



Group Vision 2030 and Medium-term Plan 2025

Tokyo, April 28, 2023--- NEC Capital Solutions Limited (hereinafter “the Company”) has established the Medium-term Plan 2025 to replace the Medium-term Plan 2020, which began in fiscal 2020 (fiscal year ended in March 2021) and it was completed on March 31, 2023. The Medium-term Plan 2020 was the final step for our Group Vision. The Group aims to help societies advance through capital solutions, an ambition that is part of our corporate philosophy. We redefined what we want to be and established a new Group vision, an overview of which is provided below.

1. Group Vision 2030

The Group established a new Group vision in April 2023, to “be a solution company leading the next-generation circular economy.” While continuing the CSV management (Creating Shared Value) that we have been advocating, in order to respond to diversified social issues such as climate change, development of advanced technologies, and major changes in future industries and social life, we have established a new Group vision with a goal of 2030 that is in sync with the SDGs, which have a high affinity with CSV management.

Up through this point, we have taken steps to achieve a circular economy through the introduction of eco-friendly products and advanced 3R processing through resource circulation by way of the lease business. The next-generation circular economy anticipated for 2030 and beyond not only projects a reduction in the environmental load through improved resource efficiency, but also imagines a world in which resources continue to be used in a cyclical process, and a circular economy and society that goes on from this point and continues to generate new added value.

In this envisaged society, the Group can provide services that lead to the cyclical use of products, services that spur a virtuous cycle for local economies and societies, and services that encourage virtuous cycles for corporate growth through reforms in capital solutions. This would create a positive cycle for the environment and growth, and we also aim to create a next-generation circular economy by solving the issues faced by diversifying customers and society.

Moreover, in addition to the conventional meaning, the term “company” in the “solution company” encompassed by our new Group vision also includes the meaning of a group of colleagues (partners) that share values. In addition to improving profitability by offering added value to solve social issues, this Group vision incorporates the aim of becoming a company in which employees who share these values can feel pride (improved engagement).

In conjunction with the establishment of this Group vision, we redefined the Group's material issues in terms of the resolution of social issues through business activities and the management foundation that will support these activities.

- Promotion of decarbonized society and circular economy
- Promotion of establishment of social and ICT infrastructure
- Creation of new services and businesses to resolve social issues
- Investment in human capital
- Pursuit of corporate governance that supports improved corporate value

2. Assumptions behind establishment of Medium-term Plan 2025

Now that the impact of COVID-19 is subsiding globally, sustainability is once again coming up for discussion as a global theme. The need for and importance of SDGs and other sustainability issues have been widely discussed thus far, but it did not take a direct approach to corporate management. However, the global economic losses caused by recent abnormal weather events have reached a scale that can no longer be ignored, which has resulted in the establishment of international frameworks that directly encourage corporate management to adopt sustainability management. One of the best examples of this is the Task Force on Climate-related Financial Disclosures (TCFD). With the reorganization of the Tokyo Stock Exchange, companies listed on the Prime Market will be required to disclose initiatives aligned with this framework from the fiscal year ended in March 2023.

Given this kind of current change in the environment, we established a new Group vision and identified new material issues to take the CSV management we have pursued thus far even further. The establishment of the Medium-term Plan 2025 is the first stage in achieving a next-generation circular economy.

3. Overview of Medium-term Plan 2025

There are three stages in achieving the Group Vision 2030. The Medium-term Plan 2025 lays out the policies to achieve the first stage.

Stage One: Create circular services unique to the Group

Stage Two: Develop circular services unique to the Group

Stage Three: Establish revenue from circular services unique to the Group

The Medium-term Plan 2025, the first step in achieving the Group vision, will last three years during which the Group will implement reforms to achieve its vision for 2030 and sustainable growth. In addition to resolving customers' social issues by implementing CSV management and carrying out business, we will generate services that are unique to the Group to realize a next-generation circular economy. The objectives of the Medium-term

Plan 2025 from the perspective of customers, society, shareholders and the Company itself are as follows. Specific measures will be devised for each strategy.

- Customers: Resolve customers' management issues by providing services
- Society: Resolve society's issues through business
- Shareholders: Improve corporate value by implementing CSV management
- Company: Execute business strategies to realize the Group Vision

The Medium-term Plan 2025 consists of three business strategies as well as strategies to reinforce the management foundation to support the business strategies.

Business strategy 1. Expand service business, create new services

- Expand services in the renewable energy power generation, warehousing, IT asset management and tourism businesses
- Create services that lead to circular use of products by promoting subscription services for ICT products and revitalizing real estate
- Create services that lead to a virtuous cycle for local economies and societies by expanding the PFI and PPP business, supporting the development of circular models for regional finance, and strengthening affiliations with DX services for local governments offered by local vendors
- Create services that lead to a virtuous cycle for corporate growth by expanding services tailored to the corporate life cycle, fund investment business, M&A and other advisory services

Business strategy 2. Accelerate growth through strategic investment in key businesses

- Expand scale of business by ensuring higher added value to ICT-related services through system tie-ups with customers and vendors and a strengthening of planning functions
- Bring in high revenue and profit by expanding and refining the field of financial products in Japan and overseas

Business strategy 3. Reinforce vendor finance and expand customer base

- Improve profitability by cultivating new vendors and partners and strengthening affiliations with existing vendors, and create revenue opportunities
- Build up transactions by developing and providing solutions for customer issues, such as reinforcing direct marketing target customers starting with vendor finance

Strategy to strengthen management foundation

- Standardize operations by establishing a foundation based on the digitalization of

operating processes and the utilization of digital information, boost quality and efficiency, and refine the “three defense line” function

- Promote the use of digital technology and pursue DX activities, such as launching a core system to serve as the foundation for DX and building up an IT environment that supports stable operations and workstyle reforms
- Build an organization and introduce an HR management system that is in line with management strategies, create a corporate culture encouraging ongoing challenges and reforms, and transform the culture
- In addition to realizing a self-sustained compliance culture and raising the effectiveness of corporate governance, strengthen staff functions and improve marketing support functions by improving management strategy and plan formulation and promotion functions to achieve advances in administration and management and reform business
- Implement measures to achieve carbon neutral status (bring Scope 1 and Scope 2 emissions to essentially zero on a consolidated basis by fiscal 2040 [fiscal year ending in March 2041])

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