



Takashi Arai Director

Message from director

Role within business strategies

Take charge of the financial product sector, with a focus on investments/loans as well as advisory services, which are essential to our growth, as well as advisory services. Moreover, collaborating with internal and external partners including the SBI Shinsei Bank Group and RISA Partners, my role is to provide one-stop and various solutions to customers' diverse management challenges, such as the acceleration of growth, balance sheet improvement, and effective utilization of real estate.

Relevant strategies

Business Strategy (I)

Expand service business and create new "circular economy-oriented" services
(Expand renewable energy power generation, warehousing, and other service businesses)

Business Strategy (II)

Accelerate growth through strategic investment in core businesses
(Expand and refine scope for financial products in Japan and overseas)

As we move forward with our business strategies, we are giving top priority on listening closely to customer feedback. By siding closely with our customers and accurately gauging their needs, we are working to provide them with one-stop services. These initiatives are leading to the rollout of businesses in various fields.

In real estate business field, for example, in addition to recourse loans for business owners and structured finance for business owners, we are also directly acquiring real estate assets. Moreover, through the asset management functions of SBI Holdings Group and RISA Partners, we are also involved in liquidating real estate. From real estate developers, we have received a request for asset-light strategies since development projects that go on for several years can cause balance sheet imbalances. In response, we began offering the "CLARITIA" brand of rental apartments (as seen on the next page) as part of a joint-development scheme. Thanks to ongoing support from our customers, we have grown the series to 14 properties and to around 20.0 billion yen in scale. We are also engaged in the warehousing business related to development of the assisted living facility for seniors, in which we work with developers newly entering this field to ascertain operators' needs, conduct joint development, and ultimately acquire the facility.

In the renewable energy field, alongside FIT projects through which power companies purchase electricity at a fixed price, we are also proactively engaged in the in-house development of Non-FIT projects. For Non-FIT projects, it is important to ensure business stability based on the demand for green electricity to be sold, selling price and other factors. In recent years, we have seen increasing progress in the

development of Data Centers (hereinafter, "DC"), and there is growing demand of DC operators to make all or some of the electricity used be greenery. Through the selective supply of green electricity from our power plants to meet this demand, we can establish differentiated projects in the infrastructure business in a stable manner through the combination of renewable energy and DCs, which are a form of real estate. In this way, by listening to our customers' demands and combining our various functions, we can provide a range of high-value-added services.

In the corporate financing area, we have been seeing growing demand for advisory and financing services from various perspectives, including capital restructuring to facilitate business succession, accelerate growth, and go private. As a result, our advisory and LBO financing services are expanding rapidly. In terms of corporate acquisitions to accelerate growth, there has been a rise in demand for joint investment to share risk money. As such, we are offering seamless and flexible services, including financing options after completion of our arrangement services.

In the final year of the Medium-term Plan 2025, we will work to quickly complete projects in advance, where possible, to show off the growth potential of our businesses. Throughout the process, we have no doubt that we will be able to showcase the synergies with the SBI Shinsei Bank Group that we did not anticipate when the plan was initially put together. As a responsible officer of an important revenue-driving business, I will do everything in my power to meet expectations.

Our initiatives

Establishment of NCS RE Capital

<https://www.necap.co.jp/RE/>
(available in Japanese only)



In July 2024, we established NCS RE Capital Limited, a strategic subsidiary that took over our real estate-related and renewable energy businesses. The company name, RE is an abbreviation of real estate and renewable energy, and also contains the meaning of "regeneration and circulation."

In the real estate field, we will promote the effective use of real estate and the revitalization of local economies through real estate finance and proprietary investment in rental residences, healthcare facilities, and other real estate. Recently, we launched our own brand "CLARITIA", and have begun initiatives for rental residences in collaboration with condominium developers. We are developing new properties with a focus on high-quality living, primarily in convenient locations in the suburbs of Tokyo. In the renewable energy field, we aim to solve

social issues through investments and loans and the operation of our own power plants. In addition to the existing initiatives, we are developing solar carports and promoting the storage battery business to enable the efficient use of renewable energy and to help stabilize the electric power grid.

With the strength of flexible and swift decision-making capabilities that utilize the networks of NEC Capital Solutions and SBI Shinsei Bank, as well as highly dedicated personnel, we will generate new value flexibly and swiftly, contributing to the improvement of corporate value and realization of the next-generation circular economy.

Launch of urban residence brand "CLARITIA"

NCS RE Capital entered the residential field in 2023, and has been promoting property development in collaboration with condominium developers. The Company's own brand CLARITIA is a series of rental residences with the theme of "high-quality living." This is a coined word, meaning "clarity" that offers a clear view of the residents' future. The combination of "clarity," which is used as a grade to indicate the transparency of diamonds, with "tia," which represents a place, symbolizes the sense of security and reliability that offers a clear view of the future, and sophisticated beauty. This series offers living spaces with high-grade facilities and design in easily accessible locations in the suburbs of Tokyo. It proposes



housing that combines functionality and comfort to match the lifestyles and diverse values of our residents.

Initiatives of RISA Partners and the acquisition of income-gain assets

Our consolidated subsidiary RISA Partners utilizes its network with over 180 regional financial institutions nationwide to provide financial corporations and regional companies with "investment and loans" as financial support, and also "advisory services" as professional advice. With these strengths, it operates a private equity fund (RCSF) that aims to improve corporate values, and has made investments of more than 75.0 billion yen in over 40 projects to date. In addition, in collaboration with regional financial institutions and companies, it also invests in and provides management support to domestic accommodations and local companies through the operation of a tourism revitalization fund and advisory services, thereby contributing to the revitalization of local economies. It also operates a fund for medium-sized growing enterprises together with Development

Bank of Japan Inc., based in its overseas subsidiary in Singapore. While striving to improve corporate values through investments and partnerships, it also supports Japanese companies entering the market. Its revenue tends to fluctuate widely as it deals with many investing activities through funds, so it is making efforts to secure the stable source of revenue. During the current fiscal year, it worked to establish a revenue base that would cover fixed costs, holding real estate assets that generate stable revenues as income-gain assets, such as student dormitories. In the fiscal year ended March 31, 2025, it acquired assets worth over 20.0 billion yen and strived to secure steady source of revenue, such as rental income.



See ▶ P.28 for introduction of initiatives related to renewable energy



Yuichi Tsukada Director

Message from director

Role within business strategies

In addition to the vendor field, from this fiscal year I have also been placed in charge of the Business Promotion Division, which is responsible for ICT services, the PFI and PPP area, and back-office and middle-office functions. My role is to supervise everything other than financial products and staff departments, and I am proceeding with the Medium-term Plan 2025 under a new structure with stronger cross-departmental collaboration.

Relevant strategies

Business Strategy (I)

Expand service business and create new circular economy-oriented services (Expand service business including IT asset management and PFI, and create new cyclical services)

Business Strategy (II)

Accelerate growth through strategic investment in core businesses (Expand scale of business through high added value for ICT-related services)

Business Strategy (III)

Strengthen vendor finance and expand customer base

To achieve the targets in the Medium-term Plan 2025 and ensure long-term improvements in corporate value, we are promoting business activities according to three basic policies: (I) Focus on the Company's proprietary strengths; (II) Generate new income beyond existing interest income; and (III) Improve engagement. We have set targets for the public and private sectors based on these policies, and we are reviewing our frameworks to break down barriers between organizations and departments and promote collaborative business operation.

Specifically, in the public sector our strategy is to "perfect our national government business (sales channels)." During this fiscal year, we expect to take top spot in the industry in terms of the number of PFI projects. Our knowhow in participating in tender offers based on strong relationships with companies in our sales channels, including consortiums, are core strengths accumulated in the vendor area. As the aging of public infrastructure becomes an increasingly serious social problem, the role we are expected to play as a company is growing in importance.

In the private sector, our strategy is to "perfect our ICT business." In recent years, companies' IT systems have been undergoing modernization*, such as by shifting their internal systems to the cloud, and these efforts often incur significant initial costs. To reduce the burden on our customers, we provide a monthly-fee service that combines these initial costs with the fixed costs required after migration to the cloud.

In terms of customer-oriented services, we are working to establish a unique position as a "PC-LCM (PC lifecycle management) solution integrator," who produces an optimal

solution for life cycle management, from the procurement of PCs to their disposal. We have also recently begun offering a "simplified IT due diligence (simple ITDD)" service, which analyzes customers' IT operation frameworks and rules, and checks for deficiencies in the prevention of information leaks and the management of software licenses. For internal systems, we are proceeding with organizational reviews and employee education to increase the number of employees who can offer more sophisticated proposals. Through initiatives like these, we hope to address the lack of information system personnel and issues related to costs, and in turn contribute to the promotion of DX, which is one of the main management challenges currently facing companies in Japan.

Performance-wise, profitability is improving primarily in national government-related businesses, and we expect continued progress from the acquisition of highly profitable projects. We are seeing particularly smooth progress in contracts related to phase two of the GIGA School Program. We expect to obtain the highest share in the leasing area, which we anticipate will generate income from the next fiscal year onward. We must restore profitability in the private sector, and so during this fiscal year, we will work to strengthen our systems and create a business foundation that focuses on our unique strengths. In our operational processes, we have begun reviews of everything from sales to back-office operations, and are implementing AI-based process reforms and working to generate new income opportunities at the end of leasing and rental terms through sales expansion of recycled PCs, for example. We will continue driving initiatives to achieve the targets in the Medium-term Plan 2025.

*Modernization: The optimization of aging IT systems through use of state-of-the-art technologies

Our initiatives

Activities for the full-fledged Phase Two of the GIGA School Program

The GIGA School Program is an establishment plan proposed in 2019 by the Japanese Ministry of Education, Culture, Sports, Science and Technology (MEXT) to develop educational ICT environments. Against the backdrop of the COVID-19 pandemic's rapid spread, the program was introduced quickly. Many local governments introduced this program through leasing, and we also conduct business with a large number of them.

Five years after its introduction, "phase two of the GIGA School Program" is currently underway, as the next phase.

Since the devices introduced then are now approaching the time for replacement, we expect replacement demand to peak between the current fiscal year and the fiscal year ending March 31, 2026. While some local governments purchase the GIGA devices, we are emphasizing the convenience of leasing to boards of education of local governments, and promoting activities aimed at winning orders for GIGA School Programs in collaboration with dealers.

Transactions with the national and local governments, and initiatives of PFI and PPP

In recent years, PFI and PPP projects have been drawing increasing attention, as they enable high-quality public services while reducing costs by utilizing private funds and capabilities in the construction and operation of public facilities, etc., which have previously been managed by the government. We have participated in a variety of projects since 2011, starting with the construction of a school lunch center in Yachiyo City, Chiba Prefecture. PFI and PPP business is undertaken through the collaboration among companies with

expertise in each of the following areas: design, construction, operation, and maintenance. We provide financial advisory (FA) services to support these companies in areas such as financing enabling them to maximize their capabilities throughout the project. As we have accumulated a track record, we have also been appointed as the representative company in some projects. So far, we have undertaken over 60 projects in total (as of the end of March 2025).

Refurbished PC Initiative Recognized under the Principles for Financial Action for the 21st Century

In 2024, we began to offer refurbished PCs with manufacturer's warranty, which had previously been used as lease/rental PCs, in collaboration with NEC Personal Computers. These products have been refurbished after being diagnosed and serviced by the manufacturer, and come with a six-month warranty, a new battery replacement, etc., making them both environmentally friendly and convenient. This is also an example of our unique services for achieving a next-generation circular economy that leverage our strengths in ICT cultivated in the NEC Group.

In 2025, this initiative received Executive Committee Chairman's Award as a best practice case under the "Principles for Financial Action for the 21st Century" for its contribution to the effective use of scarce resources, the reduction of CO₂ emissions, and the realization of a circular economy. We received high praise for our



At the award ceremony, with President Suganuma in the middle

pioneering initiatives to achieve both environmental friendliness and profitability in our mainstay Leasing Business.

"Simplified ITDD" service to help visualize IT risks in the M&A field

We began providing M&A advisory services in 2012, and have continued to build a track record, including being ranked in the "Japan Mid-Market M&A Financial Advisory Review" announced by the London Stock Exchange Group.

In recent M&A activities, there has been an increasing number of situations where the actual state of the acquired company's IT systems, security, contract status, etc. directly affects post-acquisition business operations, costs, and risk management.

In light of this situation, as a financial services company with strengths in the ICT field, we launched a "Simplified ITDD" service. This service examines the target company's IT

assets, operational structure, security, contract details, and other matters, in a short period of time, clearly identifying and assessing IT risks that are often overlooked. This service will support the decision-making of M&A stakeholders as a solution that offers practicality, flexibility, and speed, thereby meeting the needs of those on the front lines wanting to confirm the minimum level of IT risks even within a limited time.