

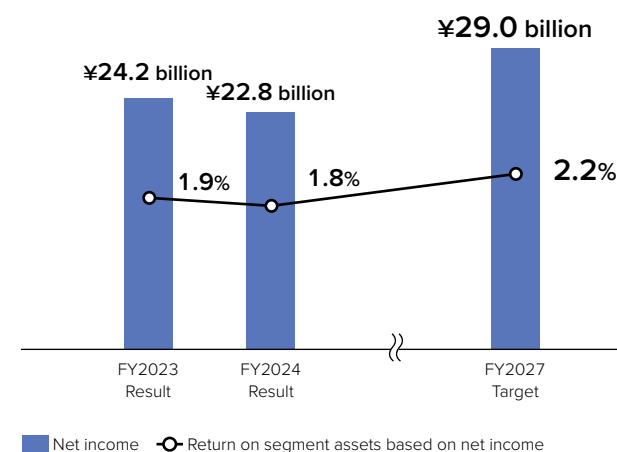
## Growth Strategy by Operating Segment

## 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

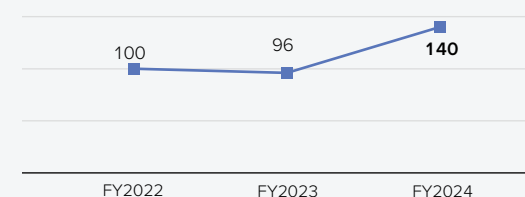
## Growth in affiliate profits from integrated Group management and spread improvements exceeding rising yen interest rate costs

- ➔ 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.

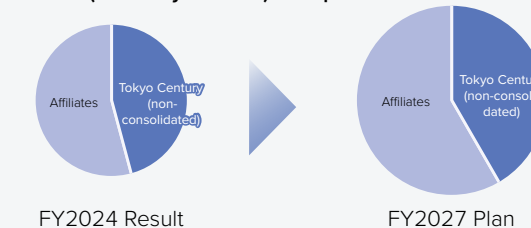
\* Spreads: The margin calculated by deducting internal costs, such as market interest rates and SG&A expenses, from revenue

- ➔ We will promote integrated Group management with affiliated companies and enhance their sales capabilities and operational efficiency through collaborative projects and resource sharing, aiming to expand earnings.

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



## Portfolio (Ordinary Income) Composition Ratio



## 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

