established KL Office Service Company, Limited (now ML Office Service Company, Limited, a consolidated subsidiary)
July 2008	Established IBJ Leasing (China) Ltd. in China (now Mizuho Leasing (China) Ltd., a consolidated subsidiary)
August 2010	Established PT. IBJ VERENA FINANCE in Indonesia (now PT Mizuho Leasing Indonesia Tbk, a consolidated subsidiary)
February 2012	Acquired shares of TF Asset Service Co., Ltd. (now Mizuho-Toshiba Leasing Company, Limited, a consolidated subsidiary), which succeeded the corporate financial services business of Toshiba Finance Corporation
February 2016	Established IBJ Air Leasing Limited (now a consolidated subsidiary), a joint venture with U.S. aircraft leasing company Aircastle Limited
August 2016	Established IBJ Air Leasing (US) Corp. as a joint venture with Aircastle Limited
January 2019	Acquired shares of PT. VERENA MULTI FINANCE Tbk of Indonesia (now PT Mizuho Leasing Indonesia Tbk, a consolidated subsidiary)
March 2019	Became an equity method affiliate of Mizuho Financial Group, Inc. through a capital and business alliance Acquired shares of MG Leasing Corporation (now Mizuho Marubeni Leasing Corporation, an equity method affiliate, a joint venture with Marubeni Corporation)
July 2019	Merged with PT. IBJ VERENA FINANCE, with PT. VERENA MULTI FINANCE Tbk (now PT Mizuho Leasing Indonesia Tbk) as the surviving company
October 2019	Changed company name to Mizuho Leasing Company, Limited
March 2020	Acquired the equity interests of Aircastle Limited, (now an equity method affiliate, joint operating company with Marubeni) Acquired the equity interests of PLM Fleet, LLC, a U.S. freezer/refrigerated trailer leasing and rental company (now an equity method affiliate, jointly operated with Marubeni)
April 2020	Acquired equity interests of Vietnam International Leasing Co., Ltd. (now an equity method affiliate) Acquired RICOH LEASING COMPANY, LTD. (now an equity method affiliate)
March 2021	Singapore subsidiary Mizuho Leasing (Singapore) Pte. Ltd. started operations (now a consolidated subsidiary)
May 2021	Acquired the equity interests of Mizuho Capital Co., Ltd. (now an equity method affiliate)
August 2021	Acquired equity interests of Nippon Steel Kowa Real Estate Co., Ltd. (now an equity method affiliate)
January 2022	Acquired Affordable Car Leasing Pty Ltd, an Australian automobile sales and financing company (now an equity method affiliate, jointly operated with Marubeni)
April 2022	Moved to the Prime Market in conjunction with the TSE's market reclassifications
June 2023	Acquired shares of Rent Alpha Pvt. Ltd. (now Mizuho RA Leasing Pvt. Ltd.), an Indian leasing company (now a consolidated subsidiary along with its wholly owned subsidiary Capsave Finance Pvt. Ltd. (now Mizuho Capsave Finance Pvt. Ltd.))
February 2024	Established MIRAIZ CAPITAL Co., Ltd. (a consolidated subsidiary)
May 2024	Formed a capital and business alliance with GECOSS CORPORATION (now an equity method affiliate)
June 2024	Formed a capital and business alliance with Marubeni, and became an equity method affiliate
April 2025	Established ML ITAD Solution Co., Ltd. to promote the realization of a circular economy
October 2025	Formed a capital and business alliance with TRE HOLDINGS CORPORATION (completed share acquisition in May 2026; voting rights ratio of 10.06%)
January 2026	Completed a TOB for the investment units of Japan Infrastructure Fund Investment Corporation (consolidated subsidiary)
March 2026	Formed a capital and business alliance with Star Asia Group LLC (now an equity method affiliate)

Source: Prepared by FISCO from the Company's securities report, press releases, and other materials

Business overview

Offers various financial services centered on leasing transactions

1. Business overview

The Company offers various financial services, mainly focusing on leasing transactions. In a leasing transaction, a leasing company purchases the property (industrial machinery, machine tools, office equipment, transport equipment, medical equipment, commercial facilities, logistics facilities, etc.) desired by the lessee customer (company, etc.) on behalf of the customer and rents it to the customer. Ownership of the leased property remains with the leasing company, and the leasing company receives from the customer a payment including the property price, interest, various taxes, insurance expenses, etc. as lease fees. Leasing transactions are classified into two types: finance leases and operating leases. In finance leases, the contract cannot be terminated during the contract period (non-cancellable), and the lessee pays almost the entire property price and sundry expenses as lease fees (full payout). Finance leases are further classified into “ownership transfer transactions” in which the ownership of the leased assets is transferred to the lessee, and “non-ownership transfer transactions” in which the ownership remains with the leasing company. In an operating lease, on the other hand, the ownership of the asset remains with the leasing company, and the asset is generally returned at the end of the contract. The benefits to the lessee of using leasing transactions include not needing a large amount of capital when adopting the equipment, being able to set the lease period according to the planned period for which the equipment will be used, and gaining the benefits of outsourcing assets.

The reporting segments based on the Company’s financial results summary and securities reports are as follows: Leasing and Installment Sales (leasing and installment sales of real estate, industrial and machine tools, IT-related equipment, transportation equipment, environment- and energy-related facilities, etc.), Finance (lending, investment, factoring, etc. for real estate, aviation, ships, environment- and energy-related fields, etc.), and Other (sales and purchases of used properties, power generation business, etc.).

In FY3/26, net sales by segment (net sales to outside customers) were ¥863,468mn for Leasing and Installment Sales, ¥43,492mn for Finance, and ¥14,632mn for Other. Operating income (before adjustment for Company-wide expenses, etc.) was ¥26,851mn for Leasing and Installment Sales, ¥17,010mn for Finance, and ¥1,933mn for Other. Newly executed contract volume was ¥944,610mn for Leasing and Installment Sales (comprising ¥388,697mn for finance leases, ¥502,940mn for operating leases, and ¥52,972mn for installment sales), ¥1,031,621mn for Finance, and ¥8,495mn for Other. Operating assets totaled ¥1,963,160mn for Leasing and Installment Sales (comprising ¥1,008,235mn for finance leases, ¥844,657mn for operating leases, and ¥110,267mn for installment sales), ¥1,282,881mn for Finance, and ¥153,835mn for Other. Based on operating income, Leasing and Installment Sales, and Finance serve as the two main pillars of earnings.

Gross profit and operating assets experiencing an expansionary trend

2. Trends by business area

In addition to the reporting segments based on the financial results summary and securities report, the Company discloses gross profit, operating assets, and newly executed contract volume for its business areas (domestic leasing business, real estate/environment and energy business, overseas/aviation business, and finance/investment business) based on management accounting. This report will present analysis and commentary based on business area classifications, in accordance with the Company's disclosure materials. The trends over the past 5 fiscal years (FY3/22 to FY3/26) in gross profit and its composition ratio, operating assets and their composition ratio, newly executed contract volume and its composition ratio by business area on a management accounting basis are as follows. The Company is steadily expanding core areas (domestic leasing and real estate) that provide it with solid earnings while accelerating business development in growth areas (high-growth-potential environment and energy) and in frontier areas (circular economy). This has led to notable expansion in the real estate/environment and energy business and overseas/aviation business, resulting in the creation of a well-balanced earnings structure supported by the three pillars of domestic leasing business, real estate/environment and energy business, and overseas/aviation business.

Gross profit on a Company-wide basis (gross profit before funding costs through FY3/23) expanded from ¥62.1bn in FY3/22 to ¥88.9bn in FY3/26, and the gross profit composition by business area was 43.0% for domestic leasing business, 34.3% for real estate/environment and energy business, 19.7% for overseas/aviation business, and 3.0% for finance/investment business. By business area, domestic leasing business saw its composition ratio decline from 58.3% in FY3/22 to 43.0% in FY3/26. In value terms, however, it expanded from ¥36.2bn to ¥38.2bn, reflecting steady growth. In real estate/environment and energy business, the amount rose considerably from ¥13.8bn to ¥30.5bn, and the composition ratio rose sharply from 22.2% to 34.3%. In overseas/aviation business, the amount increased to ¥17.5bn from ¥9.4bn, and the composition ratio rose to 19.7% from 15.1%.

Operating assets on a Company-wide basis expanded from ¥2,416.6bn at the end of FY3/22 to ¥3,399.9bn at the end of FY3/26. The operating assets composition by business area at the end of FY3/26 was 44.4% for domestic leasing business, 43.4% for real estate/environment and energy business, 7.4% for overseas/aviation business, and 4.7% for finance/investment business. By business area, in domestic leasing business, the balance decreased slightly from ¥1,508.8bn at the end of FY3/22 to ¥1,510.1bn at the end of FY3/26, and its composition ratio declined to 44.4% from 62.4%. In real estate/environment and energy business, the balance increased significantly from ¥590.0bn to ¥1,476.0bn, and the composition ratio rose from 24.4% to 43.4%. In overseas/aviation business, the balance increased from ¥163.6bn to ¥253.1bn, and the composition ratio rose from 6.8% to 7.4%.

Newly executed contract volume on a Company-wide basis (with disclosure of newly executed contract volume by business area starting in FY3/24) expanded from ¥1,470.5bn in FY3/23 to ¥1,984.7bn in FY3/26, and the composition ratio in FY3/26 was 50.5% for domestic leasing business, 34.4% for real estate/environment and energy business, 12.8% for overseas/aviation business, and 2.3% for finance/investment business. By business area, in domestic leasing business, newly executed contract volume expanded from ¥946.5bn in FY3/23 to ¥1,003.2bn in FY3/26, but the composition ratio declined from 64.4% to 50.5%. In real estate/environment and energy business, newly executed contract volume increased from ¥408.3bn to ¥682.6bn, and the composition ratio rose from 27.8% to 34.4%. In overseas/aviation business, both newly executed contract volume and the composition ratio increased significantly, from ¥70.7bn to ¥254.1bn and from 4.8% to 12.8%, respectively.

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Business overview

Trends by business area (management accounting basis)

(¥bn)

Gross profit before funding costs (Through FY3/23) / Gross profit (From FY3/24)	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26	YoY	
						Change	% Change
Domestic leasing	36.2	37.3	35.5	35.2	38.2	3.0	8.5%
Real estate/environment and energy	13.8	21.2	24.3	29.2	30.5	1.3	4.5%
Real estate	-	-	23.0	27.4	28.9	1.5	5.5%
Environment and energy	-	-	1.3	1.8	1.6	-0.2	-11.1%
Overseas/aviation	9.4	10.6	11.8	18.5	17.5	-1.0	-5.4%
Overseas affiliated companies	-	-	7.7	13.2	13.5	0.3	2.3%
Aviation, ships, etc.	-	-	4.1	5.3	3.9	-1.4	-26.4%
Finance/investment	2.8	3.2	2.1	3.4	2.7	-0.7	-20.6%
Total	62.1	72.3	73.6	86.3	88.9	2.6	3.0%

Note: Separately, the Company recorded ¥1.0bn in extraordinary income in 1H from the sale of owned aircraft.

Composition ratio for gross profit before funding costs (Through FY3/23) / Composition ratio for gross profit (From FY3/24)	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Domestic leasing	58.3%	51.6%	48.2%	40.8%	43.0%
Real estate/environment and energy	22.2%	29.3%	33.0%	33.8%	34.3%
Real estate	-	-	31.3%	31.7%	32.5%
Environment and energy	-	-	1.8%	2.1%	1.8%
Overseas/aviation	15.1%	14.7%	16.0%	21.4%	19.7%
Overseas affiliated companies	-	-	10.5%	15.3%	15.2%
Aviation, ships, etc.	-	-	5.6%	6.1%	4.4%
Finance/investment	4.5%	4.4%	2.9%	3.9%	3.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(¥bn)

Operating assets	End-FY3/22	End-FY3/23	End-FY3/24	End-FY3/25	End-FY3/26	Vs. end of previous fiscal year	
						Change	% Change
Domestic leasing	1,508.8	1,441.6	1,416.3	1,447.9	1,510.1	62.2	4.3%
Real estate/environment and energy	590.0	792.8	1,020.3	1,377.8	1,476.0	98.2	7.1%
Real estate	-	-	905.7	1,240.0	1,269.3	29.3	2.4%
Environment and energy	-	-	114.5	137.8	206.7	68.9	50.0%
Overseas/aviation	163.6	195.0	240.9	259.5	253.1	-6.4	-2.5%
Overseas affiliated companies	-	-	78.5	105.9	125.0	19.1	18.0%
Aviation, ships, etc.	-	-	162.5	153.6	128.1	-25.5	-16.6%
Finance/investment	154.2	150.7	181.4	196.7	160.7	-36.0	-18.3%
Total	2,416.6	2,580.1	2,858.9	3,281.9	3,399.9	118.0	3.6%

Composition of operating assets	End-FY3/22	End-FY3/23	End-FY3/24	End-FY3/25	End-FY3/26
Domestic leasing	62.4%	55.9%	49.5%	44.1%	44.4%
Real estate/environment and energy	24.4%	30.7%	35.7%	42.0%	43.4%
Real estate	-	-	31.7%	37.8%	37.3%
Environment and energy	-	-	4.0%	4.2%	6.1%
Overseas/aviation	6.8%	7.6%	8.4%	7.9%	7.4%
Overseas affiliated companies	-	-	2.7%	3.2%	3.7%
Aviation, ships, etc.	-	-	5.7%	4.7%	3.8%
Finance/investment	6.4%	5.8%	6.3%	6.0%	4.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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Business overview

(¥bn)

Newly executed contract volume	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26	YoY	
						Change	% Change
Domestic leasing	-	946.5	796.0	822.3	1,003.2	180.9	22.0%
Real estate/environment and energy	-	408.3	495.9	705.0	682.6	-22.4	-3.2%
Real estate	-	-	475.0	664.4	659.6	-4.8	-0.7%
Environment and energy	-	-	20.9	40.6	23.0	-17.6	-43.3%
Overseas/aviation	-	70.7	122.5	234.8	254.1	19.3	8.2%
Overseas affiliated companies	-	-	86.6	204.6	233.9	29.3	14.3%
Aviation, ships, etc.	-	-	35.9	30.2	20.2	-10.0	-33.1%
Finance/investment	-	45.0	54.1	33.6	44.8	11.2	33.3%
Total	-	1,470.5	1,468.4	1,795.7	1,984.7	189.0	10.5%

Composition of newly executed contract volume	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Domestic leasing	-	64.4%	54.2%	45.8%	50.5%
Real estate/environment and energy	-	27.8%	33.8%	39.3%	34.4%
Real estate	-	-	32.3%	37.0%	33.2%
Environment and energy	-	-	1.4%	2.3%	1.2%
Overseas/aviation	-	4.8%	8.3%	13.1%	12.8%
Overseas affiliated companies	-	-	5.9%	11.4%	11.8%
Aviation, ships, etc.	-	-	2.4%	1.7%	1.0%
Finance/investment	-	3.1%	3.7%	1.9%	2.3%
Total	-	100.0%	100.0%	100.0%	100.0%

Notes: 1. Gross profit before funding costs has been reclassified and disclosed as gross profit from the results briefing materials for FY3/25. The figures for FY3/24 have been restated to reflect this change.

Notes: 2. Newly executed contract volume by business area has been disclosed from the results briefing materials for FY3/24.

Notes: 3. Breakdowns of the real estate/environment and energy business and the overseas/aviation business have been disclosed from the results briefing materials for FY3/26.

Notes: 4. Composition ratios and YoY changes have been calculated by FISCO based on figures rounded to the nearest ¥0.1bn.

Source: Prepared by FISCO from the Company's results briefing materials

Company has a strong customer base, business base, financing base, and human resources base as its characteristics and strengths

3. Characteristics and strengths, risk factors, and measures

The Company's characteristics and strengths include a strong customer base centered on the Mizuho Group, one of Japan's leading corporate groups; a business base built up with high-quality assets; thorough risk management; a financing base based on an external credit rating that is among the best in the industry; and a human resources base with extensive knowledge and expertise regarding leasing transactions and financial services.

Business overview

General risk factors in the leasing industry include the suppression of corporate capital investment due to the global economic downturn and dramatic fluctuations in interest rates and exchange rates, credit costs arising from the deterioration of business performance and bankruptcy of business partners, the decline in the value of assets held, and the impact of rising interest rates and credit ratings on fund procurement. In order to reduce the impact of such demand fluctuation risks, credit risks, asset risks, liquidity risks related to fund procurement, interest rate fluctuation risks, and natural disaster risks on the Company's business, the head of the risk management group supervises and promotes risk management from a Company-wide perspective, and a system is in place to respond quickly and flexibly to risk events through each risk management department. Each risk management department grasps and controls risks related to business in a timely manner and verifies the effectiveness of such measures. Further, the risk management committee verifies the implementation status, penetration status, and effectiveness of various risk reduction measures, and reports the results to the board of directors.

Although the Company's performance may be influenced by factors such as asset sales, M&A-related expenses, trends in interest rates, and credit costs, we at FISCO believe that its core areas provide solid earnings thanks to its strong customer base, business base, financing base, and human resources base, and that it has worked to minimize overall risk.

Results trends

Net income attributable to owners of the parent reached a historic high in FY3/26

1. Overview of FY3/26 results

In FY3/26, the Company reported consolidated results of ¥921,592mn (up 32.5% YoY) for net sales, ¥44,674mn (down 8.8%) for operating income, ¥64,969mn (down 1.9%) for ordinary income and ¥47,609mn (up 13.3%) for net income attributable to owners of the parent. Relative to the revised forecast (as of November 6, 2025, the Company left operating income unchanged at ¥45,000mn, and revised ordinary income and net income attributable to owners of the parent upward by ¥3,000mn to ¥60,000mn and by ¥2,000mn to ¥45,000mn, respectively), operating income fell short by ¥326mn, but ordinary income and net income attributable to owners of the parent exceeded it by ¥4,969mn and ¥2,609mn, respectively, with net income attributable to owners of the parent ending at a record high. Newly executed contract volume on a Company-wide basis increased 10.5% to ¥1,984,727mn, and operating assets increased 3.6% from the end of the previous fiscal year to ¥3,399,877mn, marking steady increases. In newly executed contract volume, domestic leasing business rose significantly, and in operating assets, domestic leasing business and real estate/environment and energy business increased steadily, with overall growth driven by domestic leasing business and real estate/environment and energy business.

Mizuho Leasing Company, Limited | 7-Jul.-2026
 8425 Tokyo Stock Exchange Prime Market | <https://www.mizuho-ls.co.jp/en/ir.html>

Results trends

FY3/26 consolidated results

	FY3/25		FY3/26		YoY	
	Result	Vs. revenues	Result	Vs. revenues	Change	% Change
Net sales	695,423	-	921,592	-	226,169	32.5%
Gross profit	86,343	12.4%	88,859	9.6%	2,516	2.9%
SG&A expenses	37,377	5.4%	44,185	4.8%	6,808	18.2%
Operating income	48,966	7.0%	44,674	4.8%	-4,292	-8.8%
Non-operating income	22,629	3.3%	28,033	3.0%	5,404	23.9%
Dividend income	1,024	0.1%	776	0.1%	-248	-24.2%
Share of profit of entities accounted for using equity method	18,008	2.6%	22,464	2.4%	4,456	24.7%
Non-operating expenses	5,377	0.8%	7,739	0.8%	2,362	43.9%
Interest expenses	4,676	0.7%	6,980	0.8%	2,304	49.3%
Ordinary income	66,219	9.5%	64,969	7.0%	-1,250	-1.9%
Extraordinary income	403	0.1%	4,292	0.5%	3,889	965.0%
Extraordinary losses	748	0.1%	2,466	0.3%	1,718	229.7%
Net income attributable to owners of the parent	42,038	6.0%	47,609	5.2%	5,571	13.3%
Newly executed contract volume	1,795,684	-	1,984,727	-	189,043	10.5%
End-of-fiscal year operating assets	3,281,857	-	3,399,877	-	118,020	3.6%
Ratio of gross profit to operating assets	2.8%	-	2.7%	-	-0.1pp	-
ROA	1.8%	-	1.6%	-	-0.2pp	-
ROE	12.2%	-	11.7%	-	-0.5pp	-

Notes 1: ROA = ordinary income ÷ total assets, ROE = net income attributable to owners of the parent ÷ equity

Notes 2: Used the average balances between the start and end of the fiscal year when computing the ratio of gross profit to operating assets, ROA, and ROE

Source: Prepared by FISCO from the Company's financial results and results briefing materials

Gross profit increased 2.9% YoY, and the gross profit margin fell 2.8 percentage points (pp) to 9.6%. Although funding costs increased as domestic interest rates rose and operating assets expanded (up ¥8.2bn to ¥34.2bn), the increase was absorbed by higher gross profit before funding costs (up ¥10.8bn to ¥123.1bn), which enabled the Company to secure growth in gross profit (up ¥2.6bn to ¥88.9bn). SG&A expenses increased 18.2% due to higher credit costs and personnel expenses, among others. However, the SG&A expense ratio decreased 0.6pp to 4.8%. As a result, the operating income margin fell 2.2pp to 4.8%. In terms of non-operating income and expenses, although dividend income decreased ¥248mn and interest expenses rose ¥2,304mn, share of profit of entities accounted for using equity method increased ¥4,456mn (¥18,008mn in FY3/25; ¥22,464mn in FY3/26). As a result, the decline in ordinary income was smaller than that in operating income. Additionally, in extraordinary income and losses, loss on valuation of investment securities increased ¥1,205mn (¥41mn in FY3/25; ¥1,246mn in FY3/26), and head office relocation expenses of ¥1,190mn were recorded. However, gain on sale of investment securities increased ¥3,889mn (¥403mn in FY3/25; ¥4,292mn in FY3/26), and the ¥697mn provision for loss on head office relocation recorded in the previous year ran its course. As a result, net income attributable to owners of the parent increased. Note that the ratio of gross profit to operating assets decreased 0.1pp to 2.7%, ROA decreased 0.2pp to 1.6%, and ROE decreased 0.5pp to 11.7%.

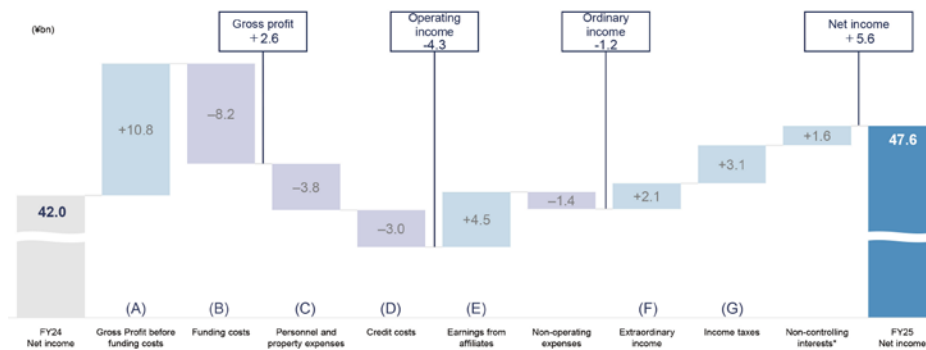
Results trends

An analysis of the factors behind the increase and decrease in net income attributable to owners of the parent (an increase of ¥5.6bn YoY) shows an increase of ¥2.6bn at the gross profit level (¥10.8bn increase due to an increase in gross profit before funding costs; ¥8.2bn decrease due to an increase in funding costs), a decrease of ¥4.3bn at the operating income level (¥3.8bn decrease due to an increase in personnel and property expenses; ¥3.0bn decrease due to an increase in credit costs), and a decrease of ¥1.2bn at the ordinary income level (¥4.5bn increase due to an increase in share of profit/loss of entities accounted for using equity method; ¥1.4bn decrease due to a deterioration in non-operating income and expenses). However, net income attributable to owners of the parent showed increases of ¥2.1bn due to an improvement in extraordinary income and losses, ¥3.1bn due to a decrease in income tax expenses, etc. and ¥1.6bn due to an increase in net income attributable to non-controlling interests.

Although an impairment loss on domestic real estate development projects was recorded in 4Q, on a full-year basis, gross profit before funding costs was driven by growth in gross profit before funding costs and operating assets in domestic leasing business and real estate business. Funding costs increased in line with an increase in domestic interest rates and an expansion in operating assets. For SG&A expenses, the Company incurred higher personnel expenses and IT costs to strengthen managerial foundations as well as TOB-related and other expenses. Also, for credit costs, it recorded an allowance for doubtful accounts related to a domestic biomass project in 3Q. Share of profit/loss of entities accounted for using equity method benefited from strong performance at Aircastle as well as from an increase in the equity interest in Nippon Steel Kowa Real Estate Co., Ltd. (through a share purchase in May 2025, raising the stake from 15.29% to 30.14%). For extraordinary income and losses, the Company recognized impairment losses on certain policy investments, while also recording gains on the sale of policy shareholdings and on the sale of SPC shares in aviation business. For income tax expenses, etc., the impact of the reversal of deferred tax assets under the controlled foreign company (CFC) tax regime related to Aircastle in the previous fiscal year has run its course.

Note that the breakdown by business area of the ¥4.5bn YoY increase in share of profit/loss of entities accounted for using equity method was as follows: domestic leasing business fell ¥4.0bn to ¥4.7bn (due to the non-recurrence of the ¥4.7bn negative goodwill recognized in the previous fiscal year on the acquisition of GECOSS shares), real estate/environment and energy business increased ¥2.8bn to ¥7.3bn, overseas/aviation increased ¥5.6bn to ¥10.2bn (of which Aircastle increased ¥4.6bn to ¥5.9bn), and finance/investment business increased ¥0.1bn to ¥0.3bn.

Factors behind changes in net income attributable to owners of the parent



Source: The Company's results briefing materials

Gross profit increased in domestic leasing business and real estate business

2. Trends by business area

Looking at the results by business area (management accounting basis), gross profit for domestic leasing business increased ¥3.0bn YoY to ¥38.2bn, while real estate/environment and energy business increased ¥1.3bn to ¥30.5bn (real estate business increased ¥1.5bn to ¥28.9bn; environment and energy business decreased ¥0.2bn to ¥1.6bn), overseas/aviation business decreased ¥1.0bn to ¥17.5bn (overseas affiliated companies increased ¥0.3bn to ¥13.5bn, and aviation, ships, etc. decreased ¥1.4bn to ¥3.9bn), and finance/investment business decreased ¥0.7bn to ¥2.7bn. Newly executed contract volume increased ¥180.9bn to ¥1,003.2bn for domestic leasing business, while real estate/environment and energy business decreased ¥22.4bn to ¥682.6bn (real estate business decreased ¥4.8bn to ¥659.6bn; environment and energy business decreased ¥17.6bn to ¥23.0bn), overseas/aviation business increased ¥19.3bn to ¥254.1bn (overseas affiliated companies increased ¥29.3bn to ¥233.9bn; aviation, ships, etc. decreased ¥10.0bn to ¥20.2bn), and finance/investment business increased ¥11.2bn to ¥44.8bn. Operating assets increased ¥62.2bn to ¥1,510.1bn for domestic leasing business, while real estate/environment and energy business increased ¥98.2bn to ¥1,476.0bn (real estate increased ¥29.3bn to ¥1,269.3bn; environment and energy business increased ¥68.9bn to ¥206.7bn), overseas/aviation business decreased ¥6.4bn to ¥253.1bn (overseas affiliated companies increased ¥19.1bn to ¥125.0bn; aviation, ships, etc. decreased ¥25.5bn to ¥128.1bn), and finance/investment business decreased ¥36.0bn to ¥160.7bn.

In domestic leasing business, gross profit expanded steadily, supported by the accumulation of high-quality operating assets. In real estate business, despite growth in operating assets remaining somewhat modest, partly due to the completion of large bridge transactions, and an impairment loss being recorded on domestic development projects in the 4Q, gross profit expanded steadily. In environment and energy business, operating assets increased significantly as a result of consolidating Japan Infrastructure Fund Investment Corporation <9287> via a TOB. Among overseas affiliated companies, Mizuho RA Leasing demonstrated solid performance.

Maintained financial soundness with a high credit rating; diversifying financing

3. Financial position

Looking at the Company's financial condition, at the end of FY3/26, total assets were ¥4,175,256mn, an increase of ¥277,195mn versus the end of FY3/25. Total liabilities rose ¥224,221mn to ¥3,720,386mn, while net assets increased ¥52,974mn to ¥454,469mn. Operating assets increased mainly due to business expansion, as did interest-bearing liabilities by ¥195,987mn to ¥3,474,058mn. The breakdown (composition ratio) of interest-bearing liabilities was borrowings (yen) 60%, commercial papers 16%, bonds payable (yen) 14%, foreign currency 8%, and payables under securitized lease receivables 3%. Regarding total net assets, retained earnings increased due to the posting of net income attributable to owners of the parent. As a result, the equity ratio increased 0.5pp to 10.3%. Although interest-bearing liabilities increased, taking into account factors such as the Company's consistently high credit rating, stable fundraising through diversification of financing methods, and an upward trend in its equity ratio, we at FISCO believe that the Company's financial soundness is being maintained.

Results trends

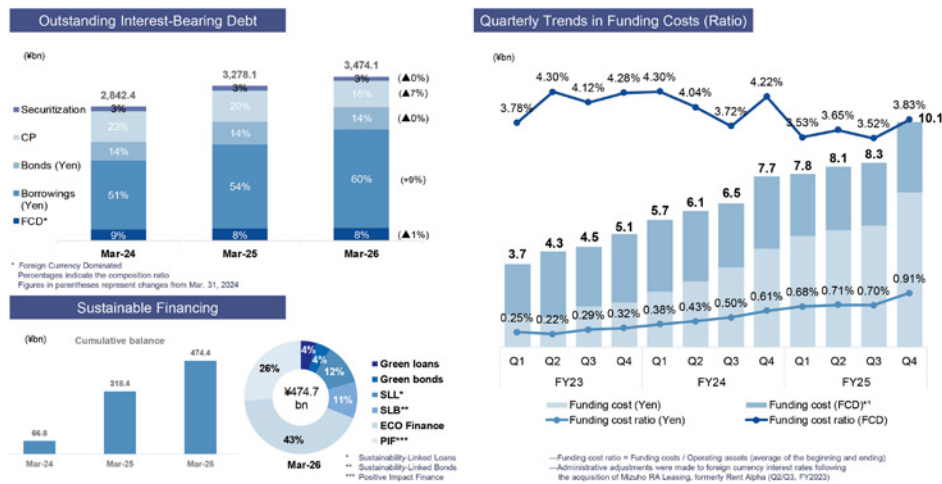
Consolidated balance sheet and consolidated statement of cash flows (simplified)

	End-FY3/22	End-FY3/23	End-FY3/24	End-FY3/25	End-FY3/26	Change
(¥mn)						
Total assets	2,748,810	2,954,634	3,363,336	3,898,061	4,175,256	277,195
Current assets	2,166,681	2,279,668	2,378,063	2,542,515	2,602,449	59,934
Non-current assets	582,128	674,965	985,272	1,355,545	1,572,807	217,262
Total liabilities	2,518,007	2,678,800	3,033,535	3,496,565	3,720,786	224,221
Current liabilities	1,548,375	1,573,455	1,715,242	1,991,876	1,986,526	-5,350
Non-current liabilities	969,632	1,105,345	1,318,293	1,504,688	1,734,260	229,572
Total net assets	230,803	275,834	329,800	401,495	454,469	52,974
Shareholders' equity	207,286	229,896	257,171	326,983	363,434	36,451
Equity ratio	8.0%	8.9%	9.2%	9.8%	10.3%	0.5pp

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Cash flows from operating activities	-68,495	-117,816	-192,205	-393,324	-9,060
Cash flows from investing activities	-27,712	-17,111	-51,969	-53,184	-116,013
Cash flows from financing activities	99,810	143,518	266,524	457,132	146,366
Cash and cash equivalents at fiscal year end	24,502	33,453	56,194	67,999	88,801

Source: Prepared by FISCO from the Company's financial results

Funding



Source: The Company's results briefing materials

■ Outlook

Record-high net income attributable to owners of the parent forecast for FY3/27 as well

● FY3/27 forecasts

For the FY3/27 consolidated results, the Company is forecasting operating income to decrease 10.5% YoY to ¥40,000mn, ordinary income to increase 3.1% to ¥67,000mn, and net income attributable to owners of the parent to increase 9.2% to ¥52,000mn. The Company is anticipating that gross profit will be flat, as higher funding costs stemming from rising interest rates and business expansion will be offset by increased revenue from the steady accumulation of operating assets and lower credit costs. It expects operating income to decline due to higher SG&A expenses associated with investments in personnel and systems to strengthen managerial foundations, and ordinary income and net income attributable to owners of the parent to increase due to a non-recurring accounting gain under share of profit/loss of entities accounted for using equity method. Note that the Company anticipates the share of profit/loss of entities accounted for using equity method to increase ¥6.5bn to ¥29.0bn. The Company expects to record a non-recurring accounting gain recognized as negative goodwill, as its equity interest will increase following the purchase of treasury shares by an equity method affiliate. Net income attributable to owners of the parent is forecast to set a new record high for the second consecutive fiscal year.

Consolidated forecasts for FY3/27

	FY3/26 Result	FY3/27 Forecast	YoY	
			Change	% Change
Operating income	44,674	40,000	-4,674	-10.5%
Ordinary income	64,969	67,000	2,031	3.1%
Net income attributable to owners of the parent	47,609	52,000	4,391	9.2%

Source: Prepared by FISCO from the Company's financial results

■ Growth strategy

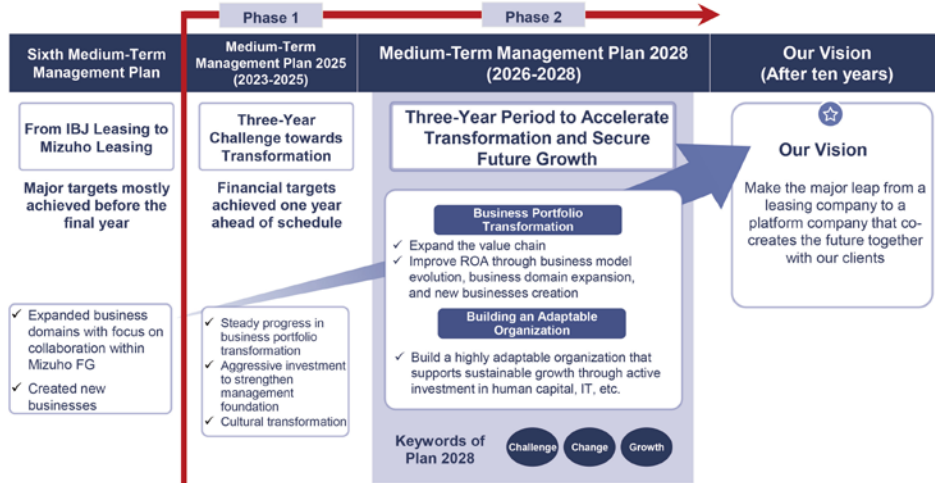
The newly formulated Medium-term Management Plan 2028 is a three-year plan to accelerate transformation

1. Medium-term Management Plan 2028

In May 2026, the Company formulated Medium-term Management Plan 2028 (FY3/27 to FY3/29). Positioning the Medium-term Management Plan 2028 as a “three-year period to accelerate transformation and solidify future growth” with a view to achieving its vision of “making a major leap from a leasing company to a platform company that co-creates the future together with its customers,” while expanding its foundation developed to date, the Company will accelerate the transformation of its business portfolio as well as build managerial foundations resilient to change.

Growth strategy

Positioning of Medium-term Management Plan 2028



Source: The Company's medium-term management plan

As for the financial targets set out in the previous medium-term management plan, Medium-term Management Plan 2025 (FY3/24–FY3/26) (net income attributable to owners of the parent of ¥42.0bn, operating assets up ¥700.0bn from FY3/23, ROA of 1.6%, and ROE of 12%), progress was generally on track, with some targets achieved ahead of schedule in FY3/25. In terms of transforming the business portfolio as well, relative to the target composition of 72% in Core Areas and 28% in Growth Areas (the FY3/23 actual was 79% in Core Areas and 21% in Growth Areas), the FY3/26 actual was 66% in Core Areas and 34% in Growth Areas, approaching targets. Total revenue from inorganic investments excluding negative goodwill (investee companies since FY3/20) expanded from ¥9.1bn in FY3/23 to ¥31.4bn in FY3/26, driving growth across all areas. The Company also met its non-financial targets in many areas, including securing renewable energy power generation capacity (target: 1GW; actual: 1.2GW) and developing digital IT personnel (target: 200 people or more, actual: 340 people).

In Medium-term Management Plan 2028, the Company set the following financial targets for the final year, FY3/29: net income attributable to owners of the parent of ¥60.0bn, ROA of 1.7% or more, ROE of 11% or more, and an equity ratio of around 12%, as well as non-financial targets including an increase of 70 personnel in strategic areas by FY3/29 (compared with FY3/26) and investment amount in developing personnel in FY3/27–FY3/29 averaging at least 2 times compared with the average for Medium-term Management Plan 2025. The Company added the equity ratio to its financial targets in order to establish a financial base that enables sustainable growth. For non-financial targets, the Company focused on contributing to solving social issues and set targets centered on human capital.

Growth strategy

Financial and non-financial targets under Medium-term Management Plan 2028

Financial Targets		Non-Financial Targets	
<p>Net Income</p> <p>Seize business opportunities and continue to steadily grow net income</p>	<p>FY2028</p> <p>¥60 bn</p>	<p>Carbon Neutral</p> <p>Realizing a decarbonized society</p>	<p>Reducing Scope 1 and 2 CO₂ emissions*</p> <p>*Non-consolidated and 9 domestic consolidated subsidiaries</p> <p>Achieve carbon neutrality (FY2030)</p>
<p>ROA*</p> <p>Improve ROA through focus on profitability and reinforcement of non-interest bearing/asset-recycling businesses</p>	<p>FY2028</p> <p>1.7% or more</p>	<p>Circular Economy</p> <p>Realizing the circular economy</p>	<p>Reuse and recycling rate</p> <p>Maintain 98% or more (FY2026-28 average)</p>
<p>ROE</p> <p>Maintain a high-level ROE through profit growth driven by continued growth investments</p>	<p>FY2028</p> <p>11% or more</p>	<p>Human Capital</p> <p>Human capital management as a cornerstone</p>	<p>Expanding personnel in strategic areas</p> <p>Compared with FY2025 +70 people (FY2028)</p>
<p>Equity Ratio</p> <p>Establish a financial base to support sustainable and stable growth</p>	<p>FY2028</p> <p>Around 12%</p>		<p>Investment amount for developing personnel</p> <p>2x or more (Average compared with Plan 2025, FY2026-28)</p>
			<p>Management positions filled by women</p> <p>18% (FY2028)</p>

Source: The Company's medium-term management plan

To accelerate the transformation of its business portfolio, the Company will promote the following priority strategies: Effectively Use Assets (Shift from asset expansion to a business model that balances equity enhancement and growth, and expand high ROA and high asset recycling businesses); Strengthen Fee-based Businesses (Strengthen fee-based businesses that do not utilize assets and investment and asset management businesses); Expand International Business (Capture overseas growth for future sustainable growth, leverage the Marubeni network, including overseas infrastructure network, and utilize Mizuho Group's Greenhill and Avendus); and Support Middle Market Growth (Expand collaboration with Mizuho Group in middle market (small and medium-sized domestic companies), offer investment management products such as JOLCO/JOL, and expand M&A and business investment as a strategy for business succession).

In building managerial foundations resilient to change, the Company will promote the following priority strategies: Strengthen Human Capital (secure diverse human capital to support business portfolio transformation, strengthen management skills, and develop the next generation of talent); Transform Corporate Culture (foster strong individuals who act proactively and autonomously, build an organization that takes on challenges to create new value, and increase engagement); Improve Productivity with Digital Technology (drive business portfolio transformation and productivity improvement centered on AI/technology, create added value through data analysis, and strengthen data governance); and Enhance Risk Management (enhance investment decision-making process, strengthen the monitoring/risk management system, and upgrade cybersecurity and other BCP measures). Note that as a recent initiative, the Company relocated to its new headquarters in February 2026. The Company has released drone footage of its new headquarters and is also using it for purposes such as strengthening recruitment activities.

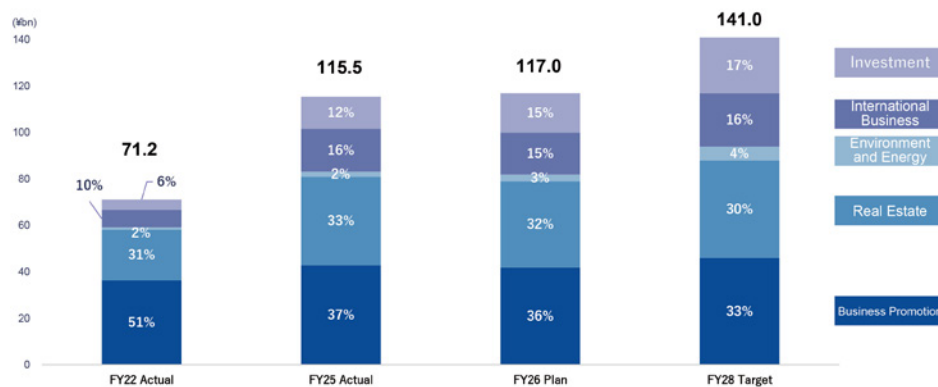
Promoting business portfolio transformation and optimization

2. Strategy by business area

Under Medium-term Management Plan 2028, the Company will restructure its organization into five headquarters by business area (Business Promotion Headquarters, Real Estate Headquarters, Environmental Energy Business Headquarters, International Business Headquarters, and Investment Headquarters), and will facilitate the transformation and optimization of the overall business portfolio by selecting sub-portfolios to be managed by each headquarters. In addition, the Company will separate the Innovation Co-Creation Department from the five headquarters and promote new business exploration and alliances with startups under the direct control of management. It has set FY3/29 revenue targets for each business headquarters: up ¥3.1bn versus FY3/26 to ¥46.0bn for the Business Promotion Headquarters; up ¥3.9bn to ¥42.0bn for the Real Estate Headquarters; up ¥3.8bn to ¥6.0bn for the Environmental Energy Business Headquarters; up ¥4.6bn to ¥23.0bn for the International Business Headquarters; and up ¥10.1bn to ¥24.0bn for the Investment Headquarters. The Company seeks to strengthen collaboration by leveraging the Mizuho Group's customer base and Marubeni's domestic and international networks, deepen alliances with existing investees, and utilize inorganic investments to achieve a well-balanced business portfolio.

Revenue outlook for each business headquarters

HO Revenue: Gross profit + equity in earnings + non-operating income				(¥bn)		
	FY22 Actual	FY25 Actual	FY26 Plan	FY28 Target	Compared with FY22	Compared with FY25
Business Promotion	36.4	42.9	42.0	46.0	+ 9.6	+3.1
Real Estate	21.8	38.1	37.0	42.0	+20.2	+3.9
Environment and Energy	1.1	2.2	3.0	6.0	+ 4.9	+3.8
International Business	7.4	18.4	18.0	23.0	+15.6	+4.6
Investment	4.5	13.9	17.0	24.0	+19.5	+10.1



Source: The Company's medium-term management plan

As a key strategy, the Business Promotion Headquarters adopts a basic policy of co-creating value as a partner in customers' business strategies. In domestic leasing business, it seeks to expand earnings by reforming its sales style while deepening cooperation with alliance partners. In addition, it will leverage the Mizuho Group's customer base and focus particularly on areas such as business succession support and investment product offerings for the middle market.

With a basic policy of providing diverse solutions through real estate that supports social infrastructure, the Real Estate Headquarters offers various financing services for offices, logistics facilities, and other properties, and also engages in investment and development business. It will also strengthen its existing businesses and create new ones through collaboration with alliance partners.

Growth strategy

The Environmental Energy Business Headquarters, whose basic policy is to provide solutions to environmental issues through renewable energy power supply, utilizes 1GW of renewable energy power generation capacity to drive expansion of business domains and revenue opportunities. It will also strengthen initiatives in new areas, including grid storage batteries and the provision of environmental value, as it looks to build its renewable energy power supply infrastructure business.

The basic policy of the International Business Headquarters is to expand its business areas through an inorganic strategy. It will expand overseas businesses by leveraging the Mizuho FG and Marubeni alliances. The headquarters will accelerate M&A strategies especially in the Americas and Australia, where Marubeni has advantages. Additionally, it will strengthen profitability in India, a growth market, with Mizuho RA Leasing as its base.

Based on its basic policy of equity-driven value co-creation with customers, the Investment Headquarters will strengthen investments in the overseas infrastructure business centered on the Marubeni alliance. It will also leverage the customer base of the Mizuho Group to strengthen structuring and sales of JOLCO/JOL products for aviation, ships, and others.

The Innovation Co-Creation Department, whose basic policy is to transform social issues into business value by combining the Company's strengths (customer base, financing function, asset management function, and others) and technologies, aims to develop and create new markets and business domains through alliances with startups. In collaboration with each HQ, it will also promote the strengthening of existing businesses and enhancement of value provided through co-creation with technology, AI, and external partners.

Regarding collaboration with the Mizuho Group, the Company, as the Mizuho Group's strategic leasing company, provides unique solutions to the Mizuho Group's corporate customer base, which is among the largest in Japan, by capitalizing on its financing and property ownership capabilities. In particular, the Company aims to expand its business domains by strengthening its approach to the middle market. With respect to collaboration with Marubeni, the Company integrated its overseas M&A function into the Marubeni Collaboration Division, renaming it the Cross-border M&A Marubeni Collaboration Division. It will deploy its expertise in Mono (equipment & properties), understanding of commercial distribution, and advanced financial knowledge through Marubeni's global network. In particular, under "Medium-term Management Plan 2028," the Company will explore M&A opportunities in the Americas and Australia, and promote effective inorganic investment initiatives at the optimal time.

Regarding its Inorganic Growth & Alliance Strategy, under Medium-term Management Plan 2025, the Company made inorganic investments totaling approximately ¥160.0bn company-wide. The main investment targets include Nippon Steel Kowa Real Estate Co., Ltd. (additional investment), Aircastle (additional investment), Mizuho RA Leasing (acquisition of shares and additional investment), GECOSS, TRE HOLDINGS CORPORATION <9247>, Japan Infrastructure Fund Investment Corporation, and ML ITAD Solution Co., Ltd., among others. Under Medium-term Management Plan 2028 as well, the Company plans to invest approximately ¥150.0bn in inorganic investments. However, taking domestic and global economic environments into account, it has not factored earnings contributions from these investments into the Plan, and assumes that it will make those investments after carefully assessing the quality and timing of each project.

Growth strategy

Inorganic Growth & Alliance Strategy

(Inorganic Investments by Business Area)

- In the Medium-Term Management Plan 2025, made approximately **¥160 billion** in inorganic investments across the company
 - In the Medium-Term Management Plan 2028, plan to invest approximately **¥150 billion** in inorganic investments
 - Taking domestic and global economic environments into account, earnings from these investments are not factored into the plan
 - Plan to make investments after carefully assessing the quality and timing of each project
- Organizational Restructuring to Support Strategy Execution in April 2026**

 - Business Development Department (Upgraded from an internal office)
 - Business Investment Review Division (Newly established to enhance risk analysis)
 - Cross-border M&A · Marubeni Collaboration Division (Newly established)

Business Promotion	Real Estate	Environment and Energy	International Business	Investment	Innovation Co-Creation Department
RICOH LEASING Vendor financing and others	NIPPON STEEL KOWA REAL ESTATE Integrated real estate developer		PLM Fleet, LLC Refrigerated and frozen cargo trailer rental and leasing	Aircastle Ltd Aircraft leasing	Mizuho Capital Venture capital
Circular Economy TRE Holdings Recycling and waste disposal			Mizuho RA Leasing India/Equipment leasing		
Mobility and Rental GECOSS Leasing of temporary construction materials					
METREC Waste disposal and recycling					
RENTALSYST EM Construction machinery rental	CCReB Advisors Real estate tech business	Japan Infrastructure Fund Investment Corporation Solar power infrastructure fund			
ML ITAD Solution ITAD business	PCS Forklift rental	Star Asia Group Real estate investment management	Japan Infrastructure Fund Advisors Solar facility operation business		
				Consolidated subsidiary Equity method affiliate Strategic investee	

Source: The Company's medium-term management plan

Securing the funds necessary for growth investments and strengthening financial foundation

3. Capital policy

As part of its capital policy and with the aim of securing the funds necessary for growth investments and strengthening its financial foundation, the Company will implement a third-party allotment capital increase with Mizuho Financial Group as the allottee (issuing 32,000,000 non-voting Class A shares, with July 1, 2026 as the payment date, a total issue price of approximately ¥46.1bn, and funds raised (net proceeds) of approximately ¥45.9bn). Meanwhile, to appropriately comply with the U.S. Bank Holding Company Act and other financial regulations, Mizuho FG will transfer to Nippon Steel Kowa Real Estate Co., Ltd. a portion of the shares of common stock of the Company that it holds (8.7% of voting rights), thereby optimizing its voting rights ratio in the Company. Accordingly, after the capital increase, the voting rights ratios in the Company's shareholding structure will be 14.9% for Mizuho FG, 20.0% for Marubeni, 8.7% for Nippon Steel Kowa Real Estate Co., Ltd., and 56.4% for other shareholders. While Mizuho FG's voting rights ratio will decline 8.7pp from 23.6% before the capital increase, its equity interest on an economic interest basis (including the indirect interest held by Mizuho Securities) will remain at 23.6% even after the capital increase. As such, the Company's positioning as the Mizuho Group's strategic company in the leasing and non-financial fields will stay the same. The Company's collaboration with Mizuho FG and the Mizuho Group, as well as that with Marubeni and Nippon Steel Kowa Real Estate Co., Ltd., will remain unchanged. Also, while this capital increase will result in a temporary decline in capital efficiency (including a decline in ROE of 1.1pp based on the Company's estimates of the marginal financial impact of the third-party allotment assuming the balance sheet and income statement at the end of FY3/26) and dilution due to an increase in the number of shares outstanding (with a dilution ratio of 11.3% on the same basis), it will expand the capital base (with an increase in funds of ¥46.1bn on the same basis) and improve financial stability indicators (with an increase in the equity ratio of 1.1pp on the same basis). Furthermore, the funds raised through this capital increase will be used as resources for "Business Portfolio Transformation" and "Building Managerial Foundations Resilient to Change" set forth in Medium-term Management Plan 2028. By achieving its financial targets (including net income of ¥60.0bn for FY3/29), the Company expects EPS (Earnings Per Share) to increase from ¥170 in FY3/26 to ¥192 in FY3/29.

Growth strategy

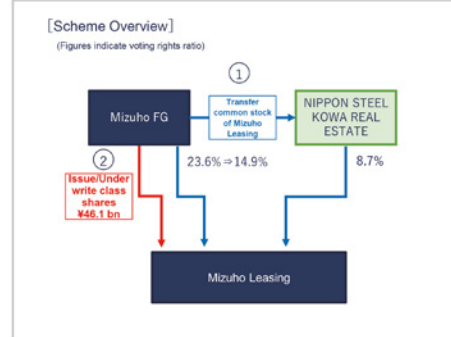
Overview of capital increase by third-party allotment

[Summary of Issuance of New Shares]

Execution Date	July 1, 2026 (scheduled)
Number of New Shares to be Issued	Non-voting class shares, 32,000,000 shares
Issue Price	¥1,440 per share Total issue price: ¥46.1 bn
Planned Use of Funds	Plan to allocate funds to execute strategies of Medium-Term Management Plan 2028 and establish a financial foundation that will enable sustainable and stable growth.
Prospective allottee	Mizuho FG

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

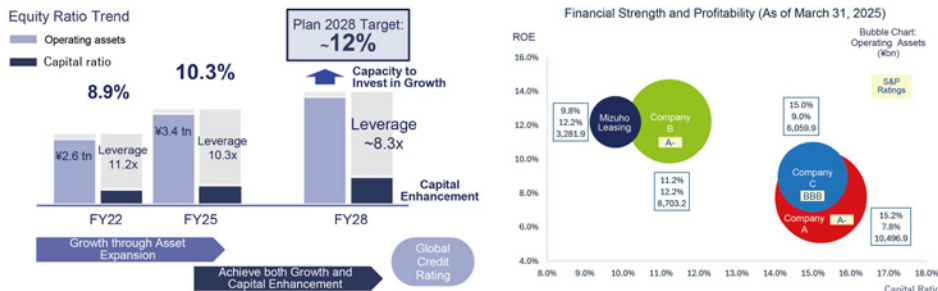
Shareholder	Voting rights ratio		Equity interest (after capital increase)
	Before capital increase	After capital increase	
Mizuho FG*	23.6%	14.9%	23.6%
Marubeni Corporation	20.0%	20.0%	17.9%
NIPPON STEEL KOWA REAL ESTATE CO., LTD.	—	8.7%	7.8%
Other	56.4%	56.4%	51.7%



Source: The Company's medium-term management plan

The Company also set a new financial target under Medium-term Management Plan 2028: an equity ratio of around 12%. During the growth stage leading up to Medium-term Management Plan 2025, the Company used its financial leverage to expand its assets and achieve growth, realizing a higher ROE than its industry peers (according to the Company). At the same time, given that the Company's current equity ratio is relatively low compared with those peers, under Medium-term Management Plan 2028, the Company has positioned the period as a stage to achieve both growth and capital enhancement as well as engineer the enhancement of its risk-taking capacity and strengthening of its financial foundation to support sustainable growth in the future, and has adopted a policy of securing capacity to invest in sustainable growth by bolstering its equity capital, including through capital increases. Moreover, by building a highly resilient financial foundation, the Company aims to secure a global credit rating and diversify and stabilize its funding sources in the future. In line with this policy, the Company intends to conduct a third-party allotment of new shares, with Mizuho FG as the allottee, to strengthen its equity capital.

Capital policy (Strengthening equity capital)



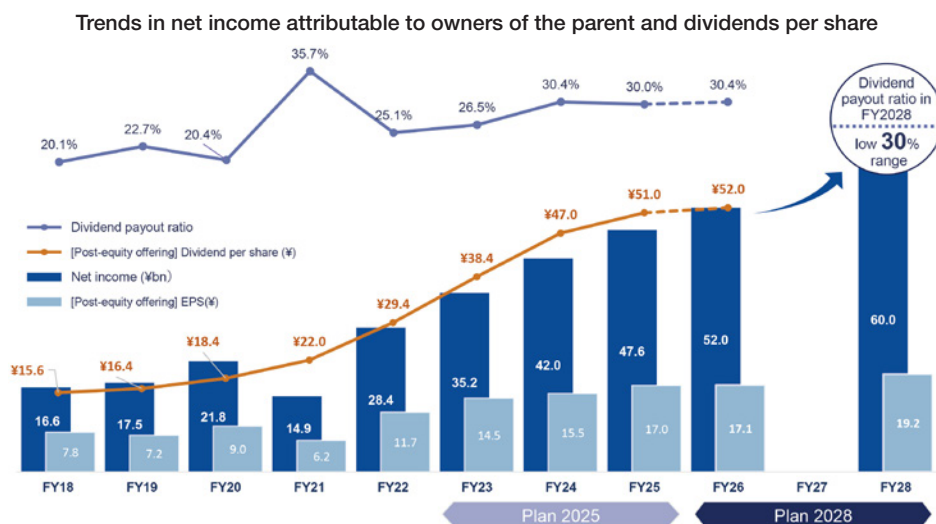
Source: The Company's medium-term management plan

Growth strategy

Dividend payout ratio for FY3/27 expected to remain in the 30% range

4. Shareholder return policy

Regarding shareholder returns, the Company's basic policy is to pay dividends in line with business performance while enhancing profitability. The Company has set a dividend payout ratio target in the low 30% range. It set a dividend per share for FY3/26 of ¥51.0 (interim dividend of ¥25.0 and year-end dividend of ¥26.0), up ¥4.0 YoY, with a dividend payout ratio of 30.0%. For FY3/27, the Company plans to increase its dividend per share by ¥1.0 to ¥52.0 (interim dividend of ¥26.0 and year-end dividend of ¥26.0), with a dividend payout ratio of 30.4%. We at FISCO believe that the Company can be expected to further enhance and strengthen shareholder returns in line with future expansion of business results.



Contributing to solving social issues, such as a decarbonized society and circular economy

5. Sustainability management

In sustainability management, under Medium-term Management Plan 2028, the Company has set non-financial targets in the following three categories: realizing a decarbonized society, realizing the circular economy, and human capital management as a cornerstone, and is bolstering associated initiatives. In July 2024, the Company was selected for inclusion in the FTSE Blossom Japan Sector Relative Index, an ESG investment index. In January 2025, it received Eruboshi Certification from the Ministry of Health, Labour and Welfare. In March 2026, the Company was certified as a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) under the 2026 Certified Health & Productivity Management Outstanding Organizations Recognition Program, selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. This marks the fourth consecutive year it received this recognition since 2023. In May 2026, the Company resolved to introduce an employee stock ownership plan (J-ESOP) under which Company shares are granted as incentives to managerial employees of the Company who satisfy certain requirements.

Focusing on progress in business portfolio transformation

6. FISCO's view

The Company's main characteristics and strengths are its strong customer base, business base, financing base, and human resources base. Its core areas centered on domestic leasing provide solid earnings, helping to minimize overall risk. Additionally, with a shareholder return policy that aims for a dividend payout ratio in the low 30% range, the Company can be evaluated as a stable investment. Moreover, in terms of scale, the Company has significant room for growth in terms of gaining market share, heightening growth expectations. Going forward, while the risk of rising interest rates warrants attention, in the nonbank industry to which the Company belongs, an increase in interest-bearing liabilities is unavoidable as an upfront investment for generating future revenues. That being said, in the Company's case, collaboration with the Mizuho Group and Marubeni, coupled with the transformation and optimization of the Company's business portfolio through its Inorganic Growth & Alliance Strategy, can be expected to generate business and investment profits that exceed the increase in funding costs. Additionally, regarding the financial targets under Medium-term Management Plan 2028, the Company has set somewhat conservative targets, taking into account geopolitical risks and other factors. Continued monitoring of progress in its business portfolio transformation is warranted.



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