

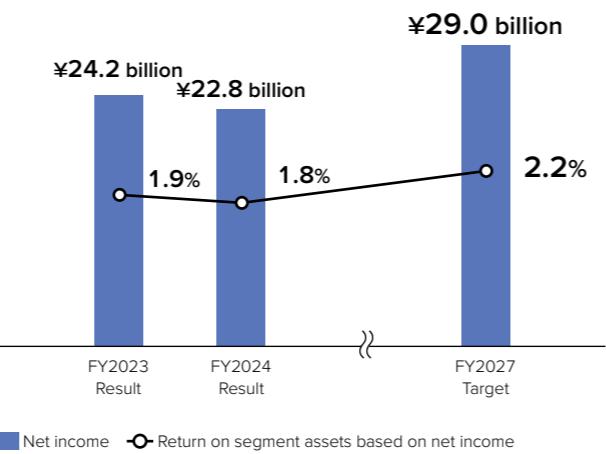
Growth Strategy by Operating Segment

EQUIPMENT LEASING



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Profit Target of Medium-Term Management Plan 2027



ICT equipment leasing



ITAD services



Regional co-creation initiatives with municipalities

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- Excellent customer base of over 20,000 companies in Japan
- Diverse solution services in the leasing business
- Co-creative businesses with prime partners (ITOCHU, NTT, Fujitsu, NX Group, etc.)

Opportunities

- Increased demand for new technologies such as AI and digital transformation
- Increased demand for carbon-neutrality initiatives
- Environmental changes surrounding municipalities (decarbonization, etc.)
- Labor-saving needs due to labor shortages

Risks

- Rise in yen interest rates, exchange rate fluctuations
- Soaring resource prices, inflation
- Decrease in Japan's domestic population
- Changes in lease accounting standards (operating leases brought onto the balance sheet)

Growth Strategies

- Innovative solutions will be expanded to add value to the existing leasing business.
- Resources will be effectively allocated to strategic growth areas (the intersection of fields that have high potential for collaboration with close partners and growth areas).
- On a Groupwide basis, business growth will be pursued by enhancing integrated Group management, increasing collaborative projects, and sharing resources.
- EPC Japan's high-quality ITAD services* and other solutions will be offered, contributing to addressing social issues.
- The organization will be restructured to enhance the sales structure and conduct more efficient sales activities.

* Services for disposing of IT assets safely and appropriately

Key Issues and Initiatives for Improving Profitability

Value Improvement of Existing Businesses

- Expansion of customer and partner bases
- Increase in high-value-added projects by proposing diverse solutions

Business Creation in New Areas (Including Green Transformation and Digital Transformation)

- Accelerated accumulation of prime assets, focusing on storage batteries, environmental projects for municipalities, the digital domain, and PC replacement demand
- Development of joint projects in strategic growth areas with close partners

Enhancement of Talent and Organizational Capability

- Establishment of a highly efficient and resilient organization
- Improvement of sales productivity by utilizing AI
- Improvement of sales skills through unique training and knowledge sharing

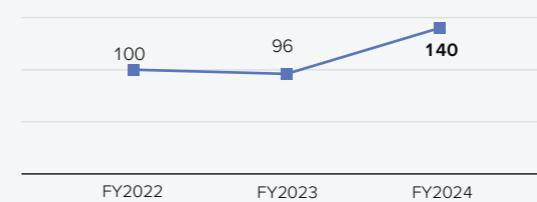
Vision for the Portfolio

Growth in affiliate profits from integrated Group management and spread improvements exceeding rising yen interest rate costs

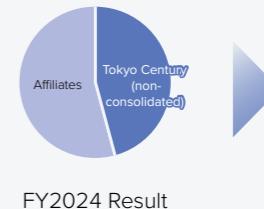
- On a non-consolidated basis, we will ensure our spreads* exceed the costs of rising yen interest rates by increasing high-value-added projects through diverse solution proposals.

* Spreads: The margin calculated by deducting internal costs, such as market interest rates and SG&A expenses, from revenue

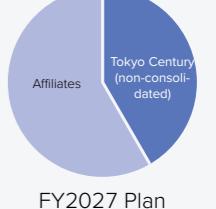
Spread Index on a Non-Consolidated Basis (FY2022 = 100)



Portfolio (Ordinary Income) Composition Ratio



FY2024 Result



FY2027 Plan

Focus Areas

Promotion of partnership strategy and concentrated resource allocation to strategic growth areas

- Strategic growth areas—defined as the intersection of fields that have high potential for collaboration with close partners and growth areas—comprise the following seven areas: renewable energy, municipalities, digital transformation and related technologies, circular economy, storage batteries, ammonia and hydrogen, and distribution and real estate.
- Our primary focus is on projects in renewable energy, those for municipalities, and those in the digital domain capturing PC replacement demand.
- We are also expanding the provision of world-class ITAD services centered on EPC Japan for the circular economy.

Promotion of Partnership Strategy and Cultivation of Areas of Expertise

Strategic resource allocation
to growth areas that have high-potential collaboration with close partners

