

Overview of the Medium-term Management Plan for FY2026-FY2028 (2028 MTMP)

Fleshing out of Our FY2031 Vision and the positioning of the 2028 MTMP

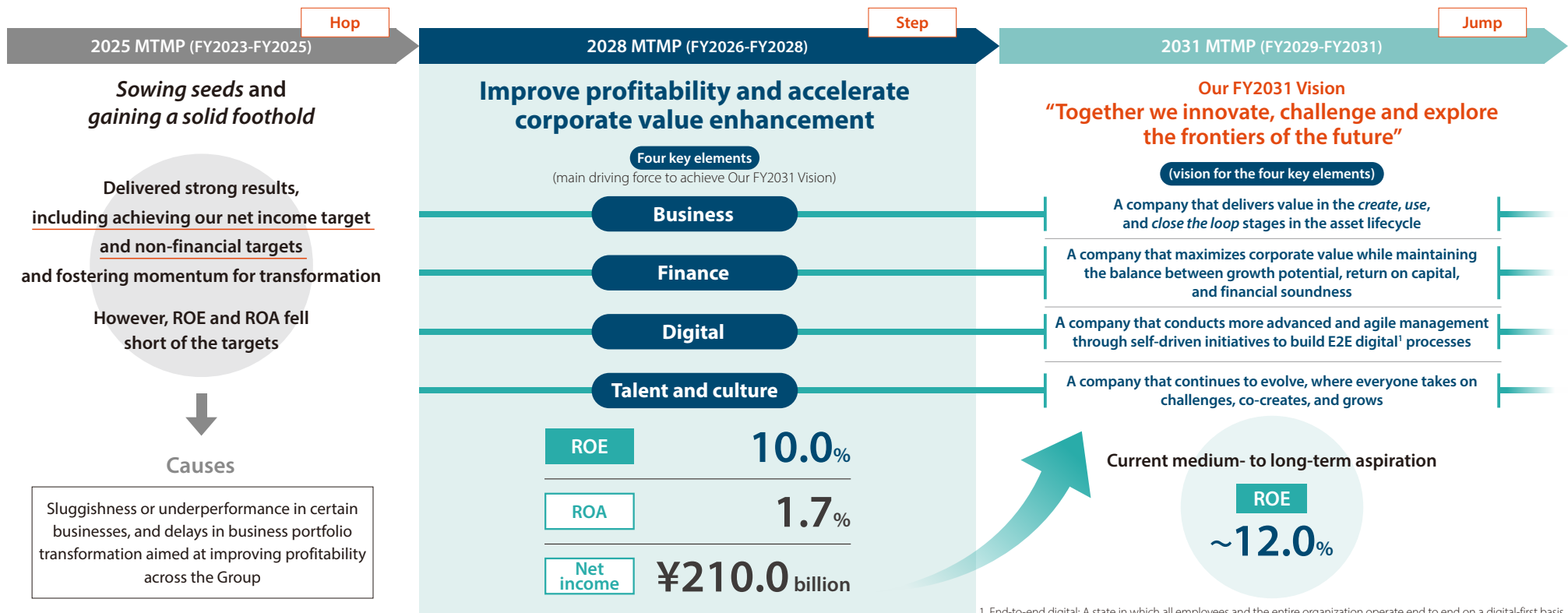
The 2025 MTMP, the first medium-term management plan following the business integration, was positioned as the *hop* phase in the three-phase sequence of medium-term management plans—*hop*, *step*, and *jump*—toward realizing Our FY2031 Vision, “Together we innovate, challenge and explore the frontiers of the future.” Under the plan, we advanced *gaining a solid foothold* by restructuring and redefining existing business domains, *sowing seeds* in new business domains, and the *evolution and layering of business models* toward business portfolio transformation.

Although we achieved our net income target and non-financial targets and delivered strong results, including fostering momentum for transformation, ROE and ROA fell short of the initial targets. Based on the achievements and challenges of the 2025 MTMP, we redefined Our 10-year Vision, announced in 2022, as Our FY2031 Vision from the perspectives of the four key elements of *business*,

finance, *digital*, and *talent and culture*, thereby further clarifying the direction we should take.

To realize this vision, we formulated the 2028 MTMP, which is driven by these four key elements. The 2028 MTMP is a critical milestone in determining whether we achieve Our FY2031 Vision, and we have positioned it as a phase to improve profitability and accelerate the enhancement of our corporate value. The key point is to position ROE as the top priority KPI and achieve an ROE of 10.0% in FY2028, the same level as our Group’s current cost of equity.

However, this is not the goal, but the starting line for sustainably enhancing corporate value, and we aim to exceed this level by FY2031. We will continue working to sustainably enhance corporate value from a medium- to long-term perspective, without falling into short-term thinking.



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Key targets

We will sustainably enhance corporate value by balancing the creation of economic value with the creation of social and environmental value through the achievement of financial and non-financial targets.

(Assumed exchange rates for FY2028: US\$1 = ¥140, £1 = ¥185)

Financial targets	FY2025		FY2028 targets	
	Top priority KPI			
	ROE	8.6%	10.0%	(+1.4 pt vs. FY2025 result)
	ROA	1.3%	1.7%	(+0.4 pt vs. FY2025 result)
	Net income attributable to owners of the parent	¥162.2 billion	¥210.0 billion	(+8.9% CAGR vs. FY2025 result)
	Credit ratings	A rating	Maintain A ratings	
	Payout ratio	40.7%	45% or higher	

Note: Net income attributable to owners of the parent is used in the calculation of ROE and ROA.

Non-financial targets (aligned with materiality)	Materiality	KPI	FY2025	FY2028 targets
	Promote a decarbonized society	GHG emissions vs. FY2019 (Scope 1, 2) ²	-71.8%	-67%
		Percentage of new-generation aircraft ^{3,4}	78.9%	82%
		Percentage of green buildings ⁵	62%	61%
	Realize a circular economy	Effective use of assets whose lease terms ended ⁶	96.0%	97.5%
	Realize employees' healthy lifestyles that promote positive wellbeing	MHC engagement ⁷	73%	75% or higher
		Talent portfolio coverage ratio ⁸	—	80% or higher
	Utilize the latest technologies	New value creation from digital-related businesses ⁹	—	¥3.0 billion
		Productivity enhancement ¹⁰	—	Approx. +30%

2. The FY2028 target has been set as a milestone for achieving the FY2050 net-zero target, based on a constant linear decrease from the FY2024 result.

3. Actual figure assured by a third party.

4. In the Aviation business, the percentage of aircraft with better fuel efficiency and lower CO₂ emissions than current-generation aircraft. As assets turn over continuously in this business, we seek to raise the percentage in the medium to long term while allowing for fluctuations.

5. In the Real Estate business, the percentage of properties certified by specialist organizations as green buildings (properties with low environmental impact) or properties powered by 100% renewable energy. As assets turn over continuously in this business, we seek to raise the percentage in the medium to long term while allowing for fluctuations.

6. Definition by the Japan Leasing Association: The percentage of matured lease contracts (non-consolidated) in which the assets were either re-leased, sold, or disposed of by disposal businesses with high recycling rates (based on initial acquisition costs).

7. The percentage of organizations where employee engagement survey results meet a certain high standard (the percentage of organizations where more than half of respondents have both high initiative and diversity scores).

8. The percentage of positions essential for executing management strategies that are filled with appropriate talent.

9. Cumulative total of predicted revenue gains in FY2029-2031 (expected theoretical increase in revenue from digital solutions, etc. to be implemented in FY2026-FY2028).

10. The reduction rate of FY2028 working hours vs. FY2025 (theoretical reduction effects of various initiatives. We do not intend to simply reduce overtime hours and labor costs but aim to reallocate the saved hours to high value-added operations).

Key strategies

Business strategies

Evolution and layering of business models 2.0

- Further improve profitability by expanding not only value creation methods but also value creation domains.
- The Specialized Business segment, centered on Aviation and Real Estate, will drive initiatives with higher returns.
- The Customer Solutions and Global Customer Business segments, which currently have high proportions of initiatives in business model category ①, will also expand initiatives in categories ②, ③, and ④.

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Business portfolio restructuring

- Accelerate business portfolio restructuring more selectively than before, and improve profitability by boosting growth investments while restraining asset expansion.

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Financial strategy

- Ensure an appropriate balance between growth potential, return on capital, and financial soundness.
- Maximize corporate value by optimizing capital allocation.
- Ensure capital allocation that contributes to corporate value enhancement, primarily through focused business portfolio restructuring.
- Boost growth investments in line with our business strategies while implementing disciplined balance sheet management without retaining excess capital.

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Digital strategy

- Drive value creation across both business and operations, going beyond solidifying and strengthening foundations, to realize more advanced and agile management.

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Talent and culture strategies

- Implement various strategies, including corporate culture transformation, to realize Our FY2031 Vision for talent and culture, centered on challenge and transformation.

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Evaluation system supporting key strategies (executive compensation)

- As an evaluation system supporting the strategies for the four key elements, we have revised the executive compensation scheme as of FY2026. We raised the weight of ROE (the top priority KPI) and added non-financial KPIs.

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