

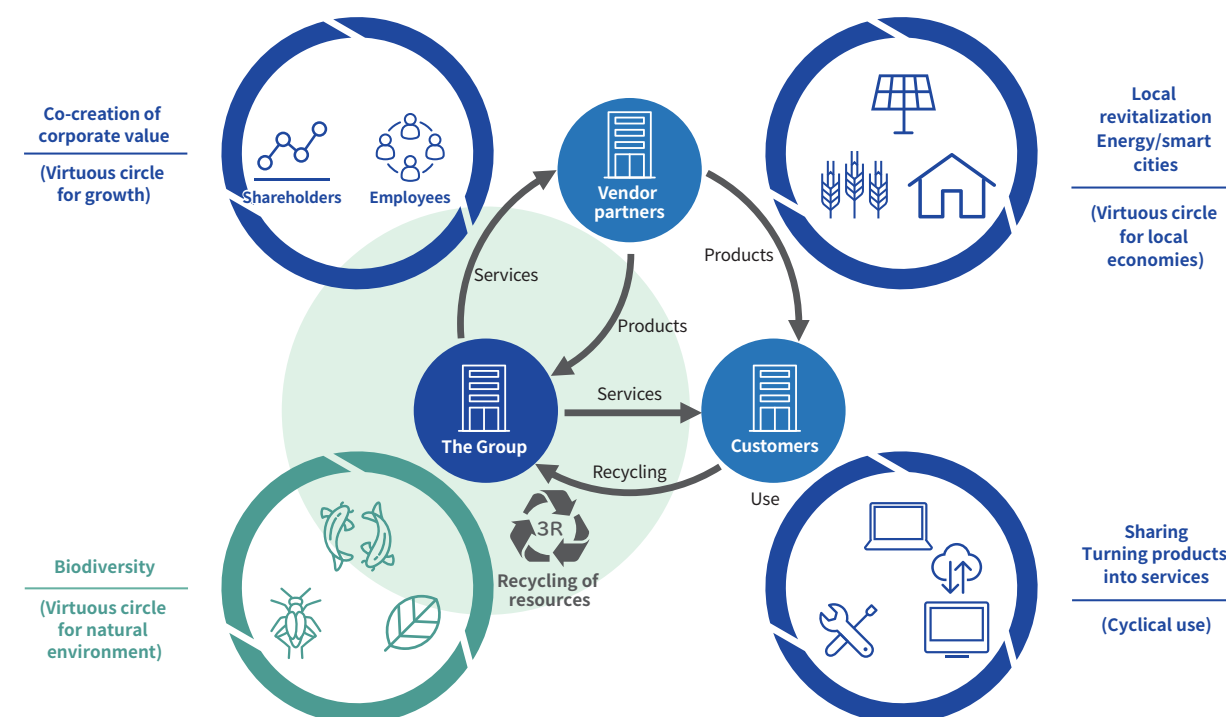
Group Vision 2030

The next-generation circular economy that we envision for 2030 and beyond, not only reduces adverse environmental impact through enhanced resource efficiency, but also utilizes resources in a continuous circular process, and is a circular economy that continues to generate newly added value. The Group aims to create various “circular economy-oriented” services through the introduction of innovations to capital solutions.

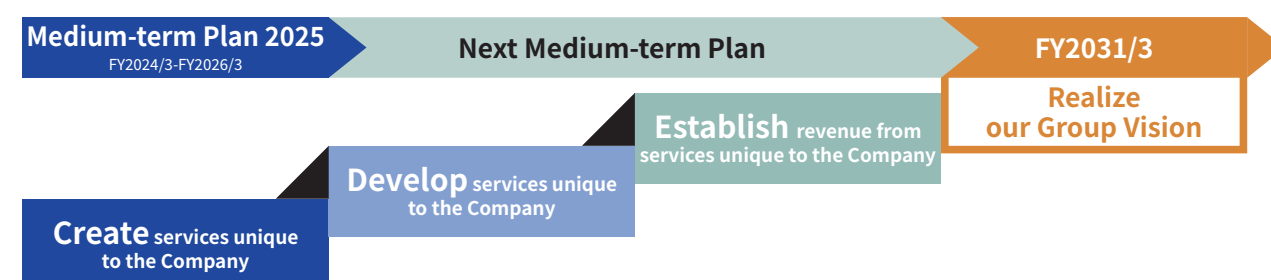
We have placed important issues identified to be necessary for achieving the Group Vision as our material issues, and have been working to address them by creating a roadmap that incorporates them into the Medium-term Plan.

See ▶P.23 for material issues

● Image of the “next-generation circular economy”



● Road map to realizing our Group Vision 2030



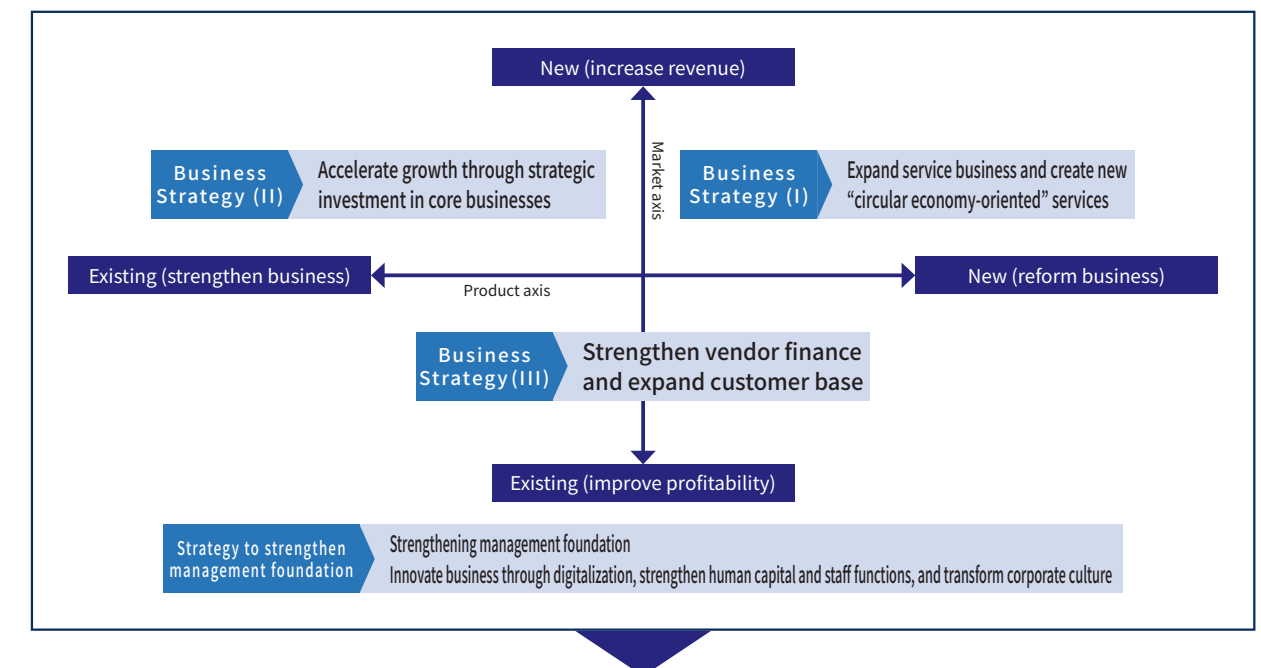
Medium-term Plan 2025

Positioning of Medium-term Plan 2025

- The first three years, during which we will take on challenges to transform ourselves in order to realize the next-generation circular economy set forth in the Group Vision
- Aim to create “circular economy-oriented” services that are unique to the Company to practice CSV management and achieve a next-generation circular economy

● Strategic framework of Medium-term Plan 2025

The Medium-term Plan 2025 is aimed at improving profitability and the strategies are formulated using the four quadrant model, with market (existing and new) on one axis and product (strengthen existing businesses and create new businesses) on the other. The strategy incorporates the material issues of our business activities and management foundation.



● Financial indicators

We will improve profitability and accelerate pursuit of sustainability management through realizing a next-generation circular economy.

	FY2023/3 Results	FY2024/3 Results	FY2026/3 Plan
Profit attributable to owners of parent	6.4 billion yen	7.0 billion yen	10.0 billion yen
ROA*	0.7%	0.7%	0.9%
ROE	6%	6%	8%

* Consolidated net income/average balance for consolidated operating assets

● Non-financial indicators (excerpts)

These are material issue-based indicators aimed at improving corporate value over the medium- to long-term.

	Objective	Description	FY2023/3 (Actual)	FY2024/3 (Actual)	FY2026/3 (Target)
Environmental and social issues	CO ₂ reductions to achieve carbon neutrality	Scope 1+2: Rate of decline compared to FY2023	157t-CO ₂	13% reduction 137t-CO ₂	20% reduction
	Establishment of social infrastructure	Cumulative contracts for government offices and local governments	¥127.8 bn	¥148.4 bn	¥400 bn*
	Promotion of cyclical use following expansion of ICT business	Total number of disposals of products whose lease has ended	200,000 units	250,000 units	700,000 units*
	Promotion of response to climate change	Renewable energy power generation capacity (power generators owned)	43MW	59MW	100MW
	Promotion of activities contributing to society with natural capital in mind	School biotope education total increase in number of schools	3 schools	3 schools	10 schools*
Human capital	Improve employee engagement	Employee engagement score	21%	21%	34%
	Promotion of diversity	Ratio of female managers	5.5%	6.7%	10%

* over three-year period



Business Strategy (I)

Expand service business and create new “circular economy-oriented” services

We will create new services and develop new markets in order to realize the “next-generation circular economy” set forth in the Group Vision.

Corresponding material issues

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

Overview

- ▶ Expand services in renewable energy power generation, warehousing, IT asset management, PFI, tourism, and other businesses
- ▶ Create new “circular economy-oriented” services
 - Create services leading to cyclical use of products
 - Create services leading to virtuous circle for local economies and societies
 - Create services leading to virtuous circle for corporate growth

Progress and review of the current fiscal year

In the current fiscal year, we worked on strengthening and expanding various businesses that form the base of our service business. We strengthened cooperative relationships with partner companies, laid a foundation for business expansion, and also achieved revenue growth. Main initiatives are as follows.

- Renewable energy power generation: Expanded new initiatives and collaborations in corporate PPA*¹ sector (Octopus Group, ShirokumaPower)
- Warehousing: Made progress on securing healthcare facilities through sales channel diversification, increased revenue during the fiscal year and achieved gains on sales
- PFI: The number of projects commissioned exceeded plan, acquired projects as a representative company
- Corporate advisory: Ranked in Japan M&A Review for the number of announced and completed projects involving Japanese companies
- New “circular economy-oriented” services: Reviewed specific projects to expand subscription models and additional functions in the ICT area

What are new “circular economy-oriented” services?

The Company aims to solve issues of both customers and society and realize a virtuous circle for the environment and growth by introducing innovations to capital solutions and creating new services and business. We provide services that lead to cyclical use of products; services that lead to a virtuous circle for local economies and societies; and services that lead to a virtuous circle for corporate growth by establishing and strengthening the three solution areas of vendor financing, ICT and professional services, and financial products, thus aiming to realize a “next-generation circular economy.”

● Overview of our service businesses



Three types of circular economy-oriented services

- 🔄 Services that lead to cyclical use of products
- 🔄 Services that lead to virtuous circle for local economies and societies
- 🔄 Services that lead to a virtuous circle for corporate growth

*1 PPA: Power Purchase Agreement
*2 ITAM: IT Asset Management

Our initiatives

Expansion of collaboration in the renewable energy field

The introduction and utilization of renewable energy are spreading across various locations as part of our efforts to reduce greenhouse gas emissions. The Group has placed “promotion of decarbonized society and circular economy” as one of the material issues and engages in initiatives to promote renewable energy. In addition to investments and loans to renewable power generation facilities such as solar panels, we are expanding our efforts in the power generation business. In the fiscal year ended March 31, 2024, progress was made in expanding collaborations with the U.K.’s Octopus Group and ShirokumaPower Co., Ltd.

We are also utilizing the “FIP system” which determines the purchase price of renewable energy and promoting initiatives such as long-term supply of electricity and environmental value derived from power generators we have been developing to Osaka Gas Co., Ltd.

Capital investment is vital for further utilization of renewable energy. The Company will continue supporting further utilization of renewable energy as a capital solution provider, offering services such as reducing the initial cost of capital investment in accordance with customer needs.

See ▶P.24 for a case study

Promotion of the warehousing business

In order to help build infrastructure in the field of healthcare indispensable for an aging society, we are engaged in the warehousing business for healthcare REITs. Healthcare REITs are real estate investment trusts (REITs) that specialize in investing in healthcare facilities. We have been steadily securing assets by strengthening partnerships with financial institutions, developers, and operators. Our warehousing business involves temporary possession of real estate properties before their incorporation into REITs, and it has

been supporting the growth of healthcare REITs by selling and transferring these facilities to REITs at the opportune time. With a view to realizing a decarbonized society, we have been promoting the acquisition of environmental certifications such as BELS (Building-Housing Energy-Efficiency Labeling System) in recent years. Rents from such a facility in temporary possession are recorded, and proceeds from the sale of the facility are recorded when it is sold to a healthcare REIT.

Acquisition of projects as a representative company in the PFI and PPP business

On the basis of our track record of conducting business with the national and local governments, in 2011 we started PFI and PPP business to provide public services through public-private partnerships. We have built a track record, mainly in education-related projects and cultural facilities including cultural complexes and school meal centers for municipalities. We are utilizing this experience to improve social infrastructure. Based on our extensive experience and know-how as a FA (financial advisor) and representative company, we aim to grow into a company capable of supporting proposals to national and local governments through collaboration with many private companies, and overseeing investments to be utilized for

business and overall business management. Through such efforts, we will promote the establishment of social and ICT infrastructure, which has been identified as a material issue for the Group, and create new services and businesses to solve social issues.

In FY2024/3, the number of PFI and PPP business contracts received exceeded the plan and reached a record high. Among these projects, we served as the representative company for the Kumagaya Michi no Eki (provisional name) development project ordered by Kumagaya City, Saitama Prefecture, and the Minami Park development project ordered by Okazaki City, Aichi Prefecture.



Business Strategy (II)

Accelerate growth through strategic investment in core businesses

We will increase revenue through initiatives aimed at new markets by developing and strengthening our existing Leasing Business (rental) and Finance Business.

Corresponding material issues

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

Overview

▶ Expand scale of business through high added value for ICT-related services

- Enhancement of services related to PC-LCM^{*1} through system tie-ups with customers and vendors and strengthening of planning functions, expansion of rental services, BPO^{*2} and consulting services

▶ Expand and refine scope for financial products in Japan and overseas

- Expand financial product and investment targets, with a focus on investments/loans and advisory services, and increase revenue and profit

^{*1} PC-LCM: A one-stop IT equipment provision service from procurement through to operation and management.

^{*2} BPO (Business Process Outsourcing): A management strategy that aims to improve operational efficiency and reduce costs by partially outsourcing a company's business processes.

Progress and review of the current fiscal year

In the ICT-related service business, the business on which the Company is focusing as its strength, we have worked to provide services with high added value and made steady progress. In the area of financial products, success of initiatives aimed at scope expansion and improved profitability contributed to improvements in revenue.

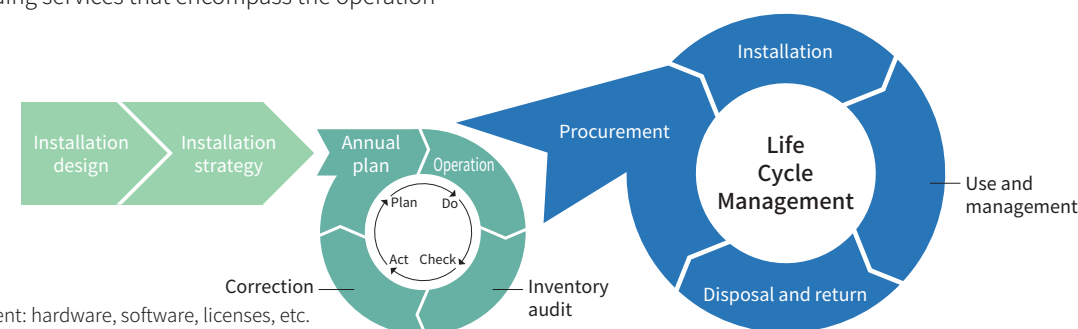
- Steadily grew ICT-related service business, increased PC-LCM service customers, and also provided value-added services such as IT asset management
- Expanded the scope of financial products, achieved progress in areas such as LBO finance and equity joint investment that resulted in revenue growth, and accelerated asset replacement aimed at improving profitability while achieving capital gains
- Acquired large income-gain assets aimed at earnings stabilization and ongoing growth investments at RISA Partners as planned

Our initiatives

ITAM (IT Asset Management Service)

ITAM is a service that analyzes the current situation to define the ideal state, and enables outsourcing from the introduction of ICT equipment* to operation management after installation. With our track record of handling a large number of ICT equipment, we have been providing services that encompass the operation

of ICT equipment for many years. ICT equipment requires maintenance and management over its life cycle after installation. We provide strong support for the information system departments of companies as a service that enables outsourcing of these functions.



Company profile: RISA Partners



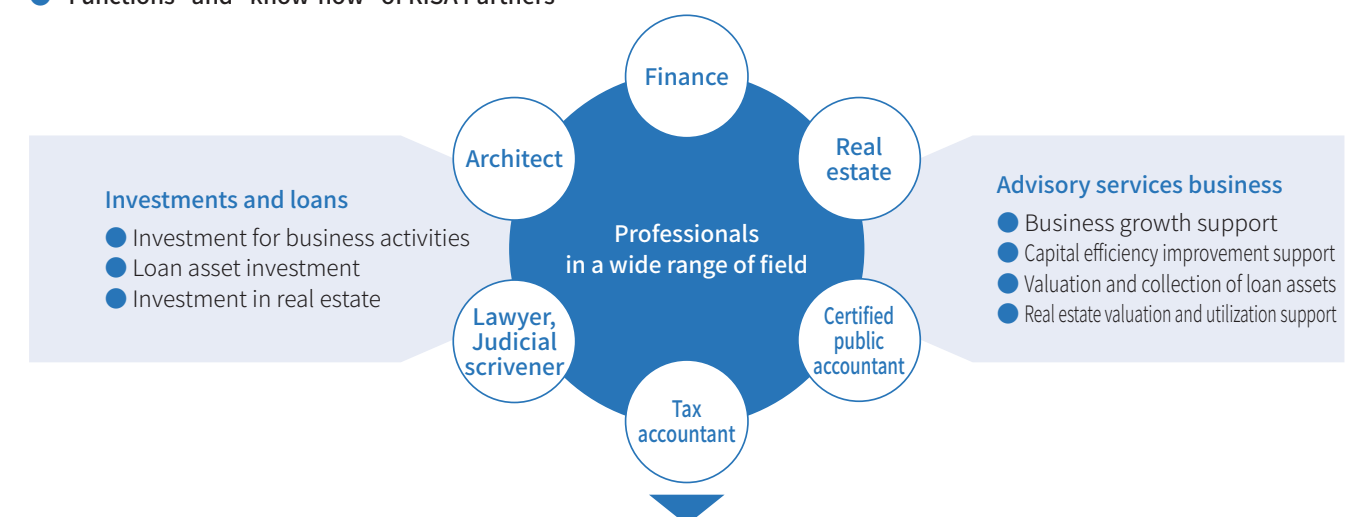
RISA PARTNERS INC.

RISA Partners, Inc. (below, "RISA Partners") is a subsidiary of the Company that has primarily focused its sales activities on financial institutions. Based on this focus, it boasts a network with approximately 180 regional financial institutions nationwide and has a customer base that is distinct from that of the Company, which serves national and local governments, and business corporations. Together with financial corporations, RISA Partners provides customers with optimal solutions to management issues faced by

regional companies through financial support in the form of investment and loan, and advisory services based on expertise in areas including finance and real estate.

RISA Partners brings together professionals from a wide range of fields and is able to provide one-stop, multi-faceted functions and services to address various business challenges and needs, from business growth support and capital efficiency improvement to improvement of receivable soundness and the effective use of real estate.

● "Functions" and "know-how" of RISA Partners



Providing optimal solutions to customers by leveraging a nationwide network

■ Corporate investment initiatives

The "RISA Corporate Solutions Fund (RCSF)" is a private equity fund that aims to improve the corporate value of investees. RISA Partners establishes a fund to raise capital from external investors and manages its operation. RISA Partners leverages its solutions capabilities to capture investment opportunities without limiting itself to any particular project scale, industry, investment type, or investment target. It also conducts effective and efficient

investments on an individual project basis, without being restricted to factors such as investment majority acquisition or management execution. Since launching the first fund in 2006, RISA Partners has now expanded to five funds, and made over 40 investments totaling more than 70.0 billion yen.

■ Collaboration with Hoshino Resorts

RISA Partners, based on its extensive experience, track record, and know-how in the financial and real estate fields, including corporate revitalization and supporting corporate value improvement, established and began the management of the Hoshino Resorts Tourism Revitalization Limited Investment Partnership (hereinafter, the "Hoshino Resorts Tourism Revitalization Fund") in collaboration with Hoshino Resorts, Inc. in October 2020. The Hoshino Resorts Tourism

Revitalization Fund aims to support the business continuity of high-quality hotels and inns in Japan and contribute to the early recovery of the tourism and lodging industry following the COVID-19 pandemic. The business is making steady progress, with "KAI Akiu" and "KAI Okuhida" opening in April 2024 and September 2024 respectively. Through such initiatives, RISA Partners strives to contribute to revitalization and strengthening of local economies across Japan.



Business Strategy (III)

Strengthen vendor finance and expand customer base

By providing high value-added services based on the existing Leasing and Finance Business, we will promote the deepening of transactions with existing customers and improve profitability.

Corresponding material issues

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

Overview

- ▶ Provide capital solutions aligned with vendors and customers
- ▶ Improve profitability and create revenue opportunities by strengthening relationships with vendors
- ▶ Cultivate transactions by developing and offering solutions for customers' issues

Progress and review of the current fiscal year

As the shift to cloud computing and services advances and customers and vendors demand services different from those in the past, the Company has promoted the provision of services with high added value closely aligned with the issues faced by our customers. Such efforts have led to winning large-scale projects at public offices, and progress has also been made in monthly service models in collaboration with vendors including cloud services. There has been a recent increase in the number of consultations from vendors.

In addition, the sales department went through significant reorganization during the current fiscal year in order to create a structure that enables provision of diverse proposals (capital solutions) to customers. Prior to the reorganization, the customers' industry-oriented departments were separate from the product-oriented departments. These departments have now been merged, and we have seen several examples where this has led to further transactions with customers. We believe that this organizational change will contribute to the future HR development in the sales department.

What are capital solutions?

The phrase "capital solutions," as seen in our Company name, is our own expression that signifies provision of solutions to a wide range of management issues

centered on the capital (management resources) of our customers. We introduce innovations to capital solutions based on three main solution areas.



Strategy to strengthen management foundation

We will strengthen our management foundation to achieve these three business strategies.

Corresponding material issues

Investment in human capital, pursuit of corporate governance that supports improved corporate value, promotion of decarbonized society and circular economy

Overview

- ▶ Create organization, and introduce HR management system aligned with management strategies, and create corporate culture conducive to ongoing challenges and innovation ▶P.30
- ▶ Improved effectiveness of corporate governance ▶P.34
- ▶ Implement measures to achieve carbon neutrality (bring Scope 1 + 2 on a consolidated basis effectively to zero by FY2041/3) ▶P.24
- ▶ Launch core system as DX foundation and promote DX activities
- ▶ Strengthen foundation for sales operations based on digitalization of operating process and use of digital information

Progress and review of the current fiscal year

- Continued company-wide dialogue sessions aimed at disseminating the Group Vision and Medium-term Plan
- Reviewed various systems to transform working styles and corporate culture
- Recognized as a Health & Productivity Management Outstanding Organization 2024
- Acquired an "A-" score in the CDP Climate Change Report
- Strengthened systems to accelerate DX promotion

Our initiatives

Establishment of DX Promotion Section and strengthening of HR development

In the "next-generation circular economy" after 2030, we envision a super-smart society driven by Society 5.0 and a transformation to new value creation and business models through DX in order to achieve the SDGs. The Group is engaged in DX in terms of both business opportunities and internal system reform to become a solution company that can lead such a society. The Company has positioned the promotion of DX as an important management strategy, and it is promoting the development of DX human resources company-wide. The DX Promotion Section was established in April 2024 and has started activities aimed at laying the foundation for DX promotion by developing "human resources who can autonomously think about how to utilize IT and data to solve issues at hand and take action (human resources who can improve operational efficiency and create new business)."

In developing DX human resources, we aim to raise the level of basic education for all employees while developing "DX leaders" who will drive

DX company-wide and "DX promoters" who will promote DX at the employee level.

Position-specific development plan



¹ Leaders driving productivity improvement company-wide
² Promoters driving DX within their departments' businesses
³ Ability to understand IT and DX and use IT effectively in work