

FUYO LEASE

Fuyo Lease CSR Website

2020

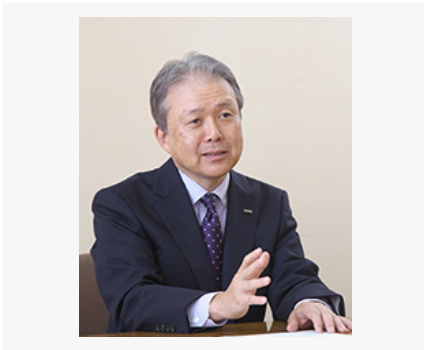
Archive

Contents

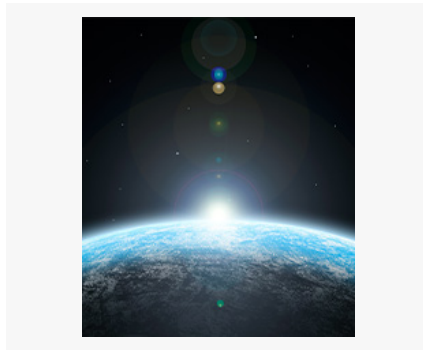
CSR	
Fuyo Lease Group's CSR	P4
Solving Social Issues through Business	P27
Environmental Report	P48
Social Report	P98
Governance and Managemnet	P152
Each Group Company's Environmental and Social initiatives	P187
External Evaluation	P216
Editorial Policy	P219
Independent assurance	P221
"Integrated Report" PDF download	P223

CSR

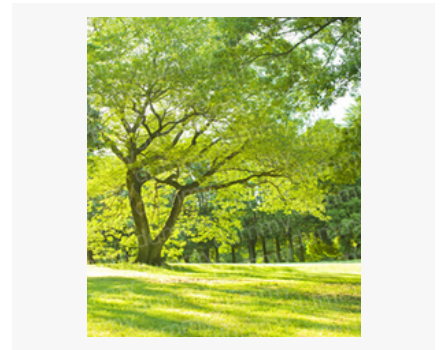
Fuyo Lease Group's
CSR



Solving Social Issues
through Business



Environmental Report



Social Report



Governance and
Management




Each Group
Company's
Environmental and
Social initiatives



External Evaluation





FUYO LEASE GROUP
Fuyo Lease Group Integrated Report
2020

[↓ "Integrated Report" PDF download](#)

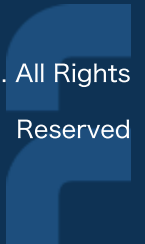
"Integrated Report 2020"  (5649KB)

[↻](#) Other years' reports are here

[Editorial Policy >](#)

[Independent assurance >](#)

For inquiries and comments regarding the CSR activities, please contact: [>](#)



Fuyo Lease Group's CSR

[Message from the President](#) >

[Management Philosophy](#) >

[Our Thoughts on CSR](#) >

[Materiality](#) >

[Fuyo Lease Group and Its Stakeholders](#) >

CSR

Fuyo Lease Group's CSR

[Message from the President](#)

[Management Philosophy](#)

[Our Thoughts on CSR](#)

[Materiality](#)

[Fuyo Lease Group and Its Stakeholders](#)

[Solving Social Issues through Business](#) >

[Environmental Report](#) >

[Social Report](#) >

[Governance and Management](#) >

[Each Group Company's Environmental and Social initiatives](#) >

[External Evaluation](#) >

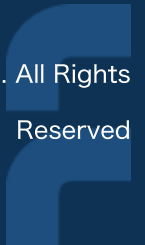
[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Message from the President

We will achieve sustainable growth as a company while addressing social issues by expanding into new business areas beyond the framework of leasing



President & Chief Executive Officer Yasunori Tsujita

Concentrated Investment in Strategic Areas and Frontiers for Further Growth

Fuyo Lease Group's five-year Medium-term Management Plan, Frontier Expansion 2021, is now in its fourth year. The name Frontier Expansion comes from the idea that we are taking a courageous step forward into new fields while valuing both the Group's accumulated know-how in the leasing business and the trust that customers place in us. This approach is in line with our company's corporate slogan, "Go where no one has gone before."

The results of these efforts are reflected in the fact that our operating results for fiscal 2019 far exceeded the initial values that were set for our interim goal. There are two main factors behind our

CSR

Fuyo Lease Group's CSR

Message from the President

Management Philosophy

Our Thoughts on CSR

Materiality

Fuyo Lease Group and Its Stakeholders

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

steady growth. One was the steady increase in operating assets in strategic areas, which was a strong driver of growth for the Group as a whole. The other was the success of measures aimed at expanding frontiers, such as M&A, capital alliances, and business alliances.

The needs of society and customers are more diverse than ever before, and we cannot achieve sustainable growth if we continue to do business as usual. We will continue to actively invest management resources in strategic areas and frontiers by always considering the optimal way to utilize our strengths in each business from a medium- to long-term perspective.

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

Fiscal Year 2019 Review

Looking back on fiscal 2019, the Japanese economy was on a slow recovery trend against the backdrop of improvements to the employment and income environment. However, in addition to U.S.–China trade friction, the impact of the global spread of the COVID-19 in the latter half of the fiscal year has created an unavoidably uncertain situation going forward.

In this environment, the Group continued to achieve record earnings, following the trend of fiscal 2018, with sales of ¥712.3 billion (up 15.2% year on year) and ordinary profit of ¥44.0 billion (up 12.6% year on year). This was due to the steady accumulation of assets, especially in strategic areas, as well as the full-year performance of INVOICE, which joined the Group in fiscal 2018 as a provider of BPO (business process outsourcing) services*1.

 "Integrated Report"
PDF download

Strategic Area and Frontier Growth

In order to select and concentrate on strategic areas, our Medium-term Management Plan, Frontier Expansion 2021, promotes business portfolio management based on the concept of zone management, which divides business areas into four zones.

Conventional lease and finance businesses are positioned as core areas in the Performance Zone, and they are generating continuous and stable earnings. Real Estate, Medical & Welfare, Energy & Environment, Aircraft, as well as other fields are positioned as strategic areas in the Transformation Zone, and we have concentrated our management resources to achieve speedy management and promote business expansion. Furthermore, New Domains are positioned as a frontier within the Incubation Zone, and we have actively invested in new businesses to secure businesses that will grow into strategic and core areas in the future.

In this way, we have clearly defined the position of each business area and improved the performance of each business without compromising our policies. We believe this has led to stable growth. The share of ordinary profit accounted for by strategic areas and frontiers rose from approximately 30% in fiscal 2016, before the start of the Medium-term Management Plan, to 56% in fiscal 2019. In fiscal 2021, the final year of the plan, the ratio of strategic and frontier areas is expected to nearly double to 59% compared to 31% for the core areas.

BPO and Mobility Business as Up-and-Coming Growth Drivers

A closer look at the results of fiscal 2019 reveals two major changes.

First of all, BPO services, which were positioned in the Transformation Zone, has grown to become the driving force behind the Group's performance. In recent years, Japanese companies have faced the challenge of improving employee productivity in response to a decline in the labor force and the government's promotion of work-style reforms. As an effective means to resolve this challenge, we have endeavored to expand our BPO service business in the belief that there will be an increase in the demand for BPO, which involves the partial outsourcing of business processes. In August 2019, NOC Outsourcing & Consulting became a consolidated subsidiary. This has added a wide range of business outsourcing services and consulting capabilities, including human resources, general affairs, and sales administration to the Group, establishing a full range of service provision systems in conjunction with the business domains of Accretive, INVOICE, and others. By combining unique services, the Group is able to provide optimal solutions to its customers. This is a major strength of the company, and we are making steady progress in establishing a position in this area.

Second, we positioned the Mobility Business as seeds for future growth in the Transformation Zone. Currently, the automobile industry is in a period of major change as described by keywords such as CASE² as well as MaaS³, and the way people and goods are transported in the future is about to undergo major changes. The logistics industry is also facing a number of challenges, including an increase in the volume of distributed goods and a deteriorating labor shortage. At the Group, we see the resolution of these challenges as major business opportunities, and we will expand our business scope beyond the traditional framework of automobile leases to include businesses related to vehicles, logistics, and warehouses. In April 2020, we made YAMATO LEASE a consolidated subsidiary, and with the addition of the company's distribution-truck business assets as well as a new customer network, we took a step toward expanding our future business scope. Furthermore, by providing BPO services and utilizing the know-how of overseas group companies such as TDF⁴ and PRC⁵, we hope to contribute to solving the social issues that face the logistics industry.

New Domains that Expand Business Around Creating Shared Value (CSV) between society and companies

In considering new business domains in a global economy with increasing uncertainty, I place great importance on the concept of CSV⁶, which aims to achieve the sustainable growth of corporation by solving social issues. The world is facing various global issues such as those represented by the SDGs, and in line with the COVID-19 pandemic, new social changes under the monikers of the "new normal" and "after corona" are also expected. We believe that if we can address these issues headon in our business domains, it will lead to the acquisition of new blue ocean markets and the expansion of existing markets.

At present, the Group is focusing its management resources on projects that address social issues such as climate change, the enhancement of Medical & Welfare services, and the improvement of corporate productivity.

In the area of climate change, we are providing various services to support the introduction of renewable energy after the end of the FIT^{*7} system. One such service, the green electricity supply services (PPA services)^{*8}, has already received a number of preliminary orders since the start of full-scale sales in the second half of 2019, making us aware of the high demand for this service.

Additionally, in October 2019, we began the Fuyo 100% Renewable Electricity Declaration Support Program (P20), a preferential financing program for businesses and organizations that have joined RE100^{*9} and the 100% Renewable Electricity Declaration RE Action^{*10}. This program has been recognized for its social significance to support the promotion of renewable energy by a wide range of entities from companies to local governments to medical and educational institutions. In February 2020, the program was awarded the Gold Prize (Minister's Prize, the Ministry of Environment) in the Bond category of the ESG Finance Awards Japan.

Furthermore, looking toward the next Medium-term Management Plan, which will begin in 2022, we would like to address new social issues and prepare even more growth drivers by working with venture companies that have already formed capital and business alliances, such as Synspecive, which provides solutions using satellite data, and HiBot, which develops and manufactures robots that can be used in special environments that are difficult for people to access.

The Ideas of Each and Every Employee Improve the Overall Strength of the Group

As I have been relaying the concept and practice of CSV within the company from time to time, more and more businesses have emerged from the viewpoint of solving the problems facing society and customers. In the future, we hope to deepen each employee's understanding and practice of CSV through training and workshops. I hope that by discussing what social value we provide to our customers and society through our daily work, and by gaining self-awareness of this, each and every one of us will work from a CSV viewpoint.

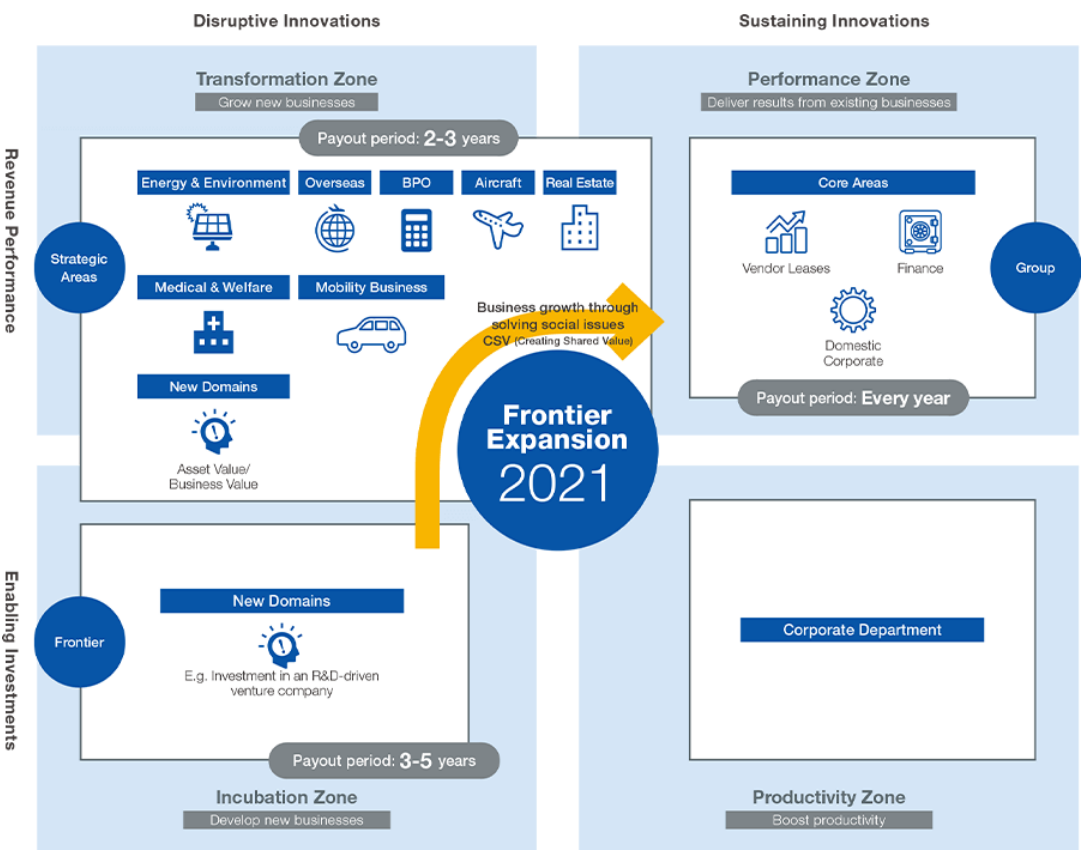
People are the Group's greatest asset. I believe that we can continue to grow only when all employees are able to realize their full potential. In June 2020, we consolidated the functions of the group companies, including our head office, in Kojimachi, Chiyoda-ku, Tokyo. The new office provides a variety of ways for employees to work comfortably and efficiently, and it is a place where communication across company boundaries can be invigorated. In the future, we hope that this office will further deepen personnel exchanges within the Group as well as cooperation in business operations, leading to improvements in our overall capabilities.

Towards the Long-Term Distribution of Profits to Shareholders and Sustainable Growth

We paid a cash dividend of ¥205 per share for the fiscal year ended March 2020, which is an increase of ¥17 year-on-year with a payout ratio of 23.5%. For the fiscal year ending March 2021, we forecast a cash dividend of ¥220 per share, an increase of ¥15, with a payout ratio of 24.4%. As for COVID-19, there are concerns about its impact on the Real Estate and Aircraft businesses, but in order to expand our strategic areas as well as frontiers, and achieve further growth, we will strive to strengthen our management base and financial structure through the enhancement of shareholders' equity, and we will return profits to shareholders through the continuation of stable, long-term dividends.

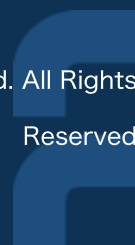
The Group's goal is not to generate large profits in one specific business area, but to maintain a balance of multiple business domains that generate revenue of a certain size. If I were to liken it to a mountain, our goal is not to become an independent mountain like Mt. Fuji, but to form a mountain-range-like revenue structure that is like Yatsugatake and its multiple peaks. We will realize sustainable growth as we constantly invest management resources in growth markets, regardless of the conventional leasing business framework.

We at the Fuyo Lease Group are not afraid of changes in the world. Instead, we see these changes in a positive light as seeds for future growth, and we boldly take on challenges in new domains. The corporate slogan of the Fuyo Lease Group is "Go where no one has gone before," and as a company that pursues this with the frontier spirit of each and every member of the Group, we ask that you continue to have hope in us.



Reference: Zone to Win: Organizing to Compete in an Age of Disruption (Written by Geoffrey A. Moore, translated by Kiyoshi Kurihara)

- *1 BPO (Business Process Outsourcing) Service: A service that processes some or all of business operations on behalf of other companies by using specialized skills and know-how.
- *2 CASE: A term that has been coined from the initial letters of four automotive trends: Connected (connected cars), Autonomous (autonomous driving), Shared & Service (shared cars and driving as a service), and Electric (electrification of vehicles).
- *3 MaaS: An acronym for Mobility as a Service, which indicates the creation of services based on means of transportation (mobility).
- *4 TDF: TDF Group Inc., a company that engages in rental, leasing, and sales of pickup trucks in North America.
- *5 PRC: Pacific Rim Capital, Inc., a company that handles operating leases for material handling equipment mainly in the United States.
- *6 CSV: Creating Shared Value, a concept that aims to capture and balance both economic and social value.
- *7 FIT: Feed-in-Tariff, a system for purchasing renewable energy at a fixed price for a certain period of time.
- *8 Green electricity supply services (PPA services): A business installing solar power systems on customers' facility rooftops and other areas, then directly supplying customers with energy.
- *9 RE100: An international initiative aimed at sourcing 100% renewable energy for all business activities.
- *10 100% Renewable Electricity Declaration RE Action: Established in October 2019. An initiative for small- and medium-sized companies, organizations, and municipalities not covered by RE100 to declare that they will convert the electricity consumed in their business activities to 100% renewable energy.



Management Philosophy

- **We support corporate activities through our leasing business with view to contributing to development of the society.**
- **We maintain customer's first philosophy, providing best services.**
- **We aim to earn high marks from shareholders and markets while pursuing creativity and innovation.**
- **We create a challenging and rewarding workplace where employees think and act on their own.**

CSR

Fuyo Lease Group's CSR

Message from the President

Management Philosophy

Our Thoughts on CSR

Materiality

Fuyo Lease Group and Its Stakeholders

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

[External Evaluation](#) >

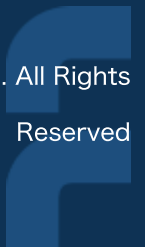
[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Our Thoughts on CSR

Practicing CSR based on our Management Philosophy

Based on our Management Philosophy, the Fuyo Lease Group focuses on supporting "corporate activities through our leasing business with view to contributing to development of the society" as the foundation of CSR activities that need to be prioritized and addressed. We are working together as a group to carry out these activities.

Contributing to the society through leasing business

We use various financial functions including leases to support customers' capital investments to solve environmental and social issues. We also contribute to the creation of a closed loop society through the 3Rs (reduce, reuse, recycle) of assets whose leases have expired.

Through the use of various financial functions, we support customers' capital investments to solve environmental and social issues

Fuyo Lease supports customers' capital investments through the use of various financial functions, which leads to solving of the various issues society faces.

We support environmentally-friendly, healthy, and safe lives. For example, in regards to the environmental impact, we engage in the leasing of energy-saving equipment, renewable energy equipment, leasing eco-cars and the ESCO (Energy Service Company) service among others. In regards to support for social life, we lease medical equipment, food-related equipment, aircraft, railroad equipment, and disaster prevention- and crime prevention-related equipment.

CSR

Fuyo Lease Group's CSR

Message from the President

Management Philosophy

Our Thoughts on CSR

Materiality

Fuyo Lease Group and Its Stakeholders

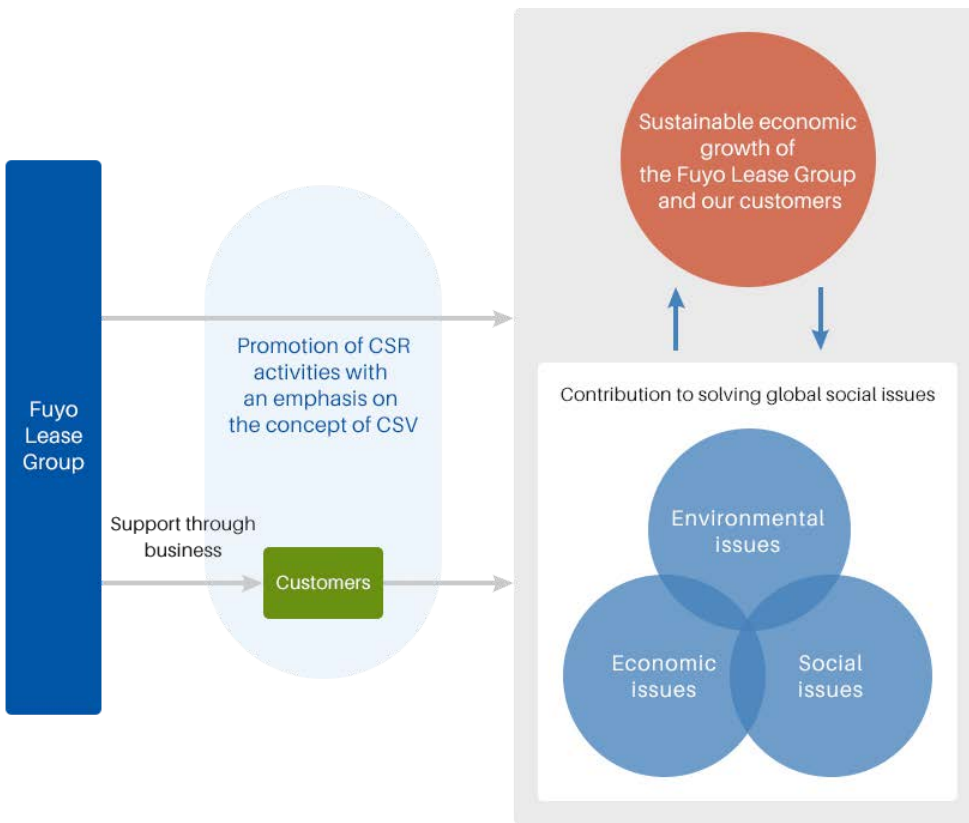
Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >



- External Evaluation >

- Editorial Policy >

- Independent assurance >

["Integrated Report" PDF download](#)

Examples of environmental issues

- Prevention of global warming
- Prevention of resource depletion
- Prevention of air pollution
- Prevention of soil contamination
- Proper disposal of waste etc.

Examples of economic issues

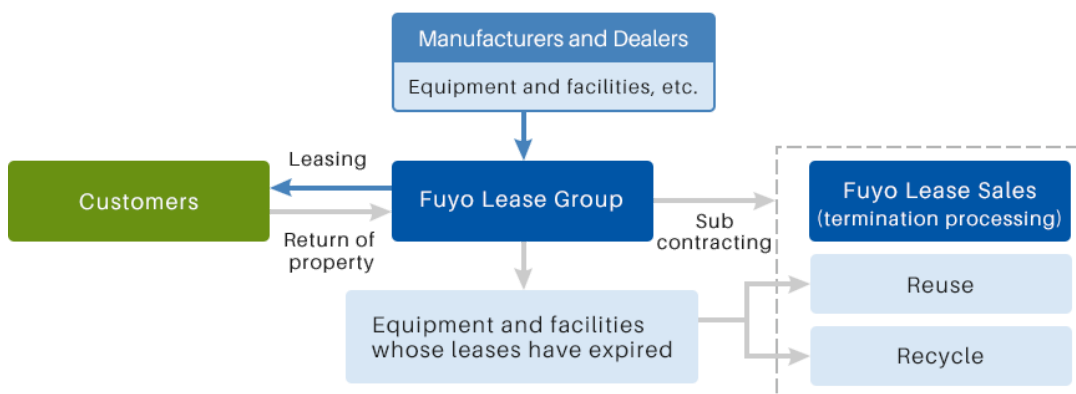
- Stable economic growth
- Responding to globalization
- Technological innovation
- Sound market formation. etc.

Examples of social issues

- Worldwide**
- Alleviating poverty
 - Increasing education
- Domestic**
- Nursing-care measures
 - Measures for aging and declining birthrate
 - Enhancing the social insurance system including in the pension and medical areas
 - Maintaining health
 - Safe living environment
- etc.

Promote 3Rs for assets whose leases have expired and contribute to the creation of a closed loop society

We contribute to the creation of a closed loop society by promoting the reduction of industrial waste, as well as the reuse and recycling of equipment and machinery that have been returned after the end of their lease periods.

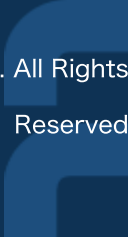


Contribute to solving social issues in each business

We provide comprehensive BPO services to improve work efficiency and reform work styles, one-stop services that meet client's needs in collaboration with group companies, etc., in the Medical & Welfare areas, and finance services such as the Fuyo 100% Renewable Electricity Declaration Support Program in the Energy & Environment areas.

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Materiality

In order to realize a sustainable society, the Fuyo Lease Group has identified issues to be solved through the Group's businesses as Material Issues (important issues to be addressed), taking into consideration their impacts on society and stakeholders with reference to the SDGs proposed by the United Nations. We will contribute to creating a prosperous and sustainable society by enhancing shared values between society and companies through our efforts along with identified Materiality.

Identifying Materiality

STEP 1 Identifying issues

Based on the SDGs, we created a list of issues relevant to our corporate group from a global standpoint. We then conducted an external environment analysis referring to ESG indexes to identify issues which could influence our group.



STEP 2 Assessing materiality from the stakeholders' point of view

We quantitatively analyzed the magnitude of the impact that the issues identified in Step 1 could have on our company from the viewpoint of investors and other stakeholders.



STEP 3 Assessing materiality for our business operations

We conducted an internal environment analysis on the issues identified in Step 1 while giving due consideration to our Medium-term Management Plan, Code of Corporate Conduct and other guidelines. The analysis evaluated how big a contribution each of our businesses could make to solving these issues and the potential impact on our financial performance.

CSR

Fuyo Lease Group's CSR

Message from the President

Management Philosophy

Our Thoughts on CSR

Materiality

Fuyo Lease Group and Its Stakeholders

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >



STEP 4 Identifying priority issues

Following Steps 2 and 3, we identified priority issues, and following discussions among the Board of Directors, top management approved the identified priority issues.

In the first half of fiscal 2020, the Board of Directors examined the appropriateness of major KPI targets such as climate change measures and work-style reform, and decided to further strengthen the system to promote materiality initiatives and KPI achievement on a company-wide basis.

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

Materiality for Fuyo Lease Group

Following the Materiality identification process shown above, we identified Goal 3, 5, 7, 8, 11, 12, and 13 as the most important strategic SDGs.





Material Issues (Materiality)


1. Responding to climate change issues and renewable energy
2. Promoting health and wellbeing
3. Developing safe and livable cities and providing transportation
4. Achieving economic growth and fulfilling work
5. Contributing to the creation of a circular society
6. Diversity and work-style reform

KPIs and Targets of Materiality (Creation of Shared Value through Business Activities)


1.Responding to climate change issues and renewable energy

Themes of Initiatives	KPIs			Contributing to society and the environment (outcome)	Relevant Business and SDGs
	Results and plan (output)				
		FY 2019 Results	Targets		
Expand supply of renewable energy	Supplying green energy through the solar power generation business	200MW-dc	FY 2021 target: 200MW-dc	Estimated CO2 reduction 70,054 t-CO2 [FY 2019]	Energy & Environment  
Convert power consumed by the Fuyo Lease Group into renewable energy	Setting targets and promoting the use of renewable energy in business operations	Participated in RE100 Started reviewing utilization of renewable energy	2030 target: 50% 2050 target: 100%	Promoting the use of renewable energy and communicating demand voices to the market	
Provide support for the wider use of renewable energy through the provision of financial services	Providing financial services to companies and organizations participating in RE100 and the 100% Renewable Electricity Declaration RE Action through “the Fuyo 100% Renewable Electricity Declaration Support Program”	Issued green bonds and began provision of program Number of organizations providing program: 15 organizations	Contributing to the promotion of the 100% Renewable Electricity Declaration RE Action and further expanding the provision of programs	Providing financial services to companies participating in the RE Action in support of their renewable energy initiatives (Major leasing results from programs) LED lighting, electric vehicle chargers, devices that are compliant with the Act on Promoting Green Procurement (PCs, printers, etc.)	
	Operating assets of the Energy/Environment businesses (excluding solar power generation business)	¥33.2 billion	FY 2021 target: ¥41.0 billion	Promoting renewable energy and energy saving	
Promote cutting-edge renewable energy-related technologies	Offering support to renewable energy-related technology venture companies	Invested in Girasol Energy FY 2020 results: Received first order for green electricity supply services (PPA services)	Offering support for selling and providing services for new technologies and products	Disseminating advanced renewable energy-related technologies	


2.Promoting health and wellbeing

Themes of Initiatives	KPIs			Contributing to society and the environment (outcome)	Relevant Business and SDGs
	Results and plan (output)				
		FY 2019 Results	Targets		
Expand access of medical, elderly nursing-care, and welfare services	Operating assets of Medical/Social Welfare businesses	¥81.0 billion	FY 2021 target: ¥95.0 billion	Improving both the quantity and quality of medical, elderly nursing-care, and welfare services	Medical & Welfare 
Support medical institutions with their management	Balance of factoring for medical and nursing-care receivables (balance of FPS Medical by Accretive)	¥17.2 billion	FY 2021 target: ¥30.0 billion	Helping medical institutions to achieve financial stability by meeting their funding needs	
Promote cutting-edge healthcare technologies	Offering support to medical venture companies	Invested in Japanese Organization for Medical Device Development	FY 2020 results: Invested in THINKCYTE	Disseminating advanced medical technologies	


3.Developing safe and livable cities and providing transportation

Themes of Initiatives	KPIs			Contributing to society and the environment (outcome)	Relevant Business and SDGs
	Results and plan (output)				
		FY 2019 Results	Targets		
Promote environmentally-friendly urban scape and residential space	Operating assets of real estate leases (Commercial facilities, hotels, distribution facilities, nursing care facilities, residential facilities, etc.)	¥444.7 billion Jointly acquired trust beneficiary rights of Nasu Garden Outlet	FY 2021 target: ¥530.0 billion	Supplying environmentally-friendly assets	Real Estate Aircraft 
Contribute to expanding the volume of safe, inexpensive, and fast transportation	Number of aircraft owned by the Group	41	FY 2021 target: 70*1	Transportation capacity: 10 million people *2 per year [FY 2019]	



4. Achieving economic growth and fulfilling work

Themes of Initiatives	KPIs			Contributing to society and the environment (outcome)	Relevant Business and SDGs
	Results and plan (output)				
		FY 2019 Results	Targets		
Support corporate activities through leasing business, contribution to social development	Operating assets	¥2,384.0 billion	FY 2021 target: ¥2,500 billion	Providing right-to-use and/or possessory rights to customers through leases, and outsourcing of processes and procedures associated with ownership	BPO 
Improve management efficiency, overcome labor shortage, and address work-style reform	Number of companies providing BPO services through five BPO companies*3	18,571 companies Made NOC Outsourcing & Consulting a consolidated subsidiary Made MerryBiz an equity-method affiliate	FY 2021 target: 20,000 companies	Contributing to the resolution of labor shortages and the promotion of work-style reform by providing BPO services	

5. Contributing to the creation of a circular society

Themes of Initiatives	KPIs			Contributing to society and the environment (outcome)	Relevant Business and SDGs
	Results and plan (output)				
		FY 2019 Results	Targets		
Promote 3Rs (reduce, reuse, and recycle) for leased assets after the end of their lease period	Reuse and recycle rate for returned PC	100%	FY 2020 target: 100% or more	Reducing waste and promoting a circular society	Domestic Corporate 
Reduce the impact on the environment through proper waste disposal	Proper disposal of industrial waste	Proper disposal of all waste	Same as column to the left	Reducing our environmental impact by ensuring proper disposal of waste	

6. Diversity and work-style reform

Themes of Initiatives	KPIs			Contributing to society and the environment (outcome)	Relevant Business and SDGs
	Results and plan (output)				
		FY 2018 Results	Targets		
Empower women in workplaces and develop human resources with diverse strengths	Percentage of female managers (non-consolidated)	19.6%	FY 2021 target: 30% or more	Ensuring that female employees can realize their full potential in the workplace	 
Improve work-style to pursue efficiency and productivity	Rate of taking annual paid leave (non-consolidated)	66.3%	FY 2021 target: 80%	Improving work-style to pursue efficiency and productivity	
Promote work-life balance	Telecommuting utilization rate*4 (non-consolidated)	5.9%	FY 2021 target: 40% or more	Promoting a balance between work and family	
Improve job satisfaction	Rate of job satisfaction*5 (consolidated)	85.8%	Steady improvement	Increasing productivity and added value by enhancing job satisfaction	

*1 Due to the impact of the spread of COVID-19, we are considering revising our planned target.

*2 Calculated independently from the breakdown of aircraft possessed and figures published by aircraft manufacturers, etc.

*3 Sharp Finance, Accretive, INVOICE, NOC Outsourcing & Consulting, and MerryBiz.

*4 Due to restrictions on the number of employees coming to work in conjunction with the spread of COVID-19, actual data on paid leave for eight Fuyo General Lease (USA) Inc. employees is not included.

*5 Of all employees, the percentage who have been provided with home PCs to establish telecommuting environments and have telecommuted from home at least once.

*6 Percentage of employees who rated 4 or above (on a scale of 1 to 5) for at least one job satisfaction question out of 6 in the Employee Satisfaction Survey

Fuyo Lease Group and Its Stakeholders

The Fuyo Lease Group aims to solve social issues through its business operations as it paves the way to a sustainable society and sustainable business growth, while responding to the expectations of its stakeholders.

Stakeholder Dialogue

We believe that communicating with stakeholders is the key to accurately understanding various social issues and the role we are expected to play. We see communication as the bridge that brings us closer to stakeholders, and we use it to ensure that we live in harmony with people from all walks of life.



CSR

Fuyo Lease Group's CSR

Message from the President

Management Philosophy

Our Thoughts on CSR

Materiality

Fuyo Lease Group and Its Stakeholders

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

Customers	Our management philosophy is to "always give first priority to the customer and provide the best service." In putting that philosophy into practice, we work to enhance the level of satisfaction of all our customers.
Suppliers and partners	We work together with suppliers, business partners, and vendors to build and maintain fair and equal relationships that serve as fertile ground upon which everyone involved can grow.
Shareholders	Our basic policy is to return stable profits to shareholders on a long-term basis. We also disclose information in a timely, appropriate, and fair manner to ensure the transparency of our operations.
Industry organizations and competitors	We work with competitors to enhance business, improve services, and share information through, for example, participation in industry associations.
Communities and NPO	We value communication with people, companies, NGO/NPO and other organizations not only in the areas where we operate but also with a host of communities that lie beyond, and engage in community-based activities as a responsible corporate citizen.
Natural environment	To address environmental issues, we actively implement environmental initiatives through our business activities and strive to minimize our environmental footprint.
National government, administrative authorities, etc.	We maintain appropriate relationships with the government of Japan, relevant ministries and agencies, and local governments. We also maintain sound relationships with the central governments and administrative authorities of countries where our overseas subsidiaries operate.
Financial institutions	We raise funds necessary for our operations by maintaining strong relationships of trust with financial institutions.
Employees and their families	We strive to create a comfortable and secure workplace environment and are working towards an environment where all employees can find their own optimal work-life balance and enhance the quality of both life and work.

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

Participation in International Initiatives

Fuyo Lease signed the UN Global Compact (UNGC) in 2018. The UNGC is an initiative in which companies and organizations demonstrate responsible and creative leadership to act as good members of society and participate in the creation of a global framework for the realization of sustainable growth. Companies and organizations that have signed the UNGC agree to and continue to work toward the achievement of the Ten Principles* related to protecting human rights, eliminating unfair labor, responding to environmental issues and anticorruption.

The Global Compact Network Japan, which is the local network of the UNGC, hosts subcommittees organized by theme to discuss and exchange information with experts regarding the efforts of member

companies and organizations. Since fiscal 2019, we have participated in several subcommittees, and use the knowledge and best practices we have gained from these subcommittees to promote sustainable business activities.

* Ten Principles of Global Compact

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour;
	Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.





Solving Social Issues through Business

We strive to realize the part of our Management Philosophy that states, "We support corporate activities through our leasing business with view to contributing to development of society." To this end, it is extremely important that we clearly recognize the value that our services bring to society and to work toward achieving concrete results.

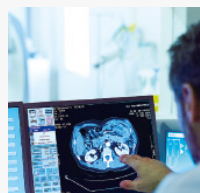
This section introduces products and services from among the Group's businesses that are expected to specifically contribute to solving social issues.

Special Feature 1. Energy & Environment



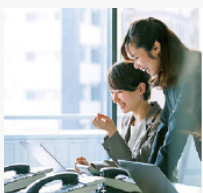
 
Responding to
Climate Change Issues
and Renewable Energy

Special Feature 2. Medical & Welfare




Providing a Wide Range of Solutions
for the Management Issues of
Medical Institutions:
The Fuyo Lease Platform Concept

Special Feature 3. BPO




Providing Comprehensive BPO Services
That Achieve Sustainable Growth and
Improve Job Satisfaction for
Client Companies

Special Feature 4. Mobility Business




Creating New Businesses That
Capture Mobility Innovation
and Contributing
to the Resolution of Challenges
in the Logistics Mobility Field

Environmentally conscious products and services

Relevant SDGs:



CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business

Special Feature 1. Energy & Environment

Special Feature 2. Medical & Welfare

Special Feature 3. BPO

Special Feature 4. Mobility Business

Environmental Report >

Social Report >

Governance and Management >

Through leasing and financing, we support capital investments for achieving energy-savings. Fuyo Lease has extensive unique backup systems, including systems that use various subsidy systems and supplier referrals. We contribute to mitigating the impact of climate change by developing a wide range of businesses that promote energy conservation and renewable energy.

Energy-saving equipment and subsidy-based lease

We offer energy-saving measures through leases.

[Click here for details](#)

ESCO (Energy Service Company) service

As an ESCO operator, we support total energy-saving activities.

[Click here for details](#)

Fuyo 100% Renewable Energy Declaration Support Program

We provide the financing program for companies and organizations participating in RE 100 and the "100% Renewable Energy Declaration RE Action".

[Click here for details](#)

Financing for renewable energy companies

We provide various financing services in the renewable energy field.

[Click here for details](#)

Solar loan

We offer loans covering purchasing and installation costs of solar power generation systems.

[Click here for details](#)

Solar power generation business

We offer optimal equipment implementation plans for items ranging from large-scale power plants to small-scale solar panels.

[Click here for details](#)

Agri Business

We provide finance services that reduce the initial investment burden for businesses responsible for next-generation agriculture. We also operate one of the largest plant factories in Japan.

[Click here for details](#)

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

["Integrated Report" PDF download](#)

Products and services that contribute to solutions for challenges in the Medical & Welfare fields

Relevant SDGs:



We are building a one-stop service system that provides a wide range of solutions for medical institutions and elderly nursing-care providers facing various issues against the background of the declining birthrate, aging population, and the concept of Regional Medical Care Visions. In collaboration with group companies, we will further expand our products and services and respond appropriately to changing client's needs.

Clinic launch support loan

We provide finance services that quickly provides funds for opening a clinic.

[Click here for details](#)

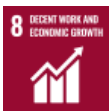
FPS Medical (a factoring service for medical and nursing-care receivables)

We provide asset utilization type finance services to medical institutions, elderly nursing-care providers, and dispensing pharmacies.

[Click here for details](#)

Products and services that contribute to economic growth and work-style reform

Relevant SDGs:



We are conducting business development centered on BPO services to resolve issues arising from there being "not enough people or not enough time" and to improve productivity for companies. By providing a variety of services that meet clients' needs, we will achieve economic growth for companies and help to both resolve the severe labor shortage caused by a decline in the labor force and promote initiatives for work-style reform.

BPO Services

We provide BPO (Business Process Outsourcing) services to support business efficiency.

[Click here for details](#)

Products and services that contribute to solutions for challenges in the logistics mobility field

Relevant SDGs:



We provide various services related to the logistics mobility field such as logistics, vehicles, and warehouses with group companies and affiliated companies. By leveraging our strengths in high-quality solutions that utilize our extensive domestic and overseas network, we support solutions to various issues in the vehicle and logistics industry.

Building Leases

We handle building leases for warehouses and distribution centers.

[Click here for details](#)

Auto Leases

We provide total vehicle services that include vehicle procurement, tax, and insurance payments, vehicle maintenance and inspections, and vehicle disposal at lease end.

[Click here for details](#)

Vehicle maintenance consignment business

This service manages maintenance exclusively for heavy-duty vehicles.

[Click here for details](#)

Products and services that contribute to the creation of a circular society

Relevant SDGs:



In order to promote the 3Rs (Reduce, Reuse, and Recycle), we provide economic advantages to our customers and contribute to the establishment of a closed-loop society not only by reusing PCs whose leases have expired but also by purchasing used assets owned by customers.

PC Eco & Value lease

We offer leases for personal computers in the pursuit of economic and ecological benefits.

[Click here for details](#)

Personal computer rental

We offer a rental system that flexibly responds to technological innovations in rapidly changing personal computers.

[Click here for details](#)

Used personal computer purchasing service

We purchase used personal computers.

[Click here for details](#)

Used assets purchasing service

We purchase redundant equipment and idle assets.

[Click here for details](#)

For a comprehensive list of products and services of Fuyo Lease Group, please click [here](#).

Special Feature 1. Energy & Environment



The Fuyo Lease Group's Awareness of Climate Change Issues

In recent years, the physical effects of climate change including extreme weather, rising sea levels, and forest fires have become increasingly apparent. Since the adoption of the Paris Agreement, which was concluded in 2015 to mitigate climate change, not only have both developed and developing countries been required to take countermeasures, but companies have also been required to actively engage in efforts to reduce greenhouse gas emissions.

The Fuyo Lease Group also recognizes the importance of responding to the risks and opportunities posed by climate change.

As a medium to long-term risk, there is a possibility that restrictions on business activities due to an increase in natural disasters and changes in regulations and systems such as carbon taxes may affect our performance. On the other hand, demand for leasing renewable energy facilities and energy-saving equipment is seen as a medium to long-term opportunity. In order to respond to such risks and opportunities, the Group has identified "Responding to Climate Change Issues and Renewable Energy" as one of its material issues (materiality) for addressing social issues.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business

Special Feature 1. Energy & Environment

Special Feature 2. Medical & Welfare

Special Feature 3. BPO

Special Feature 4. Mobility Business

Environmental Report >

Social Report >

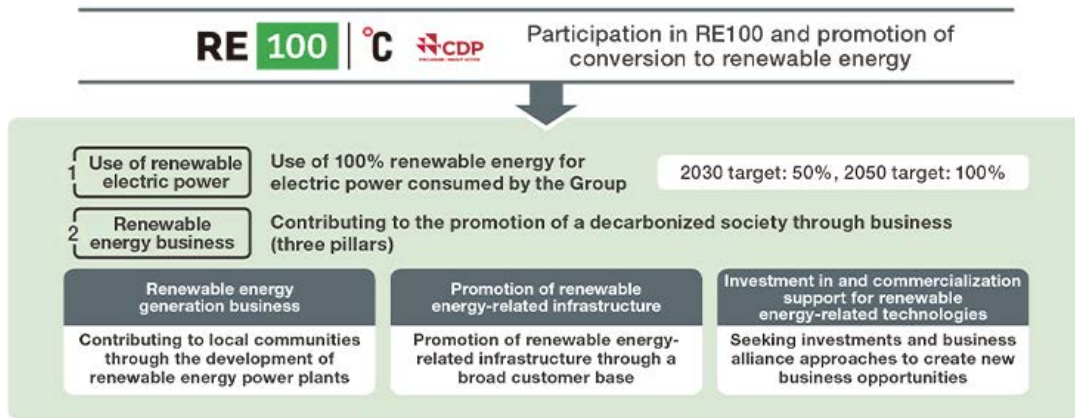
Governance and Management >

The Fuyo Lease Group's Initiatives to Promote the Spread of Renewable Energy

Recognizing the need to make major efforts to reduce greenhouse gases in response to climate change, in 2018, the Group became the first comprehensive leasing company in Japan to participate in RE100. RE100 is the global corporate leadership initiative, which aims to source 100% renewable energy to power business activities.

Furthermore, with the aim of contributing to the promotion of a decarbonized society, we are actively implementing initiatives based on three pillars: renewable energy generation business, promotion of renewable energy-related infrastructure, and investment in and commercialization support for renewable energy-related technologies.

Overview of Efforts to Convert to Renewable Energy



Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

Renewable Energy Generation Business

The Group generates solar power as part of its efforts to promote the spread of renewable energy in the course of business activities. The Group currently operates solar power plants at 34 locations throughout Japan, supplying enough electricity to power approximately 57,000 households in local communities. In fiscal 2019, as the first project in the difficult-to-return zone that was affected by the Great East Japan Earthquake, we started operating a solar power plant with an output of approximately 60 MW-dc, one of the largest in the Tohoku region, in Namie town, Fukushima Prefecture, Japan.



Namie Sakai Solar Power Plant 1 and 2 in Namie Town, Fukushima Prefecture, Japan

Promoting Renewable Energy-Related Infrastructure

Recently, more and more Japanese companies have been joining RE100. Furthermore, the 100% Renewable Electricity Declaration RE Action was established in October 2019 as a new framework for small and medium-sized enterprises, administrative agencies, hospitals, and educational institutions to declare that they will use 100% renewable energy.

One of the factors hindering the spread of renewable energy is that the cost of capital investment is a significant burden, especially for small and medium-sized enterprises. We established the Fuyo 100% Renewable Electricity Declaration Support Program to provide financial support to the businesses and organizations that have signed up for the 100% Renewable Electricity Declaration RE Action by utilizing the financing know-how that we have cultivated over many years. More specifically, we issue green bonds and raise funds from investors and use the gathered funds to support businesses and organizations that have joined the 100% Renewable Electricity Declaration RE Action to incorporate renewable energy and/or energy efficient equipment into their operations. In fiscal 2019, we decided to support a total of 15 organizations.

This program has been selected as a Model Case for the fiscal 2019 Green Bond Issuance by the Ministry of the Environment in recognition of its uniqueness and contribution to Japan's efforts to promote renewable energy countrywide. Furthermore, we were the only company to receive the Gold Prize (Minister's Prize, the Ministry of Environment) in the Bond category of the ESG Finance Awards Japan, which recognizes financial institutions that are actively involved in ESG finance and companies that are engaged in sustainable environmental management. Now and in the future, we at the Group are committed to providing active support to our clients in response to their financing needs for renewable energy.

In addition, we have been promoting our green electricity supply services (PPA services) since fiscal 2019 as a business to supply infrastructure for renewable energy power generation. Under this service, we install solar power generation systems on the sites or roofs of our customers and directly supply electricity to them. We will accelerate our efforts in this service in order to contribute to the further spread of renewable energy by supplying many customers with power generation systems that produce CO2-free electricity with environmental value.



VOICE



Executive Officer and General Manager, Energy & Environment Business Division Miki Sasaki

renewable energy in Japan and overseas by developing electric power infrastructure and power sources overseas, which are ahead of us in the renewable energy field.

In fiscal 2019, we also started a green electricity supply service (PPA service). Under this service, we install, operate, and maintain power generation systems free of charge and supply renewable energy to customers.

We also offer a wide range of decarbonization services such as support for EV and battery infrastructure as BCP measures as well as ESCO services, and we combine these services

We are making efforts to further expand the power supply of our solar power generation business and are also working with strategic partners to participate in hydropower, wind power, biomass, and geothermal power generation businesses. At the same time, we aim to expand the supply of

with unique financing capabilities such as the Fuyo 100% Renewable Electricity Declaration Support Program to provide the best solution for our customers.

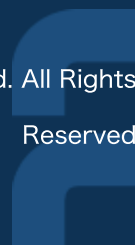
Providing Support for Investments in Renewable Energy-Related Technologies and Their Commercialization

In order to contribute to the further expansion of renewable energy introductions, we provide commercialization support to venture companies possessing cutting-edge renewable energy technologies through investments and business collaborations. In fiscal 2018, we formed capital and business alliances with Exergy Power Systems Inc., which develops and manufactures next-generation energy storage systems, and NExT-e Solutions Inc., which provides battery management systems that utilize advanced battery control technologies.

In fiscal 2019, we entered into a capital and business alliance with Girasol Energy Inc. It is a venture company from the University of Tokyo, and it is developing the PPLC-PV*, IoT platform for the maintenance and management of solar power facilities. This platform collects and analyzes data such as current, voltage, and temperature, thus making it possible to understand operational status on a panel-by-panel basis and to remotely identify problems as well as abnormalities at an early stage. One of the most important factors in making renewable energy a mainstay power source is the ability to operate power plants stably over a long period of time. We believe that the services provided by this company will contribute to the maintenance and expansion of solar power generation.

By supporting these venture companies now and in the future, we strive to promote the spread of renewable energy and to create new business opportunities.

* PPLC-PV stands for a pulse power line communication for series-connected PV monitoring.



Special Feature 2. Medical & Welfare



Management Issues Facing Medical Institutions and Fuyo Lease Initiatives

The management issues faced by medical institutions are diversifying due to changes in the environment surrounding medical care. For example, initiatives to improve working environments for medical professionals are urgently needed to promote the work-style reform led by the government. There is also a need for initiatives to convert medical functions. This has been brought about by changes in patient structure due to the declining birthrate and aging population, as well as the accelerated reorganization of hospitals in line with Regional Medical Care Visions*1. In addition, as part of measures to cope with the recent spread of COVID-19 and large-scale disasters, there is also increasing societal demand for online and remote medical care. Many medical institutions are required to streamline their operations through measures such as reducing costs while maintaining capital investment. Medical institutions face an urgent need to make efforts to address these diverse management issues.

At the Group, we have positioned Medical & Welfare as one of our strategic areas, and we provide a variety of services including the leasing and financing of medical devices and facilities, factoring for medical and nursing-care receivables, as well as the removal and purchase of used medical devices. We aim to leverage the know-how and rich variety of services that we have accumulated through our business activities to further contribute to resolving issues in the medical field. To this end, we are focusing on creating a system to accurately understand the diversifying needs of medical institutions and provide a wide range of solutions.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business

Special Feature 1. Energy & Environment

Special Feature 2. Medical & Welfare

Special Feature 3. BPO

Special Feature 4. Mobility Business

Environmental Report >

Social Report >

Governance and Management >

Expanding Advisory Functions and Information Channels to Identify Customer Needs

The Group has established a system to develop services that identify and satisfy the diverse needs of medical institutions. First, in order to enhance the expertise of the organization, we recruited personnel and established the Healthcare Advisory Division in April 2019. As a result, we have enhanced our sales activities aimed at management in university hospitals and hospitals that play a central role in regional medical care by promoting the utilization of expert knowledge and human networks. We actively approach management to understand the specific needs of each medical institution and utilize this information in the development of new services. Furthermore, we have become a member of the Medical Management Planning Group (MMPG), a nationwide organization of tax accountants and accounting firms that specialize in supporting medical business management. Utilizing the MMPG's medical information and know-how as well as its network of members, we have broadened our group services and expanded our information channels.

[Each Group Company's Environmental and Social initiatives](#) >

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

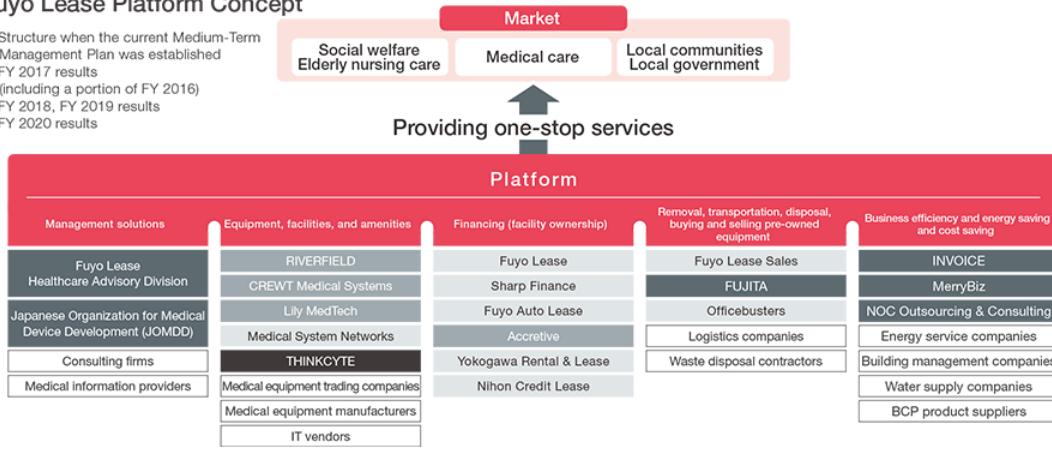
Providing Comprehensive One-Stop Services through the Fuyo Lease Platform Concept

The Fuyo Lease Platform Concept (see the figure below) is a one-stop service that combines services and provides solutions tailored to customer needs from five perspectives: management solutions; equipment, facilities and amenities; financing; removal, transportation, disposal, buying and selling pre-owned equipment; and business efficiency and energy saving and cost saving. Under the Fuyo Lease Platform Concept, the Group is working to expand its lineup of services for medical institutions, elderly social welfare and nursing-care providers, and local governments. For the management solutions, we have formed a capital and business alliance with the Japanese Organization for Medical Device Development (JOMDD), a medical incubator. The aim is to utilize the knowledge obtained through the organization to develop and provide management solutions for medical institutions. In addition, for equipment, facilities and amenities, we support the development and diffusion of cutting-edge medical technology through capital and business alliances with the medical venture company RIVERFIELD Inc.*2, CREWT Medical Systems, Inc.*3, and Lily MedTech Inc.*4. Furthermore, the various services provided by each group company make a significant contribution to enhancing the platform. For example, financing includes factoring for medical and nursing-care receivables by Accretive Co., Ltd.; removal, transportation, disposal, buying and selling pre-owned medical devices by FUJITA Co., Ltd.; and business efficiency, energy saving and cost saving includes consultation on the introduction of BPO services by NOC Outsourcing & Consulting, Inc. Optimally combining these services to meet customer needs allows us to offer a wide range of solutions.

We will continue to expand our business in the Medical & Welfare areas in order to further expand the Fuyo Lease Platform Concept in the future. Specifically, we will utilize our strategic, comprehensive alliance with Medical System Network Co., Ltd., which is engaged in the pharmaceuticals network business as well as other products and the dispensing pharmacy business, and we will promote collaboration with highly specialized companies such as medical consulting companies. By expanding into new business areas, we will enhance our platform and contribute to resolving diverse customer needs.

Fuyo Lease Platform Concept

- Structure when the current Medium-Term Management Plan was established
- FY 2017 results (including a portion of FY 2016)
- FY 2018, FY 2019 results
- FY 2020 results



VOICE



Executive Officer and General Manager, Medical & Welfare Division Hideyuki Otsubo

The Healthcare Advisory Division, which was established in April 2019, is working with medical management consultants to propose the utilization of the Group's BPO services and the introduction of an RPA. The aim is to improve and streamline hospital operations for medical

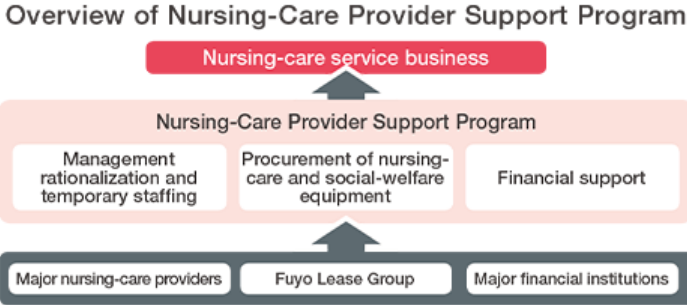
institutions that play a central role in regional medical care. We are also working to establish a system that enables us to provide services ranging from applications to office procedures online for the early payment of medical and nursing-care receivables provided by Accretive. The environment surrounding the management of medical institutions and nursing-care providers is becoming increasingly difficult due to COVID-19 and other issues. We will continue to face the management issues of our customers and provide optimal solutions based on its comprehensive capabilities.

The Nursing-Care Provider Support Program to Realize Sustainable and Stable Nursing-Care Services

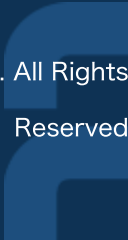
Although demand for nursing-care services is rising against the backdrop of an aging population, the shortage of nursing-care professionals is expected to deteriorate as the working-age population declines. Many nursing-care providers are facing problems such as issues with acquiring the human resources necessary to provide nursing care services, promoting the utilization of ICT (information and communications technology), and stably procuring materials and funds.

The Group has begun building a nursing-care provider support program that provides a framework to support the sustainable and stable business operations of nursing-care providers that face a variety of issues. The program consists of a collaboration between the Group, major nursing-care providers and major financial institutions to provide nursing-care providers with solutions from three perspectives:

management rationalization and temporary staffing, procurement of nursing-care and social-welfare equipment, and financial support. At the Group, we play a role in leasing and financing nursing-care and social-welfare equipment, supporting work efficiency improvements through our BPO services, providing financial support through an early payment service for nursing-care receivables, and providing funds necessary for business revitalization. In this way, the Group is working together to support nursing-care providers and contribute to the creation of sustainable local communities.



- *1 Regional Medical Care Visions: This initiative aims to create a framework for the division of roles and cooperation among medical institutions through the cooperation of local stakeholders, in order to estimate medical needs in 2025 and create a medical system that responds to those needs.
- *2 RIVERFIELD Inc.: A venture company from the Tokyo Institute of Technology that is developing Japan’s first surgical support robot. We invested in it on the assumption that we would form a partnership for the sales and promotion of leasing and rentals for the company.
- *3 CREWT Medical Systems, Inc.: A venture company affiliated with the University of Tokyo that is developing the visual-field testing equipment “AIMO.” We entered into a capital and business alliance with it to support the sale of AIMO through leasing and other financing plans.
- *4 Lily MedTech, Inc.: A venture company that develops diagnostic imaging equipment for breast cancer. We entered into a capital and business alliance with it to develop and promote leasing, rentals, and other schemes for the company’s equipment.



Special Feature 3. BPO



Using BPO-based Productivity Improvements to Contribute to Solutions for Challenges in the Age of the New Normal

As Japan's working-age population continues to decline due to a declining birthrate and an aging population, it has become an urgent issue for companies to streamline their management and improve employee productivity. Cost reductions are needed in response to business maturity and price competition. Also, there is a need for initiatives to raise the value and productivity of each employee by promoting diverse working styles, securing excellent human resources and creating an environment conducive to the creation of new value based on the work-style reform led by the Japanese government. Recently, with issues such as the shift to the New Normal following the spread of COVID-19, accurately responding to both changes in the business environment and accompanying changes in needs has become the most important issue for a company to achieve sustainable growth.

Against this backdrop, the Fuyo Lease Group has identified "achieving the sustainable growth/development of a company and improving employee job satisfaction" as one of its material issues (materiality). At the core of this are BPO services. Under our Medium-term Management Plan, Frontier Expansion 2021, we have positioned BPO services as a New Domains, and we are working to expand this business by supporting and realizing the growth of all companies from the perspective of

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business

Special Feature 1. Energy & Environment

Special Feature 2. Medical & Welfare

Special Feature 3. BPO

Special Feature 4. Mobility Business

Environmental Report >

Social Report >

Governance and Management >

improving productivity. In particular, there is an increasing need for BPO services in the age of the New Normal, and we hope to contribute to solutions for the challenges that many companies face.

Achieving Customer Satisfaction through BPO Services That Unite the Group's Collective Strengths in the Age of the New Normal

The Group currently provides BPO services using a total of eight group companies. INVOICE provides services for general affairs divisions, such as an integrated billing service for telecommunications as well as public utilities charges, and Accretive, as a provider of services for accounting and finance divisions, excels at payment services from accounts payable for retailers that open multiple branches.

Furthermore, these and other companies such as Sharp Finance, which provides collection agency services, and MerryBiz, which provides "virtual accounting assistants" using remote staff, are key to the Group's BPO offerings. At MerryBiz, they have approximately 800 remote staff members performing accounting services online, and the majority of these staff members are housewives from across Japan. By using a way of working that offers flexibility in terms of location and hours, MerryBiz creates employment opportunities for remote staff and contributes to addressing the social issue of labor shortages.

In August 2019, NOC Outsourcing & Consulting, which covers information systems, human resources, and sales administration, joined the Group as a comprehensive BPO service. As a result, we have been able to further advance the visualization of operations as well as administrative work, thus allowing us to provide specific solutions to issues that have been identified.

There is more than one path for companies to improve business efficiency. For example, it may be best to outsource through a BPO service, or it may be better to move forward with insourcing (inhouse production) by utilizing RPA (robotic process automation), etc. The greatest strengths of the Group's BPO services are that they offer multiple solutions to meet the needs of customers, even if the objectives are the same, and that they all work together to create optimal solutions.

Model Cases of BPO Service Introduction

	Customer	Overview	Solutions
Model case 1 Payroll processing operations	Retail business the First Section of the Tokyo Stock Exchange Number of employees: Approx. 2,000 people Number of business sites: Approx. 350 sites	Customer needs Company B, which became a group subsidiary through an M&A, would like to raise the level of its governance, accounting and payroll processing operations to the level of its parent company, Company A, as soon as possible. Payroll processing is especially urgent.	Business continuity Strengthening functions
		Suggested solutions Six months after the announcement that Company B would become a subsidiary, and two months after we were consulted, we were entrusted to process and send statements for payroll as well as social and labor insurance for regular employees and about 150 branch sales representatives (part-time).	
Model case 2 Accounting operations	Advertising agency business Unlisted Number of employees: Approx. 1,600 people Number of business sites: 6 sites	Customer needs A company would like to consider outsourcing the entry of journals into accounting software at all 15 facilities that it operates in order to avoid the individualization of each facility and to reduce the burden of handover.	Boost efficiency Avoiding individualization Strengthening functions
		Suggested solutions We were entrusted to shorten the delivery time required by the clients by utilizing MerryBiz's remote workers. The work started at one facility and is scheduled to be expanded to 15 facilities in successive order.	
Model case 3 Sales Administration	Transportation business the First Section of the Tokyo Stock Exchange Number of employees: Approx. 14,000 people Number of business sites: Approx. 70 sites	Customer needs A company introduced the Fuyo Lease Group's "FLOW Cube +" to adapt to IFRS 16 (the International Financial Reporting Standards/ New Lease Standards), and the company would like to secure resources to cover the enormous amount of temporary contract posting work that occurred when the introduction was made.	IFRS 16 support Asset management Digitization
		Suggested solutions We successfully digitized 500 contracts in 10 business days by posting import definition information for basic contract information into a spreadsheet program.	

Our company and group companies are working closely together to maximize the synergies of the Group and further improve customer satisfaction. By standardizing common operations within the Group and introducing AI-OCR*, we are able to improve productivity, reduce costs and shorten delivery times. We also provide highly satisfactory BPO services that meet a wide range of needs by proposing optimal solutions that combine the functions and strengths of each company.

Each Group Company's Environmental and Social initiatives >

External Evaluation >

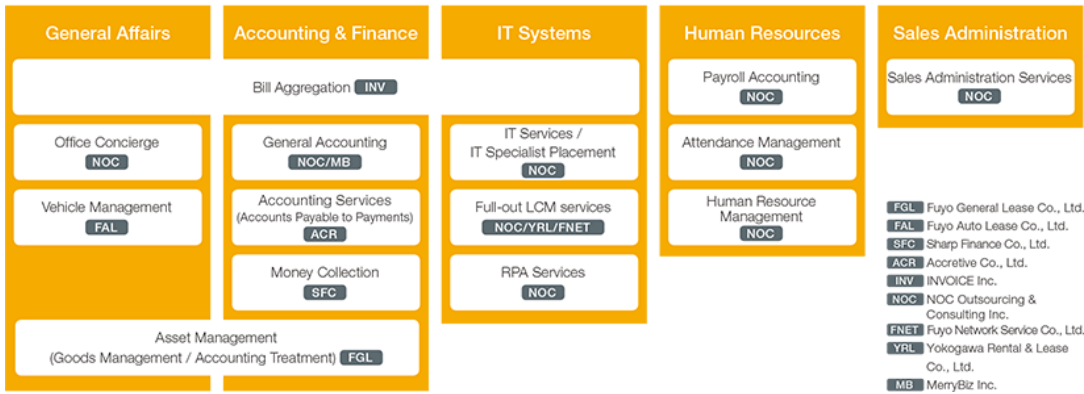
Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

* AI-OCR is the application of AI technology to OCR, which is the process of reading handwritten documents or forms and converting them into data.

BPO Service Lineup



VOICE



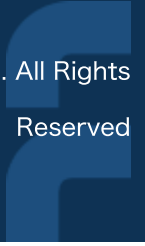
General Manager, BPO Service Promotion Division Koji Yamamoto

In recent years, we have realized as a result of the consultations that we have received that there has been a change in the issues that customers face. In the past, there were many requests to improve business efficiency and reduce costs. However, in recent years, there has been an increase

in requests with the objective of business continuity or to strengthen the functions of a business due to difficulty in hiring from the overall labor market shrinking as well as a shortage of human resources, to avoid personnel that are not a good match after recruitment, and to prevent delays in legal compliance. As a result, we feel that there are increasing expectations for our BPO services.

We also receive an increasing number of inquiries as part of company-wide BCP (Business Continuity Plan) measures to address needs for the decentralization of operations and the creation of remote environments in preparation for the transition to the age of the New Normal. NOC Outsourcing & Consulting provides IT outsourcing services that make use of the Tokyo Metropolitan Government Business Continuity Emergency Measures (Telecommuting) Grant. It also assists clients who have already entrusted it to carry out payroll processing to prepare payment application documents for the employment adjustment subsidy in an effort to respond quickly to new needs.

Under the slogan "BPO services to resolve issues arising from there being 'not enough people or not enough time' or just 'not enough,'" we provides comprehensive BPO services with the aim of being a reliable and flexible partner that solves issues when customers feel that what they have is "not enough."



Special Feature 4 Mobility Business



Challenges Facing the Industry and How the Fuyo Lease Group Will Respond

The automobile industry is entering a once-in-a-century period of great change due to CASE*¹ technological innovations and the progress of MaaS*² that connects means of transportation with IT. In the logistics industry, many social issues have become apparent, including an increase in the volume of cargo being handled due to the expansion of the e-commerce market, shortages and aging of truck drivers, and work-style reform in response to the reduction of long working hours. Transportation and postal services are important industries accounting for approximately 5% of Japan's GDP and, because logistics costs paid by companies amount to approximately 5% of sales, the benefits of improvement are considered to be substantial.

Responding to these large-scale changes in industry and social issues is essential to the sustainable growth of companies, making it an urgent issue for many companies.

The Group has expanded its auto leasing business mainly with Fuyo Auto Lease, which provides comprehensive support for automotive operations. However, in order to approach the challenges faced by the automobile and logistics industries in a period of historical change, it is necessary to rebuild the existing auto leasing business and strengthen the logistics mobility field, which promotes linkage of logistics data and commercial distribution data as well as automation of logistics functions. To achieve this, we established our Mobility Business Promotion Division in April 2020. At the same time we

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business

Special Feature 1. Energy & Environment

Special Feature 2. Medical & Welfare

Special Feature 3. BPO

Special Feature 4. Mobility Business

Environmental Report >

Social Report >

Governance and Management >

redefined our auto leasing business as the Mobility Business, and then positioned it as a strategic area to lay the groundwork for concentrating management resources.

Our Strategic Vision for Future Business Development and Mobility Business

We have positioned the Mobility Business as the New Domains in which new growth is expected even in strategic areas, and we aim to expand our business scope to include various businesses that are relevant to the logistics mobility field such as logistics, vehicles, and warehouses. The Group's strengths lie in high-quality solutions, as well as a wide-ranging domestic and overseas network. These strengths will be our driving force to promote the expansion of our business scope, and they will also support the resolution of all issues that face the automotive and logistics industries. Specifically, we will prepare a variety of services in five categories: "distribution facilities," "relevant facilities and services," "automobiles and trucks," "streamlining and automation of warehouse operations," and "streamlining of peripheral operations" for targets such as automobiles, transportation, and warehouses. In addition, the Group aims to expand business opportunities through the horizontal integration of business activities and information such as the leasing of warehouse buildings and warehouse equipment. The Group will share know-how from overseas group companies including TDF Group Inc., which is involved in pickup-truck rental, leasing and sales business in North America, and Pacific Rim Capital, Inc., which is involved in operating leases of material handling equipment mainly in the United States.

In addition to sharing this know-how with the entire Group, we will also work to create business synergies by further strengthening relationships with companies including Nakamichi Leasing Co., Ltd., which has strength in leasing construction machinery and transportation vehicles.



From left, Hideki Yamada, President & Chief Executive Officer, Fuyo Auto Lease Co., Ltd. Naomi Ogata, President & Chief Executive Officer, YAMATO LEASE CO., LTD. Shinji Sasakura, General Manager, Mobility Business Promotion Division, Fuyo General Lease Co., Ltd.

Each Group Company's Environmental and Social initiatives >

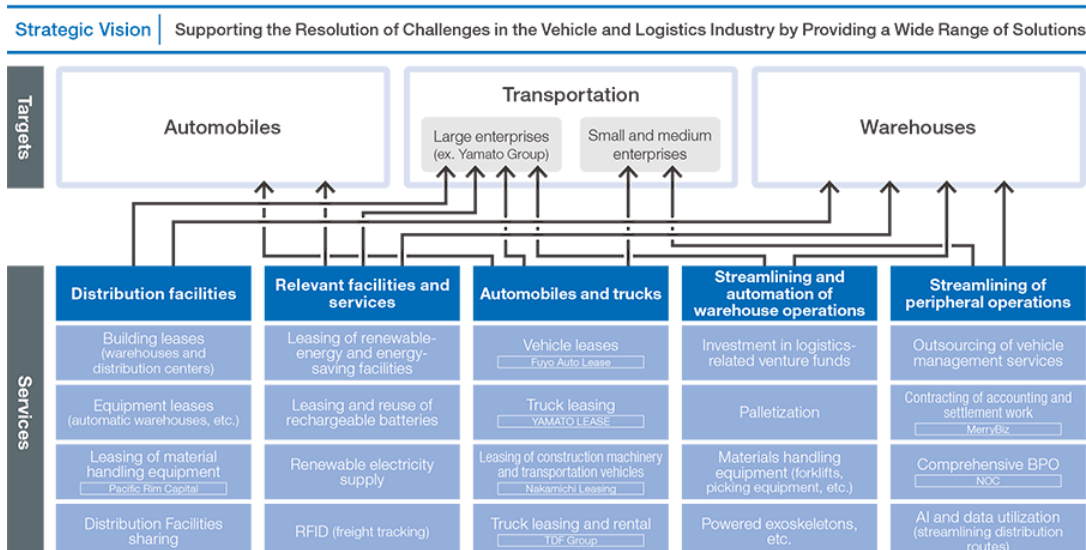
External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

Overview of Mobility Business by the Fuyo Lease Group



Creating Business Synergies with the Yamato Group

To expand our mobility business, in April 2020 YAMATO LEASE joined the Group as a joint enterprise with Yamato Holdings. YAMATO LEASE provides financing services mainly focused on truck leasing for transport companies, a used-truck matching application called “Tora-Machi,” and business succession support services, as well as other services. YAMATO LEASE has a customer base of about 3,000 companies specializing in the logistics industry, making it a company with strengths unlike any other within the Group. Additionally, YAMATO LEASE excels at proposal-based sales that resolve management issues faced by transportation companies and, as a result, the company has captured a fixed market share in the truck leasing market.



A used-truck matching application called “Tora-Machi” offered by YAMATO LEASE

Due to the diversification of logistics needs and other factors, the demand for truck leasing is solid and is expected to continue growing. The Group’s services and know-how include comprehensive vehicle-related support services, asset management for distribution facilities, as well as BPO services. By providing these services and know-how to various transportation enterprises through YAMATO LEASE, we are committed to creating business synergies with YAMATO LEASE and expanding our business.

In addition to the YAMATO LEASE joint enterprise, the Group and Yamato Holdings have started discussions on the creation of business synergies and the possibility of further business collaboration based on the provision and utilization of our respective management resources and strengths. In order to increase the value of YAMATO LEASE, which has strong connections with small and medium-sized transportation enterprises, we will continue to actively collaborate with the industry leader, the Yamato Group, and implement concrete strategies.

Creating New Businesses in the Mobility Business Field

In order to further invigorate the logistics mobility field, we will engage in new business with a variety of companies. For freight owners and transportation enterprises, we will provide solutions utilizing digital technology to improve the efficiency of logistics through joint transportation, consolidated distribution, and the optimization of transportation routes. Also, in addition to proposing improvements in the efficiency of logistics through business matching with e-commerce businesses and building new mobility services through collaboration with companies that are members of “MONET Consortium”^{*3}, we will engage in the development of efforts such as business partnerships with partner companies and support for venture companies.

The Group aims to become the leasing company that is “No. 1 in comprehensive strength” in the logistics mobility field by focusing management resources in response to various social issues associated with structural changes in the logistics mobility field and creating new value.

*1 CASE: A term that has been coined from the initial letters of four automotive trends: Connected (connected cars), Autonomous (autonomous driving), Shared & Service (shared cars and driving as a service), and Electric (electrification of vehicles).

- *2 MaaS: An acronym for Mobility as a Service, which indicates the creation of services based on means of transportation (mobility).
- *3 The MONET Consortium is a cross-company organization established by MONET Technologies (a joint venture between SoftBank Corp. and the Toyota Motor Corporation) to promote collaboration between companies for the realization of MaaS.

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Environmental Report

Environmental
Philosophy/
Environmental Policy



Environmental
Management



Fuyo Lease Group Key
Environmental Targets
and Results



Climate Change
Initiatives



Environmental
Performance



Environmental
Accounting



Green Bonds



CSR

Fuyo Lease
Group's CSR >

Solving Social
Issues through >
Business

Environmental
Report

Environmental
Philosophy/
Environmental
Policy

Environmental
Management

Fuyo Lease
Group Key
Environmental
Targets and
Results

Climate
Change
Initiatives

Environmental
Performance

Environmental
Accounting

Green Bonds

Social Report >

[Governance and
Managemnet](#) >

[Each Group
Company's
Environmental
and Social
initiatives](#) >

[External
Evaluation](#) >

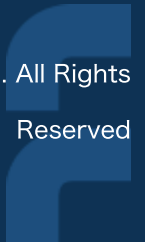
[Editorial Policy](#) >

[Independent
assurance](#) >

 ["Integrated Report"
PDF download](#)

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights
Reserved



Environmental Philosophy/ Environmental Policy

Environmental Philosophy

The Fuyo Lease Group constantly adopts environmentally-friendly business practices in order to realize a sustainable society and promotes activities to address environmental issues in line with its environmental policy.

Environmental Policy

1. Providing products and services that contribute to environmental conservation

We endeavor to provide products and services that contribute to environmental conservation by having each Group company leverage the characteristics of their business activities.

2. Promoting resource and energy saving activities

We are aware of the environmental burdens associated with business activities and endeavor to engage in resource and energy saving activities and green procurement.

3. Contributing to the development of a circular society

We promote the reuse and recycling of goods no longer leased, restrict the generation of waste, and ensure proper disposal of waste.

4. Complying with environmental laws

We comply with environment-related laws and agreements to which the Fuyo Lease Group has agreed.

5. Establishing an environmental management system

We promote continuous improvement of an environmental management system and set environmental targets as we endeavor to respond to climate change, prevent environmental pollution, and conserve biodiversity.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report

Environmental Philosophy/
Environmental Policy

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

Environmental Performance

Environmental Accounting

Green Bonds

Social Report >

[Governance and Management](#) >

[Each Group Company's Environmental and Social initiatives](#) >

[External Evaluation](#) >

[Editorial Policy](#) >

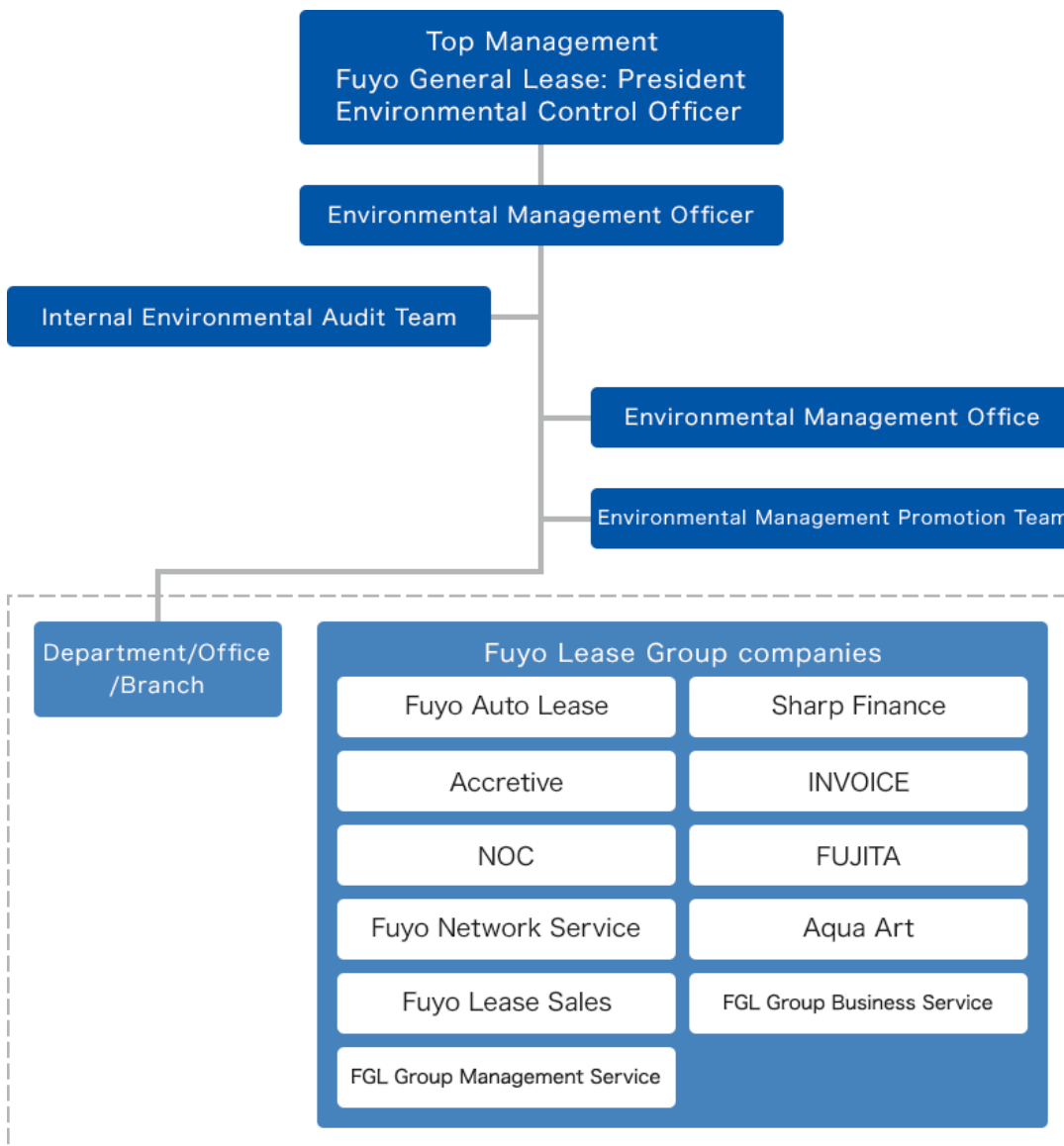
[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

Environmental Management

Environmental management system

Within the Fuyo Lease Group, the President of Fuyo General Lease serves as Chief Executive, and the Director responsible for the Creating Shared Value Promotion Office serves as Environmental Control Officer. The Group has an environmental management system structure that covers the Fuyo Lease Group companies.



Environmental management system structure

CSR

[Fuyo Lease Group's CSR >](#)

[Solving Social Issues through Business >](#)

Environmental Report

Environmental Philosophy/
Environmental Policy

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

Environmental Performance

Environmental Accounting

Green Bonds

[Social Report >](#)

Acquired ISO14001 certification

Fuyo Lease and Group companies acquired [ISO14001](#) [See Glossary](#) certification for their main business offices in July 2006, and passed a renewal audit for the fourth time in June 2018. In August 2020, the Group passed a change audit associated with the relocation of the head office and a regular audit. In order to practice environmentally conscious management, we will continue striving to robustly implement our environmental management system.

ISO14001: 2015 scope of the acquired certification

- Fuyo General Lease: Head Office (engaged in leasing business, installment sales, financing, and other financial service operations)
- Fuyo Lease Sales: Head Office and Tokyo 3R Center (processing re-leasing contracts as an agent, selling and disposing of lease-expired properties, and purchasing and selling used properties)
- Fuyo Network Service: Head Office, Technical Support Center and Hachioji Technical Center (selling computers, software and networking devices)
- FGL Group Business Service (engaged in contract sales administration and non-life insurance agent business)
- FGL Group Management Service (engaged in contract human resources and general affairs operations)

Governance and Managementnet >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

ISO14001: 2015 Management System Certificate



Click on the image to enlarge it.

Appendix 1



Click on the image to enlarge it.

Internal environmental audit and external audit

The Fuyo Lease Group strives to continuously improve its environmental management system through activities such as internal environmental audits and external audits.

Internal environmental audit

Initially, after the introduction of the environmental management system, all the departments, offices, branches and Group companies were subject to an internal environmental audit every year. Over time, the environmental management system was spread throughout all of the Group companies. Therefore, since fiscal 2012, we have been conducting internal environmental audits on about half of the departments, offices, branches, and Group companies every year in rotation.

■ Audited departments and audit results

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Head Office Departments/ Offices	9 departments/ offices	23 departments/ offices	14 departments/ offices	18 departments/ offices	27 departments/ offices
Branches	-	1 branch	-	-	-
Group companies	None	3 companies	1 company	None	1 company
Major non- conformance	None	None	None	None	None
Minor non- conformance	None	None	None	None	None
Opportunities for improvement*	None	None	None	None	None
Good performance	2 cases	None	None	None	None

* Opportunities for improvement: advice on making future improvements

External audit

In August 2020, we received an external audit for ISO14001 certification.

We will continue making improvements by taking into consideration the audit results and advice we receive.

External audit results

Audit results	June 2016	June 2017	June 2018	June 2019	August 2020
Strong point	None	None	None	1 case	None
Good point	2 cases	1 case	3 cases	1 case	3 cases
Opportunities for improvement*	2 cases	3 cases	1 case	1 case	None
Findings for improvement	None	None	None	None	None

* Opportunities for improvement: advice on making future improvements

Environmental education

The Fuyo Lease Group regularly provides environmental training to deepen the understanding of the environmental management system and to increase environment-related knowledge and skills.

The following table shows the implementation status for fiscal 2019

Implementation status of environmental education (FY 2019)

	Training	Period	Number of Participants
Employee Training	Environmental e-learning	July 2019	1,168 employees
	Tokyo 3R Center Training Program	July 2019	32 employees
	Sanden Forest Biodiversity Training Program	May 2019	New employees 31 employees

In fiscal 2019, we conducted an environmental e-learning program targeting all employees to increase their knowledge of the latest environment-related information and environmental laws, and also implemented the Tokyo 3R Center Training Program targeting new employees and others who were interested, under which they had an opportunity to visit sites practicing 3R for lease-expired properties, in order to increase their understanding of the Group's environmental measures.



Tokyo 3R Center Training Program

■ **Promoting taking the Eco Test**

The Fuyo Lease Group is encouraging its employees to take the Certification Test for Environmental Specialists, Eco Test, in order to increase their environmental awareness.

In fiscal 2019, 11 employees passed the test, and as of the end of March 2020, a total of 282 employees have passed the test.

Environmental Risk Management

In addition to ensuring compliance with laws and regulations concerning waste disposal, we conduct on-site surveys of companies contracted to dispose lease-expired properties in order to reduce environmental risks related to waste disposal.

Proper disposal of lease-expired properties

Fuyo Lease complies with laws such as Waste Management and Public Cleaning Law (Waste Management Act) and appropriately disposes of lease-expired properties that cannot be reused.

Furthermore, in addition to systematically conducting surveys to examine the waste disposal approaches and recycling activities performed by contracted disposal companies, we also thoroughly manage and utilize the manifests* of industrial waste management.

* Manifest: a document or electronic data for examining whether waste has been disposed of appropriately. Waste generating business operators are required by the Waste Management Act to issue and collect, or register a manifest in order to confirm proper disposal of waste.

For more details, please refer to [the appropriate waste disposal](#) approaches being adopted by Fuyo Lease Sales, a group Company which have been contracted by Fuyo Lease to perform back-office tasks.

Compliance with environmental laws and regulations

Inspection Result	Cases
Violation of law	None

Inspection Result	Cases
Environment-related complaints	None

The Fuyo Lease Group, through various environmental education activities, strives to ensure that all its officers and employees comply with environmental laws and regulations. Furthermore, the Group regularly conducts compliance checks concerning environmental laws and regulations, whereby the status of compliance with the environmental laws and regulations is confirmed. The fiscal 2019 compliance checks, covering the period between February 2019 and January 2020, were inspected in February 2020. In the checks, it was confirmed that there were no cases constituting a violation of laws and regulations, and that there were no cases involving environment-related complaints. Similarly, in previous years, there were no cases constituting violation of environmental laws and no cases involving environment-related complaints.

■ Obtained the highest-level ranking in the DBJ Environmental Rating for the ninth consecutive year

In fiscal 2019, as in the previous fiscal year, the Company obtained the highest-level ranking in the DBJ Environmental Rating* assigned by Development Bank of Japan, Inc. for the ninth consecutive year for its exceptionally advanced environmentally conscious approach.



We were highly evaluated for our initiatives that are aligned with our management

philosophy of “supporting corporate activities through our leasing business with a view to contributing to the development of society.” Specifically, the following initiatives received recognition: (1.) We continued to identify materiality and set as well as review KPIs while being conscious of connections to our core businesses based on the SDGs and environmental changes caused by climate change and other issues. Additionally, we constructed a company-wide sustainability management system through the establishment of the Creating Shared Value Promotion Office. (2.) We became the first general lease company in Japan to join RE100. Additionally, we launched the Fuyo 100% Renewable Electricity Declaration Support Program, established an original financing model to promote renewable energy, and have been promoting trailblazing initiatives. (3.) We positioned CSV as the focal point of our long-term strategy, and not only did we respond to environmental issues through the previously mentioned Energy & Environment fields, but we are also actively creating new businesses that contribute to multi-faceted value creation based on social issues through the Medical & Welfare field and BPO business.

We will continue to pursue environmental initiatives and actively disclose the results.

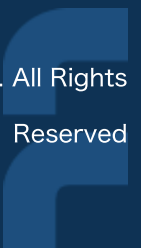
* DBJ Environmental Rating is a rating system developed by the Development Bank of Japan, Inc. for the rating companies based on the level of their environmental

management practices. Based on this, companies can receive loans from the bank at preferential interest rates according to their respective ratings.

■ Glossary

ISO14001

ISO14001 is a global standard for environmental management system specifications established by the International Organization for Standardization. The International Organization for Standardization, headquartered in Switzerland, is a private organization that creates international standards.



Fuyo Lease Group Key Environmental Targets and Results

The Fuyo Lease Group strives to achieve its Environmental Targets.

Long-term Environmental Targets

The Fuyo Lease Group has set long-term environmental targets of powering its operations with 50% renewable energy by 2030 and 100% by 2050.

Key Environmental Targets

Evaluation: ○ target achieved, × target not achieved

Objectives	Scope	FY 2019 targets	FY 2019 results	Evaluation	FY 2020 targets
Climate change initiatives	Fuyo General Lease & Group companies* ¹	10.0% decrease from the FY 2013 level of CO ₂ emissions (t-CO ₂) (Scope 1 & 2)	18.9% decrease from the FY 2013 level	○	10.0% decrease from the FY 2013 level of CO ₂ emissions (t-CO ₂) (Scope 1 & 2)
Promote energy conservation	Fuyo General Lease & Group companies* ¹	5.0% decrease from the FY 2013 level of energy consumption (kWh)	6.7% decrease from the FY 2013 level (kWh)	○	5.0% decrease from the FY 2013 level of energy consumption (kWh)
		10.0% decrease from the FY 2013 level of gasoline and diesel consumed by company vehicles (L)	25.5% decrease from the FY 2013 level (L)	○	10.0% decrease from the FY 2013 level of gasoline and diesel consumed by company vehicles (L)
Comply with environmental laws and regulations	Fuyo General Lease & Group companies* ¹	Assess compliance with environmental laws and regulations	Conducted compliance assessment. No non-compliance found	○	Assess compliance with environmental laws and regulations
Saving the environment through leasing	Fuyo General Lease	28 billion yen of assets in energy-efficient and environmentally-friendly properties* ²	33.1 billion yen	○	36 billion yen of assets in energy-efficient and environmentally-friendly properties

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report

Environmental Philosophy/
Environmental

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

Environmental Performance

Environmental Accounting

Green Bonds

Objectives	Scope	FY 2019 targets	FY 2019 results	Evaluation	FY 2020 targets
Contributing to the creation of a circular society	Fuyo General Lease	More than 95% reuse and recycle rate for returned PC	100%	○	100% reuse and recycle rate for returned PC

- *1 Scope: all domestic locations of Fuyo General Lease and Group companies including Fuyo Auto Lease, Fuyo Network Service, Aqua Art, Fuyo Lease Sales and FGL Group Business Service (formerly FGL Service).
- *2 Machines related to energy including boilers and turbines, industrial waste recycling equipment, pollution control devices, environmental equipment such as energy saving devices including combined heat and power systems and water purification systems, and renewable energy (i.e. solar power generation) supply facilities.

- [Social Report >](#)

- [Governance and Management >](#)

- [Each Group Company's Environmental and Social initiatives >](#)

- [External valuation >](#)

- [Editorial Policy >](#)

- [Independent assurance >](#)



Climate Change Initiatives

Basic Approach

Today, climate change is a universally recognized problem, and increasing greenhouse gas emissions are making it worse. As the Paris Agreement, an international framework for climate action beyond 2020, and other initiatives give momentum to efforts to reduce greenhouse gas emissions across the globe, renewable energy along with environmentally-friendly products and services are more important than ever. The Fuyo Lease Group is holding up “responding to climate change issues and renewable energy” as one of its materialities (material issues), and working towards climate change mitigation by reducing greenhouse gas emissions from our operations. We carry out business activities in view of risks and opportunities in the business environment that climate change brings. With a BCP in place, we are well prepared for any emergency in which our business activities could be disrupted by the destruction of social infrastructure caused by a natural disaster. We also recognize that business opportunities lie in renewable energy generation and energy-efficient assets leasing businesses. This is an area we will focus upon as one of the strategic areas of the Medium-term Management Plan. We aim to grow our businesses alongside activities to mitigate climate change.

Examples of the risks and opportunities that the Fuyo Lease Group perceives climate change will bring about are as follows:

Risks	<ul style="list-style-type: none"> ▪ Impact on business results due to regulations such as carbon tax and major regulatory changes (medium-to-long term) ▪ Restrictions on business activities due to damage to social infrastructure etc. resulting from an increase in natural disasters (medium-to-long term) ▪ Decline in revenues from electricity sales in the mega-solar business due to the impact of unseasonal weather (medium-to-long term)
Opportunities	<ul style="list-style-type: none"> ▪ Increase in demand for renewable energy (medium-to-long term) ▪ Increase in demand for leasing energy-saving properties, etc. (medium-to-long term) ▪ Increase in demand for environmentally-friendly products and services (medium-to-long term)

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report

Environmental Philosophy/
Environmental Policy

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

Environmental Performance

Environmental Accounting

Green Bonds

Social Report >

As with the other environmental issues, we have established a system for managing climate change countermeasures with the CEO (President of Fuyo Lease) and the Environmental Control Officer (Executive officer supervising the Creating Shared Value Promotion Office). The president, who is our chief executive officer, regularly receives reports on the Group's progress on climate change initiatives, and decides on policies after reporting and discussing particularly important issues with the Board of Directors. We will continue to properly manage and promote our efforts group-wide.

Initiatives to Reduce Greenhouse Gas Emissions

The Japan Leasing Association has formulated a voluntary low-carbon society action plan, which Fuyo Lease has signed on to as a member company.

The Fuyo Lease Group is making efforts to conserve the environment at all our locations by setting targets that lower our CO₂ emissions and energy consumption, and work to reduce power usage, as well as our company vehicles' fuel consumption and exhaust emissions. In 2018, we started to issue green bonds (available only to those businesses that are expected to improve the environment) to raise funds from a variety of sources while promoting renewable energy. In addition, we joined RE100, a business initiative which aims to source 100% renewable energy to power business activities, as the first comprehensive leasing company in Japan. In 2019, we endorsed the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. Not only does the Group make direct efforts to reduce its own greenhouse gas emissions but also makes indirect contributions to reducing greenhouse gas emissions through promoting renewable energy by utilizing schemes of lease and finance.

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

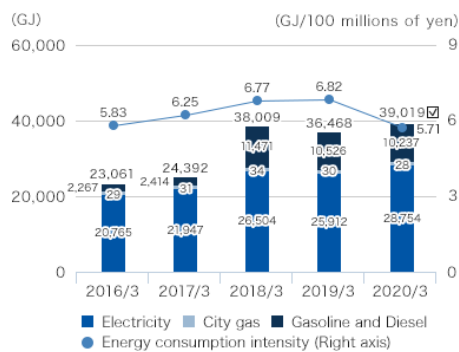
↓ "Integrated Report" PDF download



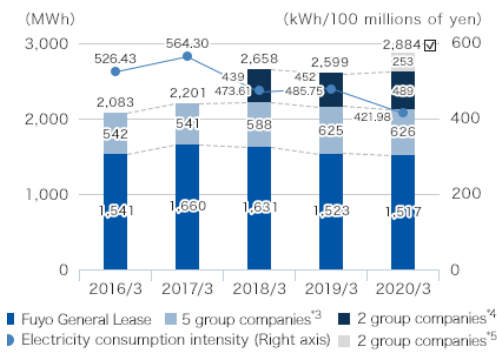
Total CO₂ Emissions (Scope 1, 2)*1 *2



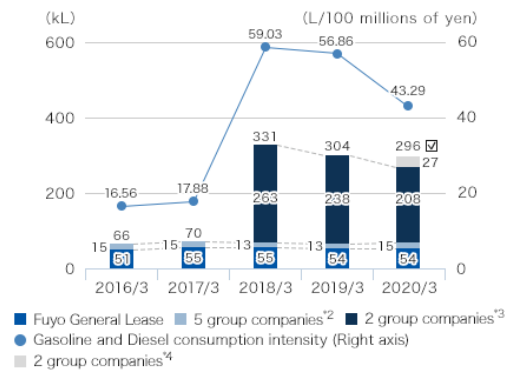
Total Energy Consumption*2



Electricity Consumption*2



Total Gasoline and Diesel Consumed by Company Vehicles*2



* A checkmark indicates that fiscal 2019 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Independent assurance

*1 Total CO₂ emissions were calculated with the emission factors specified by the government based on the Ministerial Ordinance Concerning GHG emissions Associated with Business Activities of Specified Emitters (The emissions associated with electricity are calculated based on the emission factor issued by power transmission and distribution business operators of where our regional operations and offices are located). Fuyo General Lease and the Groups' companies are not included in specified emitters. Our scope 1 and 2 emissions were 688 t-CO₂ and 1,319 t-CO₂ respectively.

*2 Data coverage: all domestic locations of Fuyo General Lease, Fuyo Auto Lease, Fuyo Network Service, FGL Group Business Service, Aqua Art, Sharp Finance, Accretive, INVOICE, and FUJITA. Before March 2017 do not include figures of Sharp Finance and Accretive as their data collection began in fiscal 2017. Before March 2019 do not include figures of INVOICE and FUJITA as their data collection began in fiscal 2019.

*3 5 group companies: all domestic locations of Fuyo Auto Lease, Fuyo Network Service, Fuyo Lease Sales, FGL Group Business Service, and Aqua Art.

*4 2 group companies: all domestic locations of Sharp Finance and Accretive.

*5 2 group companies: all domestic locations of INVOICE and FUJITA.

Adapting to climate change

The Fuyo Lease Group is not only engaged in mitigation activities for climate change, but the Group is also carrying out adaptation measures for it. We have a business contingency plan in place for responding to extreme weather, which includes measures taken to prepare for massive flooding that could occur at our business sites, or data centers, and we are working to minimize risks.

Energy Conservation via Products and Services

We have partnered with energy-saving equipment manufacturers, construction companies, and companies in other various sectors to help customers save energy through the ESCO service and other programs. The ESCO service provides everything needed to improve energy efficiency, including technology, equipment, personnel, and funding, and achieves energy conservation without compromising a customer's current environment or convenience. As the ESCO service provider, we receive a portion of the actual energy cost savings generated through the service as compensation. In addition, we help our customers reduce costs and CO₂ emissions by introducing various energy saving solutions tailored to their energy usage. Examples of the solutions include energy-saving control and operational improvement for air-conditioning systems and LED lightings, and subsidized leasing.

Promotion of Renewable Energy

As climate change risks increase, the renewable energy market continues to grow with a focus on solar, wind, biomass, small and medium hydro, and geothermal power. Fuyo Lease leverage the know-how gained through our power generation business to offer a host of power generation equipment installation plans that meet a wide array of customer needs. Those include everything from large-scale power plants to rooftop solar panels of distribution warehouses and other commercial facilities as off-grid schemes for self-consumption. Along with various financing options, we introduce them to customers with the aim of taking the use of renewable energy to new heights. At the same time, we are contributing to further expanding the introduction of renewable energy by forming business alliances with venture companies that have advanced renewable energy-related technologies, and supporting industrialization and commercialization.

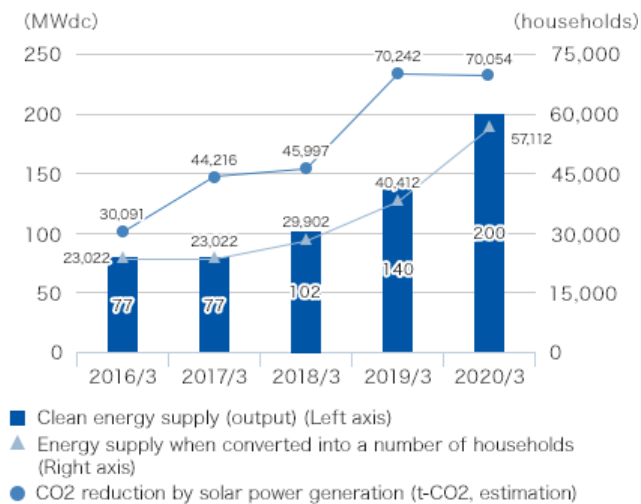
■ Initiatives in the Solar Power Business

At Fuyo Lease, we operate a total of 35 solar power plants in Japan, supplying electricity to local communities for approximately 57,660 households. In February 2020, we began commercial operation of Namie Sakai Solar Power Plant 1 and 2 in Namie Town, Fukushima Prefecture, Japan. These power plants are the first project in a government designated difficult-to-return zone. The installed capacity of the photovoltaic power plant that started operation this time is approximately 60 MW-dc, and the estimated amount of annual power generation is approximately 60.27 million kWh, which is equivalent to annual power consumption for 16,700 general households*. The plants are the largest solar power plants of the Group.



* Calculated based on 3,600kWh per household

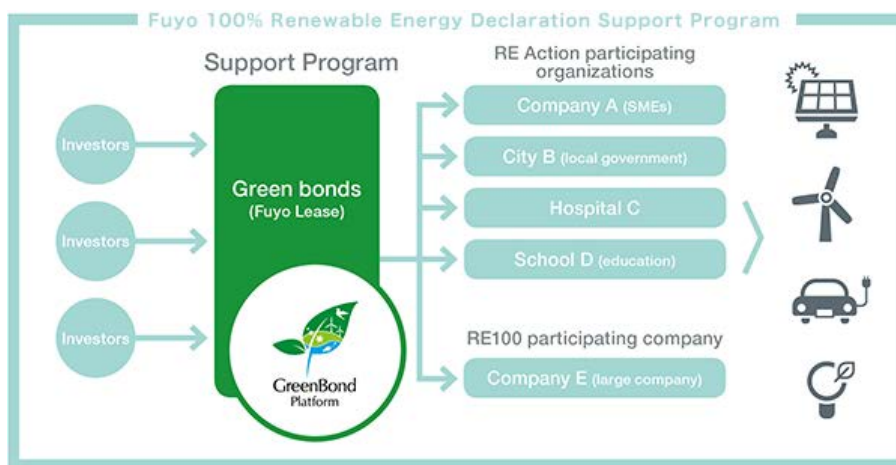
Solar Power Generated (output)/Power Supplied/CO₂ Reduction (estimation)



■ Promoting Renewable Energy-Related Infrastructure

Recently, more and more Japanese companies have been joining RE100. However, small- and medium-sized enterprises, administrative agencies, hospitals, and educational institutions do not meet the requirements for joining RE100. To enable these organizations to implement renewable energy initiatives and raise public awareness throughout Japan, efforts are being made to develop a new framework for the 100% renewable energy initiative, “the 100% Renewable Electricity Declaration RE Action,” which small- and medium-sized enterprises can also take part in.

In response to these developments, we have launched “Fuyo 100% Renewable Energy Declaration Support Program.” The purpose of the program is to promote a transition to renewable energy by providing financial support to businesses and organizations that have signed up to “the 100% Renewable Electricity Declaration RE Action.” More specifically, we raise funds from investors and issue green bonds and use the gathered funds to support businesses and organizations that have joined “the 100% Renewable Electricity Declaration RE Action” to incorporate renewable energy and/or energy efficient equipment into their operations. “Fuyo 100% Renewable Energy Declaration Support Program” has been selected as a Model Case for the fiscal 2019 Green Bond Issuance by the Ministry of the Environment in recognition of its uniqueness and contribution to Japan's efforts to promote renewable energy countrywide. As “the 100% Renewable Energy Declaration RE Action” progresses, we are committed to providing active support to our clients in response to their financing needs for renewable energy.



■ Providing Support for Investments in Renewable Energy-Related Technologies and Their Commercialization

In order to contribute to the further expansion of renewable energy introductions, we provide commercialization support to venture companies possessing cutting-edge renewable energy technologies through investments and business collaborations.

Girasol Energy Inc., with which a capital and business alliance was entered into in fiscal 2019, is a venture company from the University of Tokyo, and is developing the maintenance and management IoT platform PPLC-PV* for solar power facilities. This platform collects and analyzes data such as current, voltage, and temperature, thus making it possible to understand operational status on a panel-by-panel basis and to remotely identify problems as well as abnormalities at an early stage. One of the most important factors in making renewable energy a mainstay power source is the ability to operate power plants stably over a long period of time. We believe that the services provided by this company will contribute to the maintenance and expansion of solar power generation.

We strive to promote the spread of renewable energy and to create new business opportunities through active alliances with these venture companies.

* PPLC-PV stands for a pulse power line communication for series-connected PV monitoring.

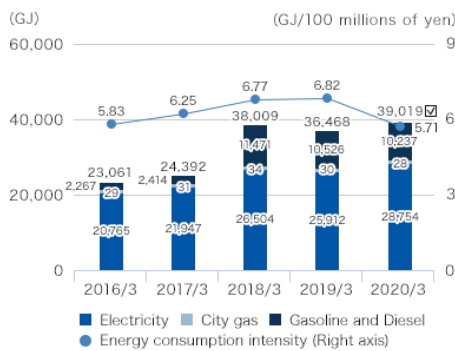
▣ Support results

Investment Timing	Partner	Description
June 2018	Exergy Power Systems	Development and manufacture of next-generation energy storage systems
Mar. 2019	NEXT-e Solutions	Provision of battery management systems that utilize advanced battery control technologies
Feb. 2020	Girasol Energy	Development of IoT platforms for the maintenance and management of solar power facilities

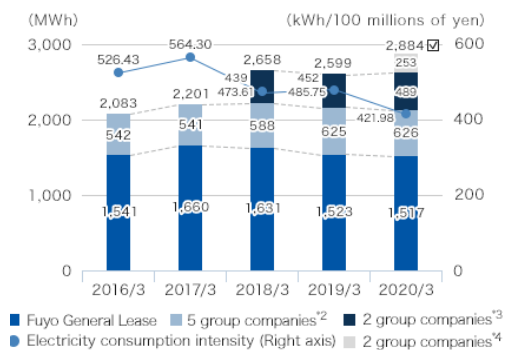
Environmental Performance

Energy / CO₂*1

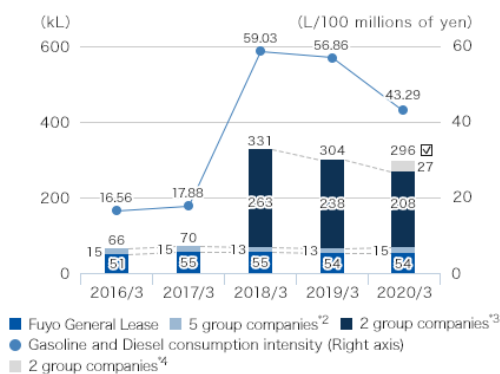
Total Energy Consumption



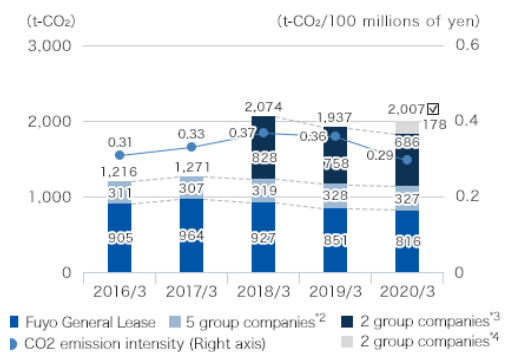
Electricity Consumption



Total Gasoline and Diesel Consumed by Company Vehicles



Total CO₂ Emissions (Scope 1, 2)*5



CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report

Environmental Philosophy/
Environmental Policy

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

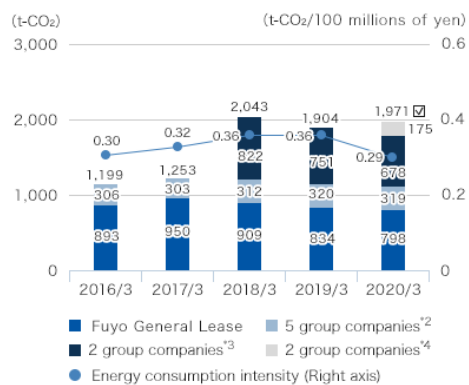
Environmental Performance

Environmental Accounting

Green Bonds

Social Report >

Total CO₂ Emissions (adjusted) (Scope 1, 2)*⁶



* A checkmark indicates that fiscal 2019 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Independent assurance

Governance and Management [>](#)

Each Group Company's Environmental and Social initiatives [>](#)

External Evaluation [>](#)

Editorial Policy [>](#)

Independent assurance [>](#)

"Integrated Report" PDF download

CO₂ emissions (Scope 1, 2, 3)

	CO ₂ emissions (t-CO ₂)					Ratio of total CO ₂ emissions(2020/3)
	2016/3	2017/3	2018/3	2019/3	2020/3 <input checked="" type="checkbox"/>	
Scope 1	154	163	770	707	687	0.02%
Scope 2	1,062	1,108	1,304	1,230	1,319	0.05%
Scope 3*⁷	1,420,896	1,639,334	1,768,197	2,789,556	2,866,387	99.93%
Total CO₂ emissions	1,422,112	1,640,605	1,770,271	2,791,493	2,868,394	100%

CO₂ emissions(Components of Scope 3)*7

Category	CO ₂ emissions (t-CO ₂)		Composition ratios in total CO ₂ emissions (2020/3)	Calculation method/remarks
	2019/3	2020/3 ☑		
1. Purchased goods and services	2,120,559	2,166,659	75.5885%	Calculated by multiplying the actual amount by segment based on the contract execution results of leasing and installment sales for the current fiscal year in consolidated accounting by the emission intensity based on the Input-Output Tables for Japan and purchase price for the target device.
2. Capital goods	994	1,074	0.0375%	Calculated by multiplying the acquisition amount of corporate assets purchased in the current fiscal year by the emission intensity.
3. Fuel- and energy-related activities not included in Scope 1 or 2	347	362	0.0126%	Calculated by multiplying the amount of electricity and fossil fuels used in the Scope 1 and 2 calculations by emission intensity.

Category	CO ₂ emissions (t-CO ₂)		Composition ratios in total CO ₂ emissions (2020/3)	Calculation method/remarks
	2019/3	2020/3 ☑		
4. Transportation and distribution (upstream)	413,244	436,416	15.2253%	Based on the contract execution results of leasing and installment sales for the current fiscal year in consolidated accounting, and assuming the weight per amount of the representative product, the transportation tonne-kilometer is calculated from the transportation distance (domestic truck transportation of 1,000 km one way) based on the transportation scenario. This transportation tonne-kilometer is then multiplied by the domestic truck transportation emission intensity.
5. Waste generated in operations	258	291	0.0102%	Calculated by multiplying the amount of industrial waste and the amount of general waste by the emission factors for each type of waste and disposal method.
6. Business travel	255	314	0.0110%	Calculated by multiplying the number of consolidated employees by the emission intensity per employee.

Category	CO ₂ emissions (t-CO ₂)		Composition ratios in total CO ₂ emissions (2020/3)	Calculation method/remarks
	2019/3	2020/3 ☑		
7. Employee commuting	471	576	0.0201%	Calculated by multiplying the number of consolidated employees by the number of business days and the emission intensity by work type and city per number of working days.
8. Leased assets (upstream)	0	0	0%	Not applicable(Energy usage for rented offices, etc., is included in Scope 1 and 2.)
9. Transportation and distribution (downstream)	0	0	0%	Not applicable(There are no applicable emissions since the Company bears transportation costs in the entire logistics process.)
10. Processing of sold products	0	0	0%	Not applicable(There are no applicable emissions since the Company does not handle intermediate products.)

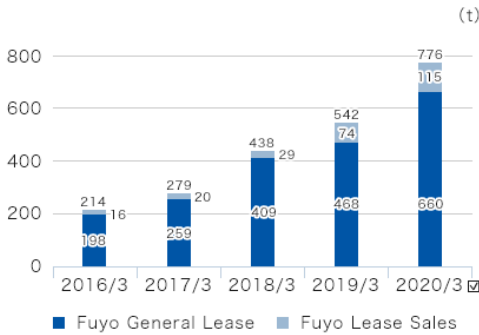
Category	CO ₂ emissions (t-CO ₂)		Composition ratios in total CO ₂ emissions (2020/3)	Calculation method/remarks
	2019/3	2020/3 ☑		
11. Use of sold products	247,227	254,848	8.8909%	Calculated by estimating the energy consumption during use and multiplying by the emission intensity for each energy type, based on the contract execution results of leasing and installment sales for the current fiscal year in consolidated accounting, assuming sales volume per price of the representative product and the standard usage scenario (with assumptions regarding product design specifications and consumer conditions of use), etc.
12. End-of-life treatment of sold products	16	17	0.0006%	Based on the contract execution results of installment sales for the current fiscal year in consolidated accounting, the weight per amount of representative product is assumed, the installment sales product weight is calculated, and this weight is multiplied by the emission intensity for each waste type.

Category	CO ₂ emissions (t-CO ₂)		Composition ratios in total CO ₂ emissions (2020/3)	Calculation method/remarks
	2019/3	2020/3 ☑		
13. Assets (downstream)	0	0	0%	Emissions associated with use of leased products are recorded in Category 11.
14. Franchises	0	0	0%	Not applicable(There are no applicable emissions since the Company has no franchise.)
15. Investments	6,185	5,830	0.2034%	Calculated by multiplying fiscal 2018's Scope 1 and 2 emissions of major investees by the shareholding ratio. (2019/3 is calculated by multiplying the Scope 1 and 2 emissions of major investees in fiscal 2017 by the shareholding ratio.)
Total CO₂ emissions	2,789,556	2,866,387	100%	The Ministry of the Environment's "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.0)" and the "LCI database IDEAv2 (for calculating greenhouse gas emissions in supply chains)" are applied to the above emission intensity.

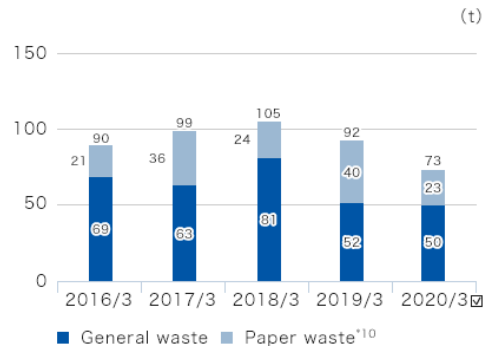
- *1 Data coverage: all domestic locations of Fuyo General Lease, Fuyo Auto Lease, Sharp Finance, Accretive, INVOICE, FUJITA, Fuyo Network Service, Aqua Art, Fuyo Lease Sales and FGL Group Business Service.
Note that since Sharp Finance and Accretive began counting from fiscal 2017, and INVOICE and FUJITA began counting from fiscal 2019, values before that are not shown.
- *2 5 group companies: all domestic locations of Fuyo Auto Lease, Fuyo Network Service, Aqua Art, Fuyo Lease Sales, and FGL Group Business Service.
- *3 2 group companies: all domestic locations of Sharp Finance and Accretive.
- *4 2 group companies: all domestic locations of INVOICE and FUJITA.
- *5 Total CO₂ emissions were calculated with the emission factors specified by the government based on the Ministerial Ordinance Concerning GHG emissions Associated with Business Activities of Specified Emitters (The emissions associated with electricity are calculated based on the emission factor issued by power transmission and distribution business operators of where our regional operations and offices are located). Fuyo General Lease and the Groups' companies are not included in specified emitters.
- *6 Total CO₂ emissions (adjusted) were calculated with the emission factors specified by the government based on the Ministerial Ordinance Concerning GHG emissions Associated with Business Activities of Specified Emitters (The emissions associated with electricity are calculated based on the adjusted annual emission factors issued by power transmission and distribution business operators of where our regional operations and offices are located).
- *7 Scope 3 emissions are calculated for all calculable categories based on "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ministry of the Environment, Ministry of Economy, Trade and Industry)." Furthermore, to refine numerical values, calculations were done using the new standard from fiscal 2018. The scope of calculations is the Fuyo Lease Group.

Waste

Volume of Industrial Waste Generated*8



Volume of Waste Generated*9



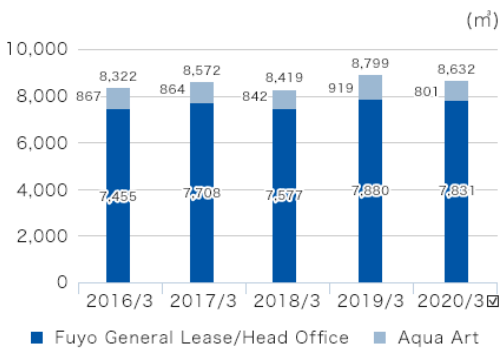
*8 Data coverage: all domestic locations of Fuyo General Lease and Fuyo Lease Sales.

*9 Data coverage: Fuyo General Lease/Headquarter (including FGL Group Business Service)

*10 All volume of waste paper is dissolution-processed.

Water Consumption*11

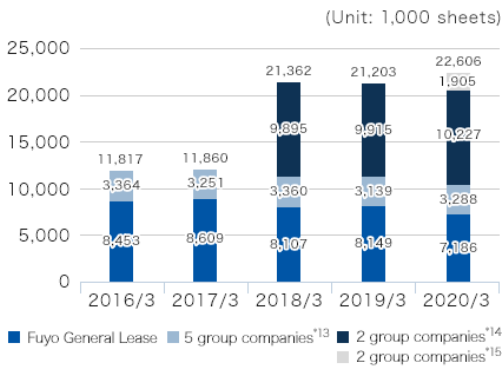
Water Consumption



*11 The scope of calculations is Fuyo General Lease / Head Office (including FGL Group Business Service) and Aqua Art Office Supplies

Office Supplies

Quantity of photocopier paper purchased*12



*12 Data coverage: all domestic locations of Fuyo General Lease, Fuyo Auto Lease, Sharp Finance, Accretive, INVOICE, FUJITA, Fuyo Network Service, Aqua Art and FGL Group Business Service. Before March 2017 do not include figures of Sharp Finance and Accretive as their data collection began in fiscal 2017.

*13 5 group companies: all domestic locations of Fuyo Auto Lease, Fuyo Network Service, Aqua Art, Fuyo Lease Sales, and FGL Group Business Service.

*14 2 group companies: all domestic locations of Sharp Finance and Accretive.

*15 2 group companies: all domestic locations of INVOICE and FUJITA.

Environmental Accounting

Publishing the Results of Environmental Activities by Introducing the Environmental Accounting System

The Fuyo Lease Group focuses efforts not only on improving its environmental performance but also on proposing services useful for enhancing the environmental performance of customers.

In addition, the Group has introduced environmental accounting* with the aim of conducting a quantitative assessment of the results of its environmental activities and reporting the results of the assessment to customers and other stakeholders in an easy-to-understand format.

In fiscal 2019, the scope of this environmental accounting was expanded to include INVOICE and FUJITA, resulting in an increase in electricity consumption and a decrease in CO2 emissions compared with the previous fiscal year. On the other hand, the amount of waste generated by the Group increased due to the establishment of a prudent administration system for disposing of leased properties. In addition, there were no finance leases for renewable energy projects, and, as a result and based on our estimate, the Group's contribution to customers' CO2 reductions fell below the previous year's level.

* Environmental accounting: Environmental accounting is a procedure that allows a company to identify the cost of environmental conservation during the normal course of business, identify benefit gained from such activities, provide the best possible means of quantitative measurement and support the communication of its results.

Environmental Accounting for Our Environmental Conservation Measures*1

The Company identifies the costs and economic benefits associated with environmental conservation activities in accordance with policies stipulated in the "Environmental Accounting Guidelines" of Japan's Ministry of the Environment, in order to assess the Fuyo Lease Group's environmental conservation initiatives.

-: No applicable data is available.

×: Not recorded in the Environmental Accounting

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report

Environmental Philosophy/
Environmental Policy

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

Environmental Performance

Environmental Accounting

Green Bonds

Social Report >

Activity	Environmental objective		Environmental preservation costs		Effects of environmental preservation		Economic effects of environmental preservation activities (ten thousand yen)
			Investment (ten thousand yen)	Expenses (ten thousand yen)	"Reduction in CO2 emissions(t-CO ₂)*2"	Reduction in volume of waste discharge (tonne)	
Promoting resources saving and energy saving activities	Reducing electricity use	Introducing energy-saving equipment, eco-friendly office activities, etc.	0	0	-89	-	-456
		Purchasing green electric power	×	0	0	-	×
	Reducing use of paper for copying and printing		×	×	-	-5.6	-771
	Reducing fuel consumption and exhaust emissions of company cars		×	160.3	19	-	173
Contributing to the development of a recycling society	Establishing a prudent administration system for the disposal of goods no longer leased		×	22,754*3	-	506*4	77,785
Establishing an environment management system	Acquiring, maintaining and expanding ISO14001 Certification by the Group		×	4.81	×	×	×
	Providing environmental education on a regular basis				×	×	×
	Publishing information on environmental activities through CSR reports, etc.				×	×	×
	Contributing to local environmental education*5		×	378	×	×	×
Total			0	28,102	-70	500	76,731

Activity	Environmental objective		Environmental preservation costs		Effects of environmental preservation		Economic effects of environmental preservation activities (ten thousand yen)
			Investment (ten thousand yen)	Expenses (ten thousand yen)	"Reduction in CO2 emissions(t-CO ₂)*2"	Reduction in volume of waste discharge (tonne)	
Promoting resources saving and energy saving activities	Reducing electricity use	Introducing energy-saving equipment, eco-friendly office activities, etc.	0	0	74	-	-71
		Purchasing green electric power	×	0	0	-	×
	Reducing use of paper for copying and printing		×	×	-	1.1	14
	Reducing fuel consumption and exhaust emissions of company cars		×	229.4	63	-	-93
Contributing to the development of a recycling society	Establishing a prudent administration system for the disposal of goods no longer leased		×	23,287*3	-	385*4	89,959
Establishing an environment management system	Acquiring, maintaining and expanding ISO14001 Certification by the Group		×	6,546	×	×	×
	Providing environmental education on a regular basis				×	×	×
	Publishing information on environmental activities through CSR reports, etc.				×	×	×
	Contributing to local environmental education*5		×	454	×	×	×
Total			0	30,516	137	386	89,809

Activity	Environmental objective		Environmental preservation costs		Effects of environmental preservation		Economic effects of environmental preservation activities (ten thousand yen)
			Investment (ten thousand yen)	Expenses (ten thousand yen)	"Reduction in CO2 emissions(t-CO ₂)*2"	Reduction in volume of waste discharge (tonne)	
Promoting resources saving and energy saving activities	Reducing electricity use	Introducing energy-saving equipment, eco-friendly office activities, etc.	0	0	-231	-	-2,244
		Purchasing green electric power	×	0	0	-	×
	Reducing use of paper for copying and printing		×	×	-	-6.8	-94
	Reducing fuel consumption and exhaust emissions of company cars		×	126.6	-607	-	-3,468
Contributing to the development of a recycling society	Establishing a prudent administration system for the disposal of goods no longer leased		×	18,495*3	-	249*4	82,407
Establishing an environment management system	Acquiring, maintaining and expanding ISO14001 Certification by the Group		×	3,705	×	×	×
	Providing environmental education on a regular basis				×	×	×
	Publishing information on environmental activities through CSR reports, etc.				×	×	×
	Contributing to local environmental education*5		×	491	×	×	×
Total			0	22,818	-838	242	76,601

Activity	Environmental objective		Environmental preservation costs		Effects of environmental preservation		Economic effects of environmental preservation activities (ten thousand yen)
			Investment (ten thousand yen)	Expenses (ten thousand yen)	Reduction in CO2 emissions(t-CO2)*2	Reduction in volume of waste discharge (tonne)	
Promoting resources saving and energy saving activities	Reducing electricity use	Introducing energy-saving equipment, eco-friendly office activities, etc.	0	0	-45	-	60
		Purchasing green electric power	×	0	0	-	×
	Reducing use of paper for copying and printing		×	×	-	-0.2	45
	Reducing fuel consumption and exhaust emissions of company cars		×	105.3	-10	-	28
Contributing to the development of a recycling society	Establishing a prudent administration system for the disposal of goods no longer leased		×	15,750*3	-	236*4	72,945
Establishing an environment management system	Acquiring, maintaining and expanding ISO14001 Certification by the Group		×	2,788	×	×	×
	Providing environmental education on a regular basis				×	×	×
	Publishing information on environmental activities through CSR reports, etc.				×	×	×
	Contributing to local environmental education*5		×	1,058	×	×	×
Total			0	19,701	-55	236	73,078

Activity	Environmental objective		Environmental preservation costs		Effects of environmental preservation		Economic effects of environmental preservation activities (ten thousand yen)
			Investment (ten thousand yen)	Expenses (ten thousand yen)	Reduction in CO2 emissions(t-CO2)*2	Reduction in volume of waste discharge (tonne)	
Promoting resources saving and energy saving activities	Reducing electricity use	Introducing energy-saving equipment, eco-friendly office activities, etc.	0	0	66	-	173
		Purchasing green electric power	×	0	0	-	×
	Reducing use of paper for copying and printing		×	×	-	-0.4	-65
	Reducing fuel consumption and exhaust emissions of company cars		×	52.4	5	-	350
Contributing to the development of a recycling society	Establishing a prudent administration system for the disposal of goods no longer leased		×	15,749*3	-	237*4	49,984
Establishing an environment management system	Acquiring, maintaining and expanding ISO14001 Certification by the Group		×	2,858	×	×	×
	Providing environmental education on a regular basis				×	×	×
	Publishing information on environmental activities through CSR reports, etc.				×	×	×
	Contributing to local environmental education*5		×	1,247	×	×	×
Total			0	19,907	71	236	50,442

*1 The scope of calculations through fiscal 2016 was Fuyo General Lease Co., Ltd., Fuyo Auto Lease Co., Ltd., Fuyo Network Service Co., Ltd., Aqua Art Co., Ltd., Fuyo Lease Sales Co., Ltd., FGL Group Business Service Co., Ltd.; the scope of calculations since fiscal 2017 added Sharp Finance Co., Ltd. and Accretive Co., Ltd., and the scope of calculations since fiscal 2019 was expanded to all domestic business operations of ten companies, which are the above eight companies plus INVOICE Inc. and FUJITA Co., Ltd.

*2 CO2 emissions reduction is calculated using the CO2 emission factor stipulated in the "Ministerial Ordinance on Reporting of Greenhouse Gas Emissions by Specified Emitters." (CO2 emissions from electricity are calculated using the actual CO2 emission factor for each fiscal year of general power transmission and distribution business operators which supply electricity in areas where business operations and offices that are included in the scope of calculations are located.)

*3 Costs associated with reuse and recycling processes and costs associated with management of industrial waste disposal operators.

*4 The economic benefits of reusing and recycling PCs and TFT-LCD panels.

*5 The costs required to donate (free rental) the interior aquarium "AQUA ART" to local nursing schools, etc. for environmental education.

Environmental Accounting for Global Environmental Conservation Through the Leasing Business

The Fuyo Lease Group conducts business activities that contribute to global environmental conservation in its core business of the leasing business and estimates the social effects of these activities (economic benefits to customers) using the Group's own calculation method.

-: No applicable data is available.

x: Not recorded in the Environmental Accounting

Fiscal 2019

Activity	Environmental objective		Provision of environment-related products and services* ¹	Reduction in CO2 emissions by customers through our environment-related products and services (estimate)* ⁴	
				Reduction in CO2 emissions (t-CO ₂ /year)* ⁵	Reduction in volume of waste discharge (tonne)
Protecting the global environment through leasing business	Promoting the purchase of environmentally friendly assets	Environmentally friendly assets* ²	¥4.2 billion	40,239	x
		Eco-cars* ³	5,332 vehicles	7,903	x
	Promoting the conclusion of PC Eco & Value lease contracts		60,740	x	332* ⁶
	Promoting project financing such as renewable energy		0 billion	0	x
Total			x	48,142	332

Activity	Environmental objective		Provision of environment-related products and services* ¹	Reduction in CO ₂ emissions by customers through our environment-related products and services (estimate)* ⁴	
				Reduction in CO ₂ emissions (t-CO ₂ /year)* ⁵	Reduction in volume of waste discharge (tonne)
Protecting the global environment through leasing business	Promoting the purchase of environmentally friendly assets	Environmentally friendly assets* ²	¥5.2 billion	54,054	×
		Eco-cars* ³	5,837 vehicles	8,227	×
	Promoting the conclusion of PC Eco & Value lease contracts		73,231	×	401* ⁶
	Promoting project financing such as renewable energy		¥10 billion	55,675	×
Total			×	117,956	401

Fiscal 2017

Activity	Environmental objective		Provision of environment-related products and services* ¹	Reduction in CO2 emissions by customers through our environment-related products and services (estimate)* ⁴	
				Reduction in CO2 emissions (t-CO ₂ /year)* ⁵	Reduction in volume of waste discharge (tonne)
Protecting the global environment through leasing business	Promoting the purchase of environmentally friendly assets	Environmentally friendly assets* ²	¥4.4 billion	47,429	×
		Eco-cars* ³	7,618 vehicles	10,342	×
	Promoting the conclusion of PC Eco & Value lease contracts		49,521	×	263* ⁶
	Promoting project financing such as renewable energy		¥0.3 billion	1,503	×
Total			×	59,274	263

Fiscal 2016

Activity	Environmental objective		Provision of environment-related products and services* ¹	Reduction in CO2 emissions by customers through our environment-related products and services (estimate)* ⁴	
				Reduction in CO2 emissions (t-CO ₂ /year)* ⁵	Reduction in volume of waste discharge (tonne)
Protecting the global environment through leasing business	Promoting the purchase of environmentally friendly assets	Environmentally friendly assets* ²	¥2.7 billion	19,127	×
		Eco-cars* ³	6,252 vehicles	8,375	×
Total			×	30,327	288

Activity	Environmental objective	Provision of environment-related products and services* ¹	Reduction in CO2 emissions by customers through our environment-related products and services (estimate)* ⁴	
			Reduction in CO2 emissions (t-CO ₂ /year)* ⁵	Reduction in volume of waste discharge (tonne)
	Promoting the conclusion of PC Eco & Value lease contracts	55,244	×	288* ⁶
	Promoting project financing such as renewable energy	¥0.5 billion	2,825	×
Total		×	30,327	288

Fiscal 2015

Activity	Environmental objective		Provision of environment-related products and services* ¹	Reduction in CO2 emissions by customers through our environment-related products and services (estimate)* ⁴	
				Reduction in CO2 emissions (t-CO ₂ /year)* ⁵	Reduction in volume of waste discharge (tonne)
Protecting the global environment through leasing business	Promoting the purchase of environmentally friendly assets	Environmentally friendly assets* ²	¥3.4 billion	29,592	×
		Eco-cars* ³	5,360 vehicles	7,167	×
	Promoting the conclusion of PC Eco & Value lease contracts		39,775	×	230* ⁶
	Promoting project financing such as renewable energy		¥2.5 billion	13,927	×
	Total		×	50,686	230

*1 Figures for contract amounts and number of units, etc. contracted from fiscal 2015 to 2019.

- *2 The subject of calculations is Fuyo General Lease Co., Ltd. Of properties Fuyo General Lease has defined as environmentally friendly properties, and economic benefits are calculated for co-generation equipment, energy saving equipment and air conditioning equipment.
- *3 The subject of calculations is Fuyo Auto Lease Co., Ltd. Of properties Fuyo Auto Lease has defined as eco-cars, and economic benefits are calculated for low-emission gas vehicles, hybrid cars, LPG powered cars and electric vehicles.
- *4 Economic benefits are estimated based on the relationship between price of general equipment and its benefits and may differ from actual benefits.
- *5 CO2 emissions reduction is achieved by customers per year through environmentally friendly properties (projects). If customers continue to use the lease properties (projects) in the following fiscal year and beyond, the same amount of economic benefits as the previous fiscal year will be generated.
- *6 The economic benefits generated assuming that all the PCs for which lease agreements were concluded from fiscal 2015 to 2019 are reused.

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

 "Integrated Report" PDF download

Green Bonds

Fuyo Lease has issued green bonds (unsecured straight bonds) through a public offering in the Japanese domestic market.

Green bonds are receivables, which are issued by companies and local governments to fund green projects (businesses with environmental benefits, which includes renewable energy, building and retrofitting of energy-saving structures, and prevention and management of environmental pollution).

Through the issue of green bonds, Fuyo Lease is diversifying its fund raising methods in addition to further promoting initiatives to address the problem of climate change, including the spread of renewable energy, and contributing to the realization of a sustainable society.

Issuance of green bonds

- Fuyo General Lease Co., Ltd. No.17 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Green Bond)
- Fuyo General Lease Co., Ltd. No.20 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Green Bond)

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report

Environmental Philosophy/
Environmental Policy

Environmental Management

Fuyo Lease Group Key Environmental Targets and Results

Climate Change Initiatives

Environmental Performance

Environmental Accounting

Green Bonds

Social Report >

[Governance and Management](#) >

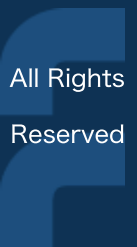
[Each Group Company's Environmental and Social initiatives](#) >

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)



Fuyo General Lease Co., Ltd. No.17 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Green Bond)

CSR

Outline of the Green Bond

Name	Fuyo General Lease Co., Ltd. No.17 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Green Bond)
Application period	October 26, 2018
Payment date	November 2, 2018
Issue duration	5 years
Issuance amount	10 billion yen
Coupon rate	0.210%
Use of proceeds	The capital raised through the Green Bond will be used for the redemption of commercial paper issued to fund existing solar power generating facilities owned by the Company's subsidiary and for capital investment in solar power generating facilities under construction by the Company's subsidiary.
Ratings	Japan Credit Rating Agency, Ltd. (JCR): A Rating and Investment Information, Inc. (R&I): A-

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >



JCR green bond rating

Fuyo General Lease acquired a third-party rating from the Japan Credit Rating Agency, Ltd. (JCR) of Green 1, the highest score in the JCR Green Bond Rating system with regards to green bond eligibility.

[JCR Green Bond Rating](#)  (559KB)

Ministry of the Environment Financial Support Programme for Green Bond Issuance

The acquisition of a third-party rating makes the bond eligible for a subsidy from the Japanese Ministry of the Environment 2018 Financial Support Programme for Green Bond Issuance.

- ① [Financial Support Programme for Green Bond Issuance \(Ministry of the Environment\)](#) 
- ② [List of Notification of Decisions to Grant the Subsidy \(Ministry of the Environment\)](#) 

Announcement of investment in the Green Bond

These are the investors who have announced that they will invest in the Green Bond.

List of investors who have announced investment (Japanese alphabetic order)

(As of October 26, 2018)

- Oita Bank Co., Ltd.
- Saitama Medical University
- The Sugamo Shinkin Bank
- Tokio Marine Asset Management Co., Ltd.
- Nippon Densetsu Kogyo Co., Ltd.
- Higashi-Nippon Bank, Ltd.
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Mitsubishi UFJ Kokusai Asset Management Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation
- The Rokinren Bank

Reporting

Allocation of capital raised

It is planned to allocate the capital raised through the Green Bond to the redemption of commercial paper issued to fund existing solar power generating facilities owned by the Company's subsidiary and to capital investment in solar power generating facilities under construction by the Company's subsidiary.

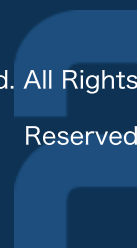
Effect on improving the environment

The total annual effect on reduction of CO2 emissions from the eligible projects covered by the Green Bond will be 43,495 tons and total annual electricity generated will be 98,428MWh. (Theoretical value based on output standard as of December 20, 2019)

Annual Review

As a result of an annual review by Japan Credit Rating Agency, Ltd. (JCR), compliance with the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines has been confirmed, and a JCR Green Bond Evaluation of "Green 1" has been obtained.

Green Bond Review PDF  (211KB)



Fuyo General Lease Co., Ltd. No.20 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Green Bond)

Outline of the Green Bond

Name	Fuyo General Lease Co., Ltd. No.20 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Green Bond)
Application period	July 12, 2019
Payment date	July 22, 2019
Issue duration	5 years
Issuance amount	5 billion yen
Coupon rate	0.150%
Use of proceeds	The capital raised through the Green Bond will be used to offer financial products that provide incentives to join the new 100% renewable energy initiative aimed at small- and medium-sized enterprises (the so-called "Japan RE100").
Ratings	Japan Credit Rating Agency, Ltd. (JCR): A Rating and Investment Information, Inc. (R&I): A-

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >



External Evaluation >

Editorial Policy >

Independent assurance >

Third-party assessment of green bond eligibility

The Fuyo Lease Group's Green Bond was selected as a model case for the fiscal 2019 Green Bond Issuance by the Ministry of the Environment, and June 28th, 2019 it was announced that the Ministry of the Environment and certification bodies (E&E Solutions Inc. and Japan Credit Rating Agency, Ltd.) had verified the conformity of the framework for issuing of the Green Bond with the Green Bond Guidelines, 2017.

- ① Conformity results for the Guideline of a model case for fiscal 2019 Green Bond Issuance. (Ministry of the Environment) 
- ② Pre-issuance Report 

Announcement of investment in the Green Bond

These are the investors who have announced that they will invest in the Green Bond.

List of investors who have announced investment (Japanese alphabetic order)

(As of July 12, 2019)

- THE SEISHIN SHINKIN BANK.
- Tokio Marine Asset Management Co., Ltd.
- THE BANK OF NAGOYA, LTD.
- Hanno-Shinkin Bank.
- Sumitomo Mitsui Trust Asset Management Co., Ltd.

Reporting

Allocation of capital raised

As of the end of July 2020, the allocation of capital raised for the Green Bond is as follows: We plan to continue updating our website annually with disclosures related to the latest information on the allocation of capital raised through green bonds.

	Amount raised	Amount of capital allocated (End of July 2020)
"Fuyo 100% Renewable Electricity Declaration Support Program" Program A (Green Bond)	5 billion yen	102 million yen

Positive environmental impacts

Because it is difficult to individually calculate the reduction of carbon dioxide emissions and other positive environmental impacts for the wide range of properties subject to the Green Bond, the program execution amount, the number of users, expected positive environmental impacts for each property type, as well as the number of organizations participating in RE100 and the 100% Renewable Electricity Declaration RE Action since the start of the program are disclosed.

■ “Fuyo 100% Renewable Electricity Declaration Support Program” Program A (Green Bond) handling results (total amount spent/number of users/expected positive environmental impacts)

Property type	Total amount spent on Program A (Oct. 2019 to July 2020)	Expected positive environmental impacts
1. Renewable energy equipment (solar power, wind power, hydropower, biomass power including biogas, and geothermal power for private use)	—	Newly created renewable energy (power generated):0MW-dc
2. Energy-efficient equipment (equipment covered by the Eco-Lease Promotion Project Subsidy Program or equipment with 10% or more improved energy efficiency*1)		Promotion of low carbon and decarbonization in companies and organizations participating in RE100 and the 100% Renewable Electricity Declaration RE Action
Projects with 30% or more improved energy efficiency	—	
Projects with 10% to 30% improved energy efficiency	2 million yen / 1 organization	
3. Devices that are compliant with the Act on Promoting Green Procurement		
Information equipment, office automation equipment, etc.	89 million yen / 11 organizations	
Electric vehicles, hybrid vehicles*2, plug-in hybrid vehicles*2, fuel-cell vehicles	11 million yen / 1 organization	

*1 This excludes energy-efficient equipment that uses coal. In cases where non-coal fossil fuels such as oil and natural gas are used, it is possible to either reduce greenhouse gases or improve energy efficiency by at least 30% for all initiatives in buildings and other facilities including initiatives related to renewable energy, and this is limited to the replacement of equipment.

*2 Hybrid vehicles/plug-in hybrid vehicles are limited to those that satisfy emissions of less than 75 g CO₂-p/km (CO₂ emissions per person when traveling 1 km).

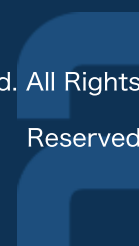
■ Participation in RE100 and the 100% Renewable Electricity Declaration RE Action

	End of July 2019		End of July 2020	
	Number of domestic participating companies and organizations	Power consumption (Total)	Number of domestic participating companies and organizations	Power consumption (Total)
RE100	20 companies	Approx. 17 TWh	35 companies	Approx. 26 TWh
100% Renewable Electricity Declaration RE Action	0 organizations (Established in Oct. 2019)	0 GW (Established in Oct. 2019)	71 organizations	Approx. 914 GWh

Annual Review

In an annual review by the Japan Credit Rating Agency, Ltd. (JCR), compliance with the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines has been confirmed, and a JCR Green Bond Evaluation of "Green 1" has been obtained.

[Green Bond Review Results](#)  (488KB)



Social Report

Relationship with Customers

Improving Customer Satisfaction >

Relationship with Shareholders

Concept of IR >

Communication with Our Shareholders and Investors >

Shareholder Returns and Status of Shares >

Relationship with Regional Community

Approach to Social Contributions >

Social Contribution Activities through our Core Business >

Community & Environmental Contributions - Donation Activities >

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

Relationship with Employee

Respect for Human Rights [➤](#)

Human Resource Development and Recruitment [➤](#)

Promoting Diversity [➤](#)

Building a Better Workplace [➤](#)

Employee Health Management [➤](#)

Employee Data [➤](#)

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management [➤](#)

Each Group Company's Environmental and Social initiatives [➤](#)

External Evaluation [➤](#)

Editorial Policy [➤](#)

Independent assurance [➤](#)



Improving Customer Satisfaction

To improve customer satisfaction

The Fuyo Lease Group strives to provide services that can flexibly and promptly respond to the diverse needs of customers by setting its Management Philosophy as "maintain customer's first philosophy, providing best services."

Providing the FLOW data service, which contributes to improving customers' administrative efficiency

Fuyo Lease provides FLOW, a proprietary data service for managing lease contracts online as one of the services that provide added value to customers.

FLOW has the advantage of improving the administrative efficiency of online viewing and downloading of contract information and accounting reference materials, and also completing contract termination procedures.

In addition, as a new service, we began offering the FLOW Cube+, a cloud-based fixed asset management system, which enables customers to prepare financial statements which portray the actual situation (physical asset management) while keeping customers' labor and costs down.

With the FLOW Cube+, we can respond to changes in taxation and accounting systems in fixed asset management, and match information and accounting books of fixed assets that are needed for strengthening internal controls, which contributes to improving the reliability of financial reporting.

We also respond promptly to the new lease standard of the International Financial Reporting Standard (IFRS), IFRS16, which is applicable from January 2019.

- FLOW Fuyo General Lease web service
- FLOW Cube+ cloud-based general asset management service



CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

Customer-Oriented Business Policy

Fuyo Lease is a Type II financial instruments business operator who invites its clients to participate as investors in Japanese operating leases. We have established the Customer-Oriented Business Policy based on the Principles for Customer-Oriented Business Conduct issued by the Financial Services Agency in March 2017. Based on the Policy, we are committed to providing our clients with services in a sincere and fair manner.

Responses to financial ADR system

The Financial ADR System (Alternative Dispute Resolution System in the area of finance) was established in April 2010 to resolve financial issues quickly, flexibly, and conveniently. Under the System, certain providers of financial services are obliged to conclude a basic contract with an institution on the performance of procedures, if there is a designated dispute settlement institution, and to take grievance and dispute resolution measures if there is no designated dispute settlement institution.

With regard to the money lending business, we concluded a basic contract on the performance of procedures with the designated dispute settlement institution, and took grievance and dispute resolution measures for the Type 2 financial instruments business, which does not have a designated dispute settlement institution.

[▶](#) Please click here for details.

Approach to
Social
Contributions

Social
Contribution
Activities
through our
Core Business

Community &
Environmental
Contributions
- Donation
Activities

Relationship with Employee

Respect for
Human
Rights

Human
Resource
Development
and
Recruitment

Promoting
Diversity

Building a
Better
Workplace

Employee
Health
Management

Employee
Data

Governance and
Managemnet >

Each Group
Company's
Environmental >
and Social
initiatives

External
Evaluation >

Editorial Policy >

Independent
assurance >



Concept of IR

Basic Approach

Fuyo Lease has been listed on the First Section of the Tokyo Stock Exchange since December 2004 and strives for timely, appropriate and fair disclosure of information to all stakeholders, including shareholders and investors, in order to ensure the transparency of the management structure.

Fuyo Lease also provides a variety of opportunities and methods to actively communicate with shareholders and investors.

Disclosure Policy

Fuyo Lease has set out its Disclosure Policy as the basic policy on the disclosure of information to facilitate the accurate understanding and evaluation of the Company by stakeholders. The Disclosure Policy is published on the corporate website.

[Disclosure Policy](#)

CSR

[Fuyo Lease Group's CSR](#)

[Solving Social Issues through Business](#)

[Environmental Report](#)

Social Report

Relationship with Customers

[Improving Customer Satisfaction](#)

Relationship with Shareholders

[Concept of IR](#)

[Communication with Our Shareholders and Investors](#)

[Shareholder Returns and Status of Shares](#)

Relationship with Regional Community

Approach to
Social
Contributions

Social
Contribution
Activities
through our
Core Business

Community &
Environmental
Contributions
- Donation
Activities

Relationship with Employee

Respect for
Human
Rights

Human
Resource
Development
and
Recruitment

Promoting
Diversity

Building a
Better
Workplace

Employee
Health
Management

Employee
Data

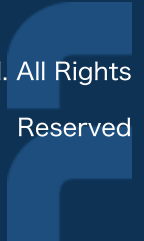
Governance and
Managemnet >

Each Group
Company's
Environmental >
and Social
initiatives

External
Evaluation >

Editorial Policy >

Independent
assurance >



Communication with Our Shareholders and Investors

General Meeting of Shareholders

At Fuyo Lease, considering the convenience of our shareholders, we hold a general meeting of shareholders early in order to avoid the day on which meetings are concentrated, as well as dispatch the notice of convocation early and post it on our websites. Additionally, in order to enhance the convenience of our shareholders in exercising their voting rights, we have made it possible for them to exercise the rights on the Internet.

Because we take the view that the general meeting of shareholders is a place for communicating with our shareholders, we aim for an open meeting, explaining reports in an easy-to-understand manner using images, charts, and tables.

Booklets containing the Report on Annual Business Results and the Report on Interim Business Results for shareholders

At Fuyo Lease, business activities are summarized in booklets containing the Report on Annual Business Results and the Report on Interim Business Results in an easy-to-understand manner. These booklets are sent to our shareholders every half year.

Website IR Information

At Fuyo Lease, we have established the IR Information page on our website to convey the latest IR information in an easy-to-understand manner.

In addition, we also provide the IR information e-mail distribution service for free. Through this service, notifications to e-mail registrants is sent when the new IR information is posted online.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR

Communication with Our Shareholders and Investors

Shareholder Returns and Status of Shares

Financial results briefings

Fuyo Lease holds financial results briefings for institutional investors and analysts twice a year in May and November. We also have individual meetings with analysts. In fiscal 2019, we conducted meetings with a total of 51 companies.

Relationship with Regional Community

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

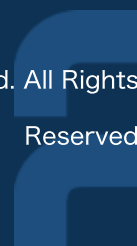
Editorial Policy >

Independent assurance >

 "Integrated Report"
PDF download

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Shareholder Returns and Status of Shares

Basic Policy on Shareholder Returns

The basic policy of the Fuyo Lease Group is to enhance shareholders' equity with the aim of reinforcing the management base and financial structure, taking performance and management targets into consideration, while striving for the long-term, stable return of profits to shareholders.

In response to constant support from our shareholders, Fuyo Lease has also introduced a shareholder benefit plan with the aim of increasing the appeal of investing in the Company's shares and increasing the number of long-term shareholders.

Shareholder Benefit Plan

To implement the aforementioned goals for the introduction of the shareholder benefit plan, Fuyo Lease offers rewards worth ¥3,000 for shareholders who have owned shares for less than two years and ¥5,000 for those who have owned shares for at least two years in addition to a system that offers the choice of book vouchers or catalog gifts as benefits.

Our Management Philosophy is to support "corporate activities through our leasing business with view to contributing to development of the society". In order to contribute to development of the society together with shareholders, we annually donate an amount equivalent to 10% of shareholder benefits to organizations involved in social contribution activities.

* For details, please refer to "Donation activities".

[Shareholder benefit plan](#)

Stock Information (As of March 31, 2020)

- Number of shareholders: 15,402
- Number of shares outstanding: 30,288 thousand shares

CSR

[Fuyo Lease Group's CSR](#)

[Solving Social Issues through Business](#)

[Environmental Report](#)

Social Report

Relationship with Customers

[Improving Customer Satisfaction](#)

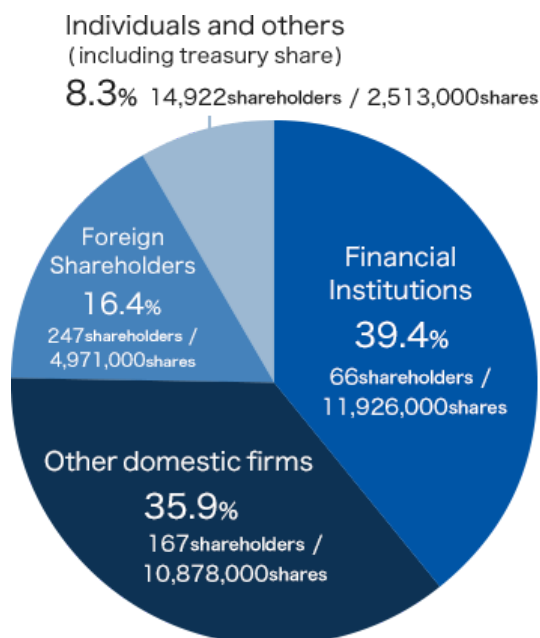
Relationship with Shareholders

[Concept of IR](#)

[Communication with Our Shareholders and Investors](#)

[Shareholder Returns and Status of Shares](#)

Relationship with Regional Community



Breakdown of Shareholders	Number of Shareholders	Number of Shares held (in thousands)
Financial Institutions	66	11,926
Other domestic firms	167	10,878
Foreign Shareholders	247	4,971
Individuals and others (including treasury share)	14,922	2,513 (treasury share included)

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >



Approach to Social Contributions

Basic approach to social contributions

Recognizing close ties with our neighbors, the Fuyo Lease Group hopes to play the role of a good corporate citizen who contributes to the development of local communities. Furthermore, based on our corporate slogan of “Go where no one has gone before” and our management philosophy, we are focused on creating shared value and solving social issues through our business operations, and contributing to society as part of our business strategy.

Based on this approach, the Group has established a social contribution policy and is engaged in activities that align with it. We identified the target areas for our social contribution activities based on our social contribution policy to achieve synergies between the social contribution activities and our Medium-term Management Plan. Our priority social contribution areas are “academic and research activities” that support science and technology with commercialization potential in the New Domains, and “environmental activities” that help accelerate activities in the Energy and Environment areas. Both are strategic areas of the Group's Medium-term Management Plan.

Social Contribution Policy (excerpt)

■ Article 3 (Target areas for social contributions)

Engage in the following subject areas:

1. Environment
2. Contributions to local communities
3. Academic activities and research
4. Support for areas affected by disasters

■ Article 4 (Implementation criteria)

Decide implementation according to the following criteria:

1. **Obtaining the understanding of society**
Approaches that are highly public and receive a broad public understanding
2. **Using our characteristics**
Approaches that use our know-how, products, and services

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

In addition, the Group's mission is to "seriously respond to customers' needs and provide solutions that exceed their expectations." Because we believe that it is important for employees to gain awareness about regional issues and needs, we have introduced a volunteer leave system to promote social contribution activities by employees. In fiscal 2019, one employee used the system.

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

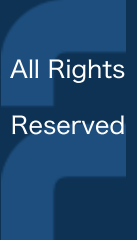
Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >



Social Contribution Activities through our Core Business

At Fuyo Lease, we support the younger generation through development training as part of our contribution to local communities. Targeting local students from elementary school through graduate school students, we are continuously implementing activities to deepen understanding of our business and create new learning opportunities by making the best use of the features of the Fuyo Lease Group's wide range of businesses.

Examples of activities

Eighth AQUA ART Design Competition

■ Aqua de Smile social contribution activities, which use an interior aquarium

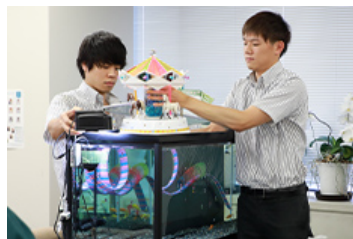
Fuyo Lease has been holding the AQUA ART Design Competition continuously as part of Aqua de Smile social contribution activities implemented with its group company, Aqua Art Co., Ltd. Participants in the AQUA ART Design competition, who are students majoring in art and design at Tokyo Metropolitan Kogei High School and Tokyo Designer Gakuin College located near the Fuyo Lease head office, compete in creating interior aquarium space designs and decor. Excellent pieces of work are exhibited at commercial facilities where they are enjoyed by many people.

In fiscal 2018, welcoming the Tokyo Communication Arts College as a new participant, the event provided a great opportunity for students to have fun designing aquariums, while at the same time letting visitors know about interior aquarium.

In fiscal 2019, which is the eighth time, we hosted an exhibition jointly with Tokyo Dome Hotel. A selection of the six aquariums were displayed in the lobby and elsewhere in the hotel during the special event that ran from July 25 through August 5.



A snapshot of the students from the Production Group of Tokyo Metropolitan Kogei High School with their work that was exhibited in the lobby of Tokyo Dome Hotel (summer 2019)



Creating a prototype layout

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

The phenomena of buoyancy and water flow, which do not exist in a normal space, were skillfully used in creation of the works and many were painstakingly created with efforts to incorporate measures for preventing problems such as fish getting stuck and not being able to get out. The aquarium designed under the theme of summer, which looked creative and exciting, attracted many visitors, including children and their parents. The best piece of work was selected with a vote by the general public, and an award ceremony was held after the summer vacation.

* Cancelled in fiscal 2020 because of the spread of the COVID-19 infection.

■ **Offering an on-demand lesson service as part of environmental education activities for children receiving an aquarium as a donation**

The Aqua de Smile initiative was launched by donating (renting out free of charge) an interior aquarium, AQUA ART, to recipients such as nursery schools and maternal and child life support facilities with the expectation of showing tropical fish to children living in cities thus making the children smile and providing a healing effect.

In order to better support children who receive an aquarium as a donation, as part of environmental education activities, our staff members organize on-demand lessons for them every summer.

AQUA ART is always there for the children, and they are very interested in the habits and characteristics of tropical fish. Each lesson is received with smiles and good spirits as the children learn about ecosystems in a quiz format and then take part in fun events. In fiscal 2019, students from Tokyo Metropolitan Kogei High School participated in a visiting lecture as a hands-on activity in their Humans Society course, which is a part of the Tokyo metropolitan high school curriculum, and we had a great time in the class together.



On-demand lesson for school children provided by our staff

Hosting internships for conveying the significance of work and providing work experience to students who will be leading the next generation

In order to convey the significance of work to undergraduate and graduate students who will be leading the next generation, Fuyo Lease provides internships through which the students can deepen their understanding of the leasing business and experience actual work in the industry.

The tenth internship program, held in fiscal 2019, was carried out over a period of fifteen days in total between December and February, with the participation of 379 students. The program consisted of a lecture on the basics of leasing, as well as group work on creating contract documents and leasing. It also included an informal gathering where students exchanged opinions with our staff members on, for example, job challenges and differences between students and professionals.

Students participating in the program made comments such as: "the program gave me an opportunity to not only understand the leasing business but also to think about the meaning of work" and "the group work gave me an opportunity to listen to opinions that I would have never come up with, and it was also useful to hear advice from HR." A similar internship program is scheduled for fiscal 2021.



Group work session for interns

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

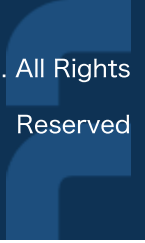
Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >



Community & Environmental Contributions - Donation Activities

Examples of activities

Introduction of Welfare and Nursing-care Training Program for young employees as part of a CSR training program

Fuyo Lease introduced the Welfare and Nursing-care Training Program for young employees in fiscal 2013 in cooperation with NICHIIIGAKKAN CO., LTD., a leading nursing-care business company.

During the training program held in fiscal 2019, after carrying out lectures on topics such as "Actual situations of the aging society and the Long-term Care Insurance System", "Nursing-care responding to those who require support and nursing-care", and "Understanding dementia", we conducted a simulated experience based on elderly people's motor functions with the use of equipment replicating the capabilities of their eyes, ears, hands, and knees. Additionally, we provided created opportunities to experience wheelchair assistance and other similar situations.

Based on this training program, we hope that young employees will better understand the situation surrounding the aging society, and will also be able to help elderly people in everyday life situations, such as in trains and crowds.



Simulated experience of elderly person's motor function with various protectors



Wheelchair assistance experience

Beautifying the City Activity at Shinjuku Station's west exit

Fuyo Lease Tokyo Business DivisionⅢ (formerly Shinjuku Branch) is engaged in local cleanup activities at Shinjuku Station's west exit.

On May 30, 2019, five employees participated in Garbage Zero Day.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors

Shareholder Returns and Status of Shares

Additionally, four employees participated in the Litter Prevention and Road Smoking Prohibition Campaign at Shinjuku Station's west exit on February 14, 2020.



On May 30th, the sunlight was like summer and the participants sweated.



February 14th was warmer and more pleasant than usual.



The participants had an enjoyable run on a calm day.

Participation in FIT Charity Run 2019

The Fuyo Lease Group has participated in the FIT Charity Run (Financial Industry in Tokyo For Charity Run) every year since 2009.

The FIT Charity Run is a charity event aimed at supporting non-profit organizations engaged in community-based activities. The event is organized by financial service companies in Tokyo, which gather and hold fund-raising activities.

The 15th FIT Charity Run 2019 was held on January 19, 2020 at the neighboring roads of Meiji Memorial Picture Gallery and Meiji Jingu Gaien. A total of 27 employees from the Group participated in the 10-km run.

Inviting the local community to Fukuoka PayPay Dome

At Fuyo Lease, we have purchased Philanthropy Seats of the baseball stadium Fukuoka PayPay Dome and invited people from the community welfare facilities and young people in sports since fiscal 2012.

From the purchased Philanthropy Seats, people can see the full schedule of official games of the Fukuoka Softbank Hawks. Annually, twenty seats are designated as Philanthropy Seats at the first base infield side.

People who attended this activity have been very pleased. We will continue to make use of these seats to maintain friendships with local communities in the future.



Fukuoka PayPay Dome



Philanthropy Seats

Relationship with Regional Community

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Managementnet >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Donation activities

Independent assurance >

Actual donations (unit: ten thousand yen)

Fuyo Lease makes annual donations to organizations working in disaster-stricken areas, humanitarian assistance, the environment, cultural arts, and academic research. In fiscal 2019, we mainly provided support for the areas affected by Typhoon No. 19 and the next generation of children, and donated to academic research.

↓ "Integrated Report" PDF download

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Disaster affected area support and Humanitarian Assistance	512	1,096	563	1,127	1,040
Environment	50	50	50	50	50
Cultural Arts and Academic Research	103	123	125	625	1,275
Others	31	18	42	4	2
Total	696	1,287	780	1,806	2,367

Activities of Fuyo Heartful Fund 100

Within the Fuyo Lease Group, we established the Fuyo Heartful Fund 100 in November 2010 for employees to contribute to society through donations. Directors, officers and employees who join the fund donate 100 yen a month, 300 yen for directors and officers, from their salaries as donation funds. The accumulated funds are donated to groups that develop activities including in the areas of environmental conservation, local community contribution, academic and research support and support for areas affected by disasters.

In fiscal 2019, through this fund, we donated 150,000 yen each to four disaster-affected area and humanitarian projects in Japan and overseas, for a total of 600,000 yen.

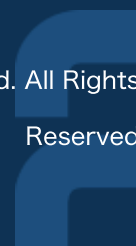


■ Donation of used stamps

The Fuyo Lease Group collects postage stamps that have been used at offices and employees' homes, and donates them to groups promoting support cooperation in health and medical areas overseas. In fiscal 2019, we collected and donated about 1.7 kg of used stamps.

▮ Actual donation of used stamps and prepaid cards

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Used stamps	1,843 g	2,614 g	2,016 g	1,401 g	1,684 g



Respect for Human Rights

Basic Approach

The Fuyo Lease Group encourages respect for human rights in accordance with international norms such as the Universal Declaration of Human Rights, and we have listed Respect for Human Rights in the Fuyo General Lease Group Code of Corporate Conduct. We have stipulated that we will act with respect for the dignity and basic human rights of all people and build a corporate culture with respect for human rights at its core. In achieving this goal, we implement initiatives aimed at encouraging respect for human rights, with reference to the United Nations Guiding Principles on Business and Human Rights and other sources.

Moreover, based on a recognition that particular consideration is required for the human rights of children, the Fuyo Lease Group has endorsed the international norms in The Children's Rights and Business Principles of UNICEF and works to protect and advance the rights of children who may be involved in its business.

We actively encourage our employees and business partners to have a better understanding of the Group's human rights policy.

Fuyo Lease's Human Resources Division is responsible for risk assessment and resolving the Group's human rights issues under the supervision of the director in charge of the Human Resources Division. Furthermore, we regularly check the progress of human rights initiatives and report to the Risk Management Officer and the Executive Committee when important risks occur.

Expectations toward respecting human rights for stakeholders

The Fuyo Lease Group respects the human rights of stakeholders in its business (board members and employees, business partners, suppliers, partner companies in each business, local communities, etc.) and conducts initiatives. Expectations for key stakeholders are as follows:

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

Board Members and Employees	The Group has zero tolerance for all forms of discrimination and harassment on the basis of gender, nationality, race, ethnicity, religion, disability, or any other grounds. We strive to create a work environment where each and every employee respects each other's human rights and can work in comfort and with peace of mind.
Partners	Our management philosophy is to "always give first priority to the customer and provide the best service." We will not only prevent and mitigate negative impacts on human rights related to the provision of services, but also strive to respect the human rights of all our business partners.
Suppliers	We expect suppliers providing services with our Group to understand the basic concept of human rights, and respect human rights in the same way as Group employees.

Initiatives to Assess and Mitigate Human Rights Risks

The Fuyo Lease Group works to prevent negative impacts on human rights in its business and provide access to remedy.

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

In the Group, the Audit Office and Human Resources Division conduct regular employee interviews in order to prevent violations of human rights.

We have also established mechanisms to ensure more reliably that impacts on human rights are controlled, including conducting checks each time when there are changes to the structure of new projects. If any human rights issue arises in relation to the Fuyo Lease Group's businesses, a team lead by the Human Resources Division will promptly resolve it.

In addition, we have set up internal and external whistleblower hotlines that allow anonymous reporting and guarantee that all reports will be treated as confidential in order to promptly detect any infringements of compliance or the Code of Corporate Conduct in the area of human rights, including bullying and harassment.

In fiscal 2019, three reports were received through the hotlines. In each report, investigations are promptly conducted, such as confirming the facts with the parties concerned with due care to protect whistleblowers against detrimental treatment and taking appropriate measures. All cases have been resolved, and measures put in place to prevent recurrences.

Partners

Recognizing that it is possible that the Group could contribute to a negative impact on human rights in providing services, we strive to take appropriate measures to prevent or mitigate any negative impacts on human rights that may occur through our business activities. In particular, we focus on protecting the privacy of our business partners, building an information management system according to the business content, and strictly managing our partners' information

 [Information security initiatives are here](#)

Human Rights Awareness Training

The Fuyo Lease Group continually provides human rights awareness training in its grade-specific training, which includes that for new employees and newly appointed assistant managers/section chiefs with the aim of creating workplaces with a fundamental respect for human rights. We have also distributed the Code of Corporate Conduct mini-booklet to all employees to raise awareness of the Fuyo Lease Group's approach to human rights and labor and the importance of respecting them. In fiscal 2018, the Group introduced a new training program for all employees, in which the participants view videos to improve their human rights awareness.

Furthermore, we provide training upon promotion for employees appointed at or above a certain level of management position to enable them to respond appropriately when there are reports of incidents and consultations involving human rights, including bullying and harassment.

In fiscal 2019, the Group joined the Human Rights Education Subcommittee of the Global Compact Network Japan to gain a better understanding of Japan's human rights issues by exchanging views and ideas with experts and academics.

Building Positive Employer-Labor Relations

The Fuyo Lease Group recognizes freedom of association and collective bargaining rights as the rights of its employees. While complying with laws and regulations and promoting these rights, we strive for appropriate communication between employers and employees. Building Positive Employer-Labor Relations. In Fuyo Lease, the percentage of employees who belong to a labor union is 63.2%.

Promoting Appropriate Labor Standards

The Fuyo Lease Group strives to comply with domestic and foreign laws and regulations on labor standards where its offices are located, such as working hours and pay but also to make the working environment even better in order to ensure consideration for human rights. Not only do we strive to limit long working hours and guarantee a living wage in our offices in Japan, but we also carry out checks at our overseas sites as necessary, in addition to paying living wages that exceed the minimum stipulated by local laws and regulations, to maintain high standards to ensure the retention of excellent employees. In addition, as an initiative to reduce long working hours at domestic group companies, we are actively implementing measures to prevent overwork and have introduced “Refresh Day (no overtime day)”, “+ Friday (leave-work-early system)”, and the “interval system” for employees to use freely.

In Fuyo Lease in fiscal 2019, there were no infringements of labor-related laws and regulations.



Human Resource Development and Recruitment

Basic approach

Within the Fuyo Lease Group, our basic hiring policy is to keep the selection process fair, impartial, unbiased, and non-discriminatory. We also provide opportunities for all employees to independently achieve personal growth, while respecting each other's personalities.

Furthermore, we aim to create a rewarding workplace where every employee can work with motivation.

With the extensive branch network of Fuyo Lease Group in Japan and overseas, Fuyo Lease is promoting local employment and personnel recruitment in an effort to respect the culture in each local area, strengthen networks and create jobs.

Expanding businesses and providing fair and impartial evaluations

As the Fuyo Lease Group moves into uncharted businesses and continues to expand its frontiers, as declared in the core principles of the current Medium-term Management Plan, Frontier Expansion 2021, the roles our employees play and the tasks and challenges they face are becoming more diverse and complex. For this reason, we have made changes to our human resources system in July 2019 to expand business domains and perform fair and impartial evaluations. The core concept of the new human resources system is to convert a job function or ability-based system where a generalist serves as a role model into a varied, multi-track, job duty-based system, and to provide a framework which enables employees to achieve personal development and to expand the scope of their duties in the long term. In addition to changing the job description of clerical track to administrative track, the system also has been changed to encourage employees not only to aspire to be a section manager, who serve as role models, but also to strive for even higher positions such as departmental manager. We encourage employees to independently develop their career plans and we make efforts to offer them rewards that commensurate with the roles they play and the duties they perform in their respective areas.

Implement of employee satisfaction survey

We have been conducting an employee satisfaction survey since fiscal 2018 to make work more rewarding and to help employees work in a positive way each day.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

In fiscal 2019, a total of 1,714 employees from ten group companies in Japan participated in the survey with a 97.7% response rate.

Employee satisfaction surveys are conducted annually while expanding the number of target employees as we aim to create a rewarding workplace where every employee can work with motivation.

Questions are divided into satisfaction with the workplace, job satisfaction, and work-life balance, among others, and are evaluated on a 5-point scale. After conducting the survey, we aggregate and analyze the responses by department and by gender, and use the results to expand our systems for improving on comfortable working environments and for personnel measures.

Results of employee satisfaction survey

Job satisfaction*

FY 2018	FY 2019
87.3%	85.8%

* Percentage of employees who rated at least one out of six job satisfaction questions as four or above (on a scale of one to five) in the Employee Awareness Survey.

Various trainings and self-development programs

Training programs are provided after joining the Company to learn the basics of leasing and acquire practical knowledge

An extensive knowledge of areas including legal affairs, tax and accounting, finance, products, and industry trends is required for the leasing business. In order to ensure that new employees joining Fuyo Lease can steadily increase the level of their knowledge and improve, new employees have opportunities to learn the basics of leasing and acquire practical knowledge during their first two years in the Company through various training programs taught by lecturers from inside and outside the Company.

Since fiscal 2017, the Company has been conducting new hire training, career training, and management training jointly with Fuyo Lease Group. As the basis for achieving the initiative of pursuing group synergies, which is set out in the Medium-term Management Plan, the Company holds training programs to help employees understand the businesses of each company and share their cultures.

A total of 300 group company employees took part in 11 training programs in fiscal 2019.



Young employees working on tasks given by the training program (In fiscal 2020, masks will be worn, and social distancing maintained in training)

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

To boost employees' motivation, the Group has a self-development program offering an extensive lineup of courses including correspondence courses (about 150 courses), e-learning, and a course encouraging employees to acquire qualifications.

➤ [Click here for a more detailed explanation of the educational system](#)

Motivation support program that responds to employees' motivation

Under the concept of fully supporting employees who are motivated and willing to take on the challenge of fulfilling the corporate slogan of "Go where no one has gone before," Fuyo Lease has been carrying out the Fuyo Motivation Support Program since fiscal 2013.

With a view to further globalizing the leasing business, Motivation Support Program A encourages employees to enroll in an English conversation school and improve their English skills. Furthermore, Motivation Support Program B encourages employees to enroll in a business school in order to enhance their abilities to think, exercise leadership, and manage, as well as improve their abilities to formulate management strategies and marketing skills.

In fiscal 2016, Motivation Support Program C was newly established. In order to expand the job scope and enhance the job performance of administrative track employees, the Company encourages them to attend open seminars on, for example, improving operations, time management, and leadership communication. The Company has also started providing support for attending a half-day seminar for working mothers.

In fiscal 2019, the average number of hours of education and training spent on each employee was 34.0 hours. Responding to the motivation of employees, the Company will continue to expand the system.



The Company's employee (standing in front of a white board) shows an expression of relief after finishing her presentation in a voluntary workshop at Globis Management School (In fiscal 2020, courses will be taken online)

Self-assessment system

Fuyo Lease has a self-assessment system in place for promoting the autonomous and continuous development of employees' skills. Once every year, individual employees submit a Self-assessment and Career Development form for declaring to the Company a list of abilities they have managed to improve, whether they have managed to expand the scope of their jobs, what kind of self-development efforts they are making and what areas of experience they would like to build upon for their own development. The Company uses information on the declaration form to understand each employee's plan for career development, and reflects it in its personnel measures.

Furthermore, in the Skill Development Plan established in fiscal 2014, the Company provides feedback to each employee on their current progress while attending various seminars in an effort to encourage employees to actively make use of various self-development programs.

Internal recruitment system



A trainee dispatched to New York,
United States (at that time)



A trainee dispatched to China
(at that time)

Fuyo Lease has a Trainee System and Internal Recruitment System in place for supporting active career development. Furthermore, in fiscal 2018, the Job Posting System was introduced and launched to give employees the chance to take on the challenge of doing a job that interests them.

The Trainee System is being applied in the overseas trainees' program and also the training programs of various departments such as credit decisions making and aircraft leasing departments.

Every year, the Company dispatches about nine overseas trainees per year to its Group companies in the US and Hong Kong, as well as the overseas branches of financial institutions. As a result, by getting involved in their day-to-day operations locally, the Company aims to increase the level of the trainees' basic knowledge and linguistic abilities to engage in international financial transactions.

At the Company, we have set Overseas as one of its strategic areas in the Medium-term Management Plan, and are working to expand the real estate leasing and renewable energy businesses in collaboration with our customers and strengthen our overseas networks. In addition, by establishing trainee systems for operations that are indispensable to each business, we expect that businesses will be strengthened by human resources who have experience using those systems.

The Job Posting System was introduced as a framework for providing opportunities for each employee to develop by autonomously enhancing their knowledge and skills. In the system, the Company has job posts it offers, such as for department/branch manager, president of affiliated companies, specialized business departments, and credit departments.

Course transfer system

In order to respond to the diversifying needs of employees in relation to employment and skill development, Fuyo Lease has the Course Transfer System in place, which allows them to switch from administrative to generalist career tracks, or vice versa. Between April 2011 and July 2020, 13 employees were transferred to their new career track taking advantage of this system.

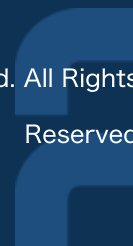
Full-time employee challenge system

In April 2014, in order to further develop skills and expand the job scope of highly capable and motivated contract employees, Fuyo Lease introduced a new system of hiring contract employees meeting certain requirements as full-time employees.

Between the introduction of the system and April 2020, a total of nine contract employees had been hired as full-time employees, and are working in the field of administration or sales administration.

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Promoting Diversity

Basic approach

Under the corporate slogan of "Go where no one has gone before," Fuyo Lease strives to develop and promote people with diverse values and ideas in order to offer solutions surpassing customers' expectations.

In today's society where values and needs are becoming more diverse, the Fuyo Lease Group believes that diversity is a key growth driver. Attracting and retaining highly talented people, regardless of their sex, age, or other factors, is crucial for being able to continually create new value. As we work to enhance the value of our corporate group, we focus on developing human resources with an emphasis on making our company a better workplace, so that all of our employees can realize their full potential as they hone their professional skills.

The Diversity Promotion Office opened its doors in October 2017 to strengthen our organizational capability for creating a workplace where all employees can realize their full potential, regardless of gender.

Empowering female employees in the workplace



CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

Empowering female employees in the workplace

Towards creating a workplace environment where female employees can exercise their abilities and participate more than ever:

~Preparing and promoting an action plan for promoting the participation of female employees in the workplace~

We see empowering women in the workplace as a management priority and are taking steps towards creating a work environment where women can fulfill their potential and play a more active role than ever.

Our initiatives for empowering women focus on four specific areas: recruitment, human resources development, organizational culture reforms, and work-life balance.

Outline of General Employer Action Plan

Target period	December 5, 2014 through March 31, 2020
Goals	<ol style="list-style-type: none"> 1. Aim for a female ratio of 30% in recruiting new graduates 2. Achieve a 1.5-fold increase (40 females) in the number of managerial female employees by 2020 from 2014, the year when the target was set
List of activities	<ol style="list-style-type: none"> 1. Increase recruitment of women 2. Clarify training policy 3. Provide support for developing the careers of managerial candidates 4. Host career lectures 5. Reduce overtime working hours 6. Reform corporate culture 7. Relax the criteria for using the shorter working hour system 8. Promote male employees to take childcare leave, etc.

We achieved both of the goals set out in the General Employer Action Plan, fiscal 2014 to fiscal 2019, which were to increase the employment ratio of new female graduates to 30% and make the percentage of women in managerial positions one and-a-half times more than it was in 2014 (i.e., 40 women). We did so by actively strengthening the recruitment of women, establishing clear training guidelines, and providing female managerial candidates with career development support. From fiscal 2020, we set the following goals with a planning period of two years until the end of the current Medium-term Management Plan in fiscal 2021, and will work more proactively than ever before.

Targets for FY 2021

Expand employment opportunities for women

Ratio of new female employees hired
40% or more

Ratio of female employees in management positions
30% or more

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

Increasing the recruitment of female new graduates: outline of female employees' work-styles

In the course of fiscal 2017 recruitment activities, the Company revised its information brochure for new graduates who are interested in joining the Company, and in the course of fiscal 2018 recruitment activities, the Company revised its recruitment website in order to facilitate students to visualize what it is like for female employees to work at Fuyo Lease. The revised brochure and website introduce the Company's female employees working in various functions, explain the scope of their jobs and careers, and how they are managing their work and child care. Furthermore, in order to communicate more with female students, the Company set up booths at events for female students.

Conducting a three-party interview to support the career plan of each female generalist track employee

The Company regularly conducts a three-party interview for the purpose of supporting women's career plans in which each female employee is interviewed by her departmental manager and a staff member from Human Resources Division. Individual career plans are designed based on issues and a future vision for supporting each individual's development. Furthermore, in order to appoint female managers, the Company provides support for enhancing their abilities and skills through training by organizing opportunities for female employees to attend external seminars on subjects such as management skills and leadership.

Career Lectures for awareness of female employees and managers

We hold career lectures by inviting external lecturers as an opportunity for female employees to think about and design their future careers. Since 2017, the target audience of the lectures has no longer been limited to female employees, and lectures have been held with the aim of creating a work environment where diverse employees can realize their potential. In January 2019, an Ikuboss* Seminar was organized for management-level staff.

* Ikuboss: A leader who supports their staff's professional and personal development, and achieves good business performance, as well as enjoys their work and personal lives.

■ Theme and content of lecture

Career Lecture	Date	Theme
1st Lecture	February 2015	What it means for women to continue working: thinking about their future careers
2nd Lecture	July 2015	Creating a comfortable workplace
3rd Lecture	January 2017	Diversity and time management
4th Lecture	January 2019	Ikuboss seminar

Working group activities toward creating a better workplace (Everyone Active Working Group)



Since January 2015, we are continuously running a working group for employees with the aim of creating a workplace that is more welcoming for employees to get actively involved in, and allows them to envision their careers over the medium and long term.

In fact, several programs have been established through the discussions.

For example, a program called +Friday (Plus Friday) introduced in February 2017 is one of them, which allows employees to leave work at 3:00 p.m. on any Friday of their choice once every month. The program was improved in April 2019 to allow employees to leave work at 1:00 p.m. rather than 3:00 p.m. as originally introduced. Selective staggered hours program introduced in May 2017 is another program that was born out of the working group's discussions. This program offers four different work schedules with earlier and later starting and finishing times, in addition to the normal working hours, so that employees can choose the schedule that is most suitable to their needs, for activities such as childcare or family nursing care duties, as well as their lifestyles.

Through discussion and consideration by employee-participation-type working group activities, we are striving to penetrate and establish systems to create better working environments.

Period	Theme	Content
1st	<ul style="list-style-type: none"> ▪ Balancing work with childcare 	<ul style="list-style-type: none"> ▪ Formulation of the Action Plan: Stage 6 for the Next Generation Act ▪ Creation and distribution of guidebooks for empowering women in the workplace ▪ Consideration of measures to improve the percentage of male employees who take childcare leave
2nd	<ul style="list-style-type: none"> ▪ The recruitment of women ▪ Promoting male employees to take childcare leave ▪ Awareness raising etc. 	<ul style="list-style-type: none"> ▪ Revision of public relations tools for recruiting women in new graduate recruitment ▪ Consideration of measures to promote male employees taking childcare leave ▪ Initiatives for internal penetration and establishment of female empowerment in the workplace ▪ Consideration of measures for the Action Plan: Stage 6 "Implementation of Initiatives that Contribute to Reviewing Work Styles" based on the Next Generation Act

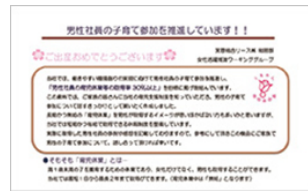
Period	Theme	Content
3rd	<ul style="list-style-type: none"> Flexible operation of working hours Balancing work with nursing care 	<ul style="list-style-type: none"> Consideration of “+ Friday” concept and naming Implementation of Selective staggered hours program Organizing and considering issues toward the realization of independent and active working styles
4th	<ul style="list-style-type: none"> Promotion of independent and active working styles Consideration of work-life balance support and organizational culture reform measures 	<ul style="list-style-type: none"> Discussion of work style systems currently being tested, examined, and implemented by the General Affairs Department Consideration of specific measures to improve efficiency and productivity Welfare system
5th	<ul style="list-style-type: none"> Activation of communication Promotion of independent and active working styles 	<ul style="list-style-type: none"> Consideration of measures to activate communication across departments Consideration of meeting efficiency that contributes to work style reform
6th	<ul style="list-style-type: none"> Activation of communication Building a rewarding workplace etc. 	<ul style="list-style-type: none"> Discussion of issues to work autonomously and improve the rate of taking paid leave Activation of communication areas at new head office, consideration of events, etc.



Childcare Support Guidebook created by the first working group



Handout on creating a workplace that considers everyone's needs (a partial excerpt) created by the second working group



Leaflet giving information on the childcare support system (excerpt)

Employing people with disabilities

We are also working to hire people with disabilities.

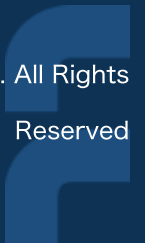
In addition to the longstanding recruitment of mid-career employees, the Company has started recruiting new graduates since fiscal 2015. In recruiting people with disabilities, the Company decides, with considerations to the characteristics of their disabilities and the jobs they want, the sections and jobs where they are to be assigned after joining the Company, as well as their working hours. The company also makes efforts to improve and consider the working environment to ensure they can fulfill their potential.

As of the end of fiscal 2019, the percentage of people with disabilities employed by Fuyo Lease was 2.1 percent.

Elderly employment (reemployment after retirement)

In response to the enactment of the revised Act for Stabilization of Employment of Older Persons in April 2013, Fuyo Lease reviewed the past continuous employment system and introduced a revised system, which allows, in principle, all employees who are reaching retirement age to continue working until the age of 65 if they wish.

As of the end of fiscal 2019, there were 31 employees still employed after retirement. Using their knowledge and experience acquired over many years, they are working in the functions of, for example, debt collection, making credit decisions, and remarketing leased properties.



Building a Better Workplace

Basic approach

Working with the goal of allowing each and every employee to fulfill their maximum potential by promoting the creation of a rewarding workplace, Fuyo Lease is striving to build a better working environment. In this environment, all employees will be able to find their own optimal work-life balance and enhance the quality of both life and work through activities such as maintaining and improving their health, gaining new knowledge as well as experience, and attaining personal growth.

In addition to providing support for childcare and nursing care, we have been implementing work-style reforms across our corporate group since fiscal 2014. We are making ambitious efforts in accordance with Next-Generation Training Support Action Plan: Stage 7.

In fiscal 2019, in accordance with the new guidelines of the Ministry of Health, Labour and Welfare, we worked to accurately grasp working hours and promoted measures to prevent overwork. Furthermore, we consider the introduction of various mechanisms and programs to create a better working environment.

Next-Generation Training Support Action Plan: Stage 7 (April 2017 - March 2022)

For each employee to independently and actively review workstyles tailored to their individual lifestyles, and with the aim of creating a work environment and corporate culture that enables employees to balance work and family while maintaining job satisfaction and a challenging spirit, we have formulated an action plan as follows. At present, in the latter half of the Action Plan: Stage 7, efforts are being made to achieve our numerical targets. A variety of work-styles are becoming more well-known through their active use in various programs, leading to the realization of a self-sustained work-life balance.

Description

- Promoting independent and active working styles
- Encouraging male employees to take a more active role in parenting
- Reducing total working hours
- Offering diverse career path options

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

Numerical targets

	FY 2017	FY 2018	FY 2019	FY 2020 target
Percentage of employees who take annual paid leave	68.0%	68.4%	66.3%	70% or more
Percentage of male employees who take childcare leave etc.	90.0%	90.5%	85.7%	80% or more

Main Programs and Benefits

As programs to support childcare and nursing care for our employees, we have established the following to promote understanding in the workplace and the active utilization of these programs.

Name	Program contents
Maternity leave	A program that allows female employees to take a leave of six weeks before childbirth and eight weeks after childbirth
Spousal childbirth leave	A program that allows male employees to take three days of paid leave when their spouses give birth
Parental leave	A program that allows employees to take five days of leave (however, a maximum of ten days of leave can be taken for childcare leave that starts within eight weeks of the child's birth) when taking childcare leave
Nursing leave	A program that allows employees to take leave when they need to take care of preschool children (five days per child per business year)
Nursing care leave	A program that allows employees to take up to five days of leave per business year for each family member who is in need of nursing care
Shortened working hours program	A program to allow for shortened working hours for employees until the end of their child's third year of elementary school

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

Name	Program contents
Selective staggered hours program	A program that allows employees to choose from five different working-hour schedules to match their lifestyles

Initiatives to Support Childcare

Since the Act on Advancement of Measures to Support Raising Next-Generation Children went into effect in 2005, we have been working to create a better job environment for working parents by developing a “general employer action plan” as required by the law.

As a result, we achieved our action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

In addition, following fiscal 2007, fiscal 2009, fiscal 2011, fiscal 2013, and fiscal 2015, in fiscal 2017, we received our sixth “general business owner conforming to standards” certification from the Tokyo Labour Bureau, and obtained the six-star mark of the Next-Generation Certification (the Kurumin mark) from the Ministry of Health, Labour and Welfare as a company working to support balancing work and family life.



Platinum Kurumin mark

Also, in fiscal 2017, we received the special Platinum Kurumin certification, an accreditation that is given to companies that have achieved a higher level of commitment among other Kurumin-certified companies.

In fiscal 2018, we held an Ikuboss Seminar and strove to change mindsets through our participation in the Ikuboss Corporate Alliance and by having management-level staff take part in the Ikuboss Declaration. As a result, 90% of male employees took childcare leave, and 19 of the 21 employees whose spouses gave birth had taken leave, achieving the 80% or more target set in Next-Generation Training Support Action Plan: Stage 7. In fiscal 2019, we revised a number of regulations to make it easier for male employees to take childcare leave, and in fiscal 2020, we will make it mandatory for male employees to take childcare leave. We are making these and other efforts to actively promote the participation of male employees in childcare while also aiming to further increase the rate of paid paternity leave.



"I used childcare-related programs, and now I'm putting a lot of effort into raising my child."

I took two special leaves of absence vacations, first taking spousal childbirth leave when my wife gave birth, and then taking childcare leave when she returned home after giving birth in her hometown.

I am doing my best to care for my firstchild with my wife.

The company encourages male employees to take childcare leave, and thanks to the understanding of my

superiors and colleagues, I was able to devote myself to childcare with peace of mind while on leave. There is also a program to receive childcare goods as a gift to celebrate the birth of a new child, and this makes me feel like the company supports employees raising children. In the future, I would like to continue to take advantage of programs such as staggered hours to work efficiently while also valuing the time that I spend with my family.

Initiatives to Support Nursing Care

In January 2018, we held a Nursing care seminar to dispel concerns about nursing care, which is expected to affect many employees in the future. At the seminar, over 170 employees learned about balancing work and nursing care. We also provide various types of information on nursing care and support employees who are being confronted with nursing care.

Promoting Work-Style Reforms

Refresh Day

In fiscal 2020, we continued to hold Refresh Day (no overtime day) once a week. Employees are free to choose any day of the week as their Refresh Day.

+Friday

To encourage a review of each employee's work-style, from February 2017, we introduced the +Friday (Plus Friday) program, in which the employee can select any Friday once every two months to go home early at 3:00 p.m. From January 2018, we expanded the implementation of this program to once a month and started at 1:00 p.m. A total of 91.5 percent of employees take advantage of this program, which is intended to help them work better and acquire knowledge and experience outside the workplace. We aim to create an environment that encourages employees to come up with a variety of ideas for their work.

Employee's comment: Yoko Hoshino, Information Equipment Business Division



"It's a good opportunity to separate work and private life."

I use the time freed up by +Friday as an opportunity to go and see a movie, a favorite pastime of mine, and to go out with my husband, who has days off on weekdays. In the past, I struggled with balancing work and housekeeping, but by being able to secure free

I am refreshed by using the time after 3:00 p.m.

time even once a month, I feel I can have some downtime and it also increases my motivation to work

from the next week. In the future, I would like to take advantage of this program, not only for my hobbies but also for lessons on cultural activities.

Selective Staggered Work System

We have established a new program that encourages a shift to an autonomous and active work-style by allowing employees to use their own discretion in managing time and work. Depending on their lifestyle, and not only for reasons such as childcare and nursing care, the Staggered Hours Program lets us select from among four work patterns that advance or postpone when we start and end work outside of the normal working hours. This, along with the Discretionary Labor Program, was introduced and implemented from May 2017. In fiscal 2019, about 51.0% of employees took advantage of the Staggered Hours Program to work in a way that suits their lifestyles.

Employee's comment: Kejiro Miyazono, Real Estate Planning Division



"Using the program, I have more time to spend with my children."

With the Staggered Hours Program, I chose to start work at 9:30 a.m., which is 30 minutes later than the regular starting time. I use the time in the morning to have breakfast with my children and prepare them for the nursery school. Because my wife is also working, I hope to share housekeeping and childcare

I can now spend time with my children on weekdays as well.

responsibilities as much as possible. But, until now, I had felt sorry to have to leave everything on weekday mornings to my wife. Because I have been able to take charge of the morning childcare due to staggered attendance, my wife is also very pleased. In addition, by having more time to spend with my children, I am also happy that I can experience my daughter growing up gradually day by day.

"I can now use time in a way that suits my lifestyle."

With the Staggered Hours Program, I chose a work pattern to start working at 8:30 a.m., which is 30 minutes earlier than the regular starting time, and I leave work at 4:50 p.m. Because I leave work 30 minutes early, I use the time to take lessons at an English conversation school using the personal development support program, in order to study for



Time to study a foreign language and for acquiring a qualification has become available every day

qualifications, and to practice golf, which is my hobby. As a result, the time after work is being used better than before. Because working hours have become uneven, I feel that not only the people who use this program benefit, but also others benefit from a spreading company-wide awareness of finishing work exactly at a fixed time and going home.

Increased paid leave take-up rate

We have been encouraging employees to take their annual paid leave (annual holidays), such as by establishing a system in fiscal 2011 that encourages taking consecutive days of leave in summer and winter. From fiscal 2016, we introduced the Five-day Consecutive Annual Leave system, aiming at improving the rate at which career-track employees take leave, because they have particularly low rates of taking annual leave. As a result, the annual leave take-up rate was 68.4% in fiscal 2018. In fiscal 2019, it was 66.3%, which is the same level as the previous year.

In the future, we aim to attain an annual leave taking rate of 70% or more, which is the target of the Action Plan: Stage 7 (from the period of April 2017 to March 2022) pursuant to Act on Advancement of Measures to Support Raising Next-Generation Children. In the final year of the Medium-term Management Plan (fiscal 2021), we will work toward achieving a rate of 80% or more.

Employee Health Management

Basic approach

Fuyo Lease believes that creating a working environment where employees can work healthily, safely, and energetically will revitalize the company and lead to improved productivity.

Based on this idea, the Health Committee, set up under the Industrial Safety and Health Act, meets once a month to maintain and improve the health and safety standards of the workplace. The Health Committee consists of health and safety managers from each department, division managers, and industrial physicians. The Committee is responsible for identifying issues concerning health and safety at the Fuyo Lease Group, planning as well as implementing measures, and verifying the results of those measures. The Committee is also responsible for reviewing items that need improvement and for making regular reports as well as recommendations to the Board of Directors.

Health examination

Health examinations for employees are held once a year. The general periodic health examination take-up rate for fiscal 2019 was 98.4%.

Mental health care

Fuyo Lease has been conducting stress checks since 2010, in order to maintain and improve employees' mental health. With mandatory stress checks, the implementation system and method were discussed again this year by the Health Committee. Since establishing internal regulations, we have been carrying out activities with five affiliated companies since May 2016.

Employees receive stress checks on the Web and, after about a month, they can check the results of evaluations given by industrial physicians, who are the implementers of the Web check. When doing so, we encourage employees who have been assessed to be highly stressed to have a medical interview with an industrial physician, and take necessary work-related measures based on the results of the interview.

In addition to stress checks stipulated in the Industrial Safety and Health Act, employees and their families can consult specialist counselors. The results are not disclosed to the company, because we consider the privacy protection needs of individuals.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR
Communication with Our Shareholders and Investors
Shareholder Returns and Status of Shares

Relationship with Regional Community

Approach to
Social
Contributions

Social
Contribution
Activities
through our
Core Business

Community &
Environmental
Contributions
- Donation
Activities

Relationship with Employee

Respect for
Human
Rights

Human
Resource
Development
and
Recruitment

Promoting
Diversity

Building a
Better
Workplace

Employee
Health
Management

Employee
Data

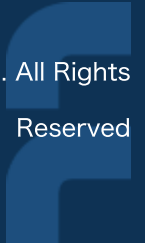
Governance and
Managemnet >

Each Group
Company's
Environmental >
and Social
initiatives

External
Evaluation >

Editorial Policy >

Independent
assurance >



Employee Data

Employee Data

CSR

Fuyo Lease Group consolidated data

■ Number of employees (persons)

	End of FY 2014	End of FY 2015	End of FY 2016	End of FY 2017	End of FY 2018	End of FY 2019
Number of employees	1,542	1,559	1,703	1,715	1,960	2,416

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Fuyo Lease non-consolidated data

■ Number of employees (persons)

	End of FY 2016			End of FY 2017			End of FY 2018			End of FY 2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Generalist track	467	40	507	458	53	511	459	63	522	456	85	541
Clerical track	0	152	152	0	149	149	1	155	156	1	138	139
Temporary employees	26	4	30	24	5	29	20	6	26	28	7	35
Total	493	196	689	482	207	689	480	224	704	485	230	715

■ Number of new graduates employed (persons)

FY of joining Fuyo Lease	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total	19	26	28	31	35	29	44
Male	13	19	20	18	20	18	27
Female	6	7	8	13	15	11	17

■ Number of new graduates employed (persons) and retention rate after 3 years (%)

FY of joining Fuyo Lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Generalist track	17	16	16	26	22	29
Clerical track	1	0	3	0	6	2
Total	18	16	19	26	28	31
Retention rate of employees 3 years after joining Fuyo Lease	94.4	87.5	94.7	100	85.7	100 <input checked="" type="checkbox"/>

* A checkmark indicates that fiscal 2019 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

 Independent assurance

■ Number of employees leaving (persons)/reasons for leave/turnover rate (%)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Generalist track	4	5	6	11	13	10
Clerical track	4	1	1	3	2	4
Total	8	6	7	14	15	14
Voluntary resignation	5	3	6	9	14	11

Relationship with Customers

Improving Customer Satisfaction

Relationship with Shareholders

Concept of IR

Communication with Our Shareholders and Investors

Shareholder Returns and Status of Shares

Relationship with Regional Community

Approach to Social Contributions

Social Contribution Activities through our Core Business

Community & Environmental Contributions - Donation Activities

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Mandatory retirement	0	2	1	2	1	2
Other	3	1	0	3	0	1
Turnover rate	1.1	0.8	1.0	1.9	1.9	1.8 <input checked="" type="checkbox"/>

* The turnover rate includes voluntary resignations, mandatory retirement and other reasons for leaving (e.g. relocation). It does not include employees who have been re-employed on a contractual basis leaving at the end of their contracts.

■ **Average age (age)/average length of service (years)/average salary (thousand yen)/Rate of paid leave taken (%)**

	End of FY 2014	End of FY 2015	End of FY 2016	End of FY 2017	End of FY 2018	End of FY 2019
Age	41.9	41.7	41.5	41.4	41.2	41.3
Length of service	16.3	16.6	16.4	14.7	14.6	14.8
Annual salary	8,293	8,366	8,410	8,454	8,669	8,833
Rate of paid leave taken	58.5	61.9	68.9	68.0	68.4	66.3 <input checked="" type="checkbox"/>

* Due to restrictions on the number of employees coming to work in conjunction with the spread of COVID-19, actual data on paid leave for eight Fuyo General Lease (USA) Inc. employees is not included.

■ **Number of female managers and assistant female managers (persons) / rate (%)**

	End of FY 2014	End of FY 2015	End of FY 2016	End of FY 2017	End of FY 2018	End of FY 2019*
Female managers	25	27	29	32	36	79 <input checked="" type="checkbox"/>
Percentage of female managers	8.1%	9.0%	9.1%	9.9%	11.5%	19.6% <input checked="" type="checkbox"/>

Relationship with Employee

Respect for Human Rights

Human Resource Development and Recruitment

Promoting Diversity

Building a Better Workplace

Employee Health Management

Employee Data

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

* In July 2019, our human resources system was revised to classify senior leaders (a position equivalent to the position of section chief, of which there were 40 as of the end of fiscal 2019) as managers. As a result, the number of female managers and the ratio of female managers increased year on year.

■ **Total employee training hours (hours) / Average training hours per employee (hours)**

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total employee training hours (hours)	9,900	13,921	16,109	18,093	19,118	19,937
Average training hours per employee (hours)	18.9	25.6	29.2	31.2	31.9	32.6

■ **Number of trainees sent overseas (persons)**

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Number of employees sent overseas	3	5	5	8	8	9

■ **Number of employees who used the career track shift system (persons)**

	Apr. 2015	Apr. 2016	Apr. 2017	Apr. 2018	Apr. 2019	Apr. 2020
Number of users	2	1	1	1	0	2

■ **Number of employees converted from contractors to full-time employees under the Full-time employee challenge system (persons)**

	Apr. 2015	Apr. 2016	Apr. 2017	Apr. 2018	Apr. 2019	Apr. 2020
Number of users	4	1	0	3	1	0

■ Other employee data

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Number of female employees who take childcare leave (persons)	8	9	10	4	3	6
Percentage of female employees who take childcare leave (%)	100	100	100	100	100	100
Number of male employees who take childcare leave (persons)	0	11	11	7	19	12
Percentage of male employees who take childcare leave (%)	0.0	47.8	52.4	43.8	90.5	85.7
Rate of employees receiving regular medical check-ups (%) ^{*1}	99.7	97.5	99.0	97.5	98.4	98.4
Employment rate of the disabled (%)	2.0	1.8	2.2	2.3	2.3	2.1 <input checked="" type="checkbox"/>
Number of industrial accidents (number of cases) ^{*2}	2	2	1	1	2	4

*1 Regularly provided medical check-ups are categorized into general medical examination for employees of less than 35 years of age, medical examination for adult diseases for employees between 35 years of age and less than 40 years of age, and comprehensive medical examination for employees of 40 years of age or above.

*2 Accidental injuries due to falling in the street while commuting, all of which are minor injuries.

Governance and Management

[Corporate Governance](#) 

[Code of Corporate Conduct](#) 

[Risk Management and Compliance System](#) 

[Information Security](#) 

CSR

[Fuyo Lease Group's CSR](#) >

[Solving Social Issues through Business](#) >

[Environmental Report](#) >

[Social Report](#) >

Governance and Management

[Corporate Governance](#)

[Code of Corporate Conduct](#)

[Risk Management and Compliance System](#)

[Information Security](#)

[Each Group Company's Environmental and Social initiatives](#) >

[External Evaluation](#) >

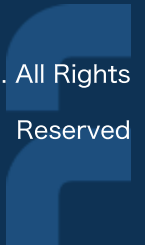
[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved



Corporate Governance

Basic Idea and Structure

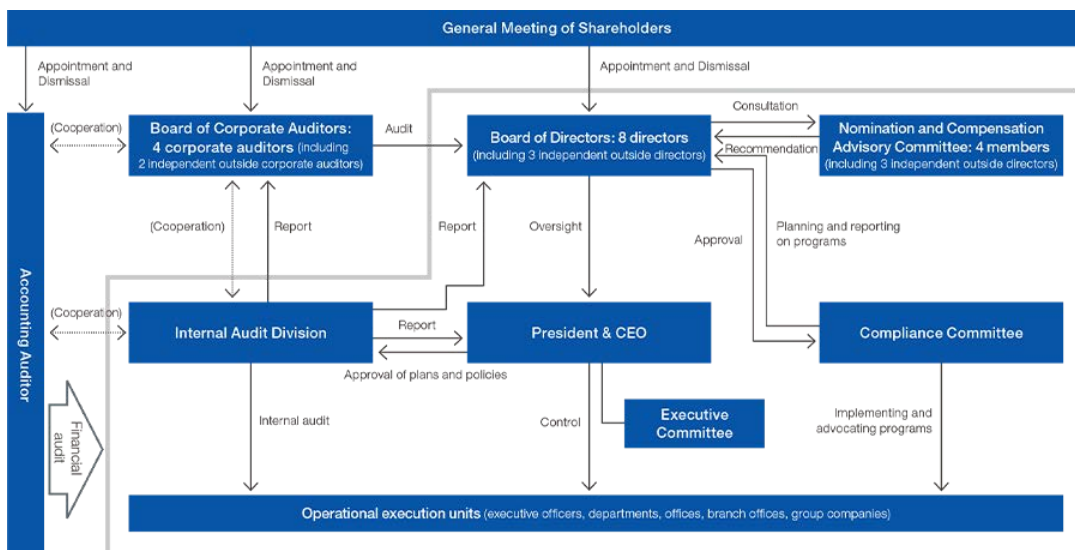
The Fuyo Lease Group places strong emphasis on creating and maintaining relationships with all stakeholders, including shareholders, customers, employees, and local communities. We believe that the fundamental objective of corporate governance is to perform business activities with sincerity and fairness in line with our management philosophy.

To achieve sustainable growth and increase corporate value over the medium to long term, we have established our own Corporate Governance Guidelines which align with the purpose and spirit of the Japan's Corporate Governance Code. These Guidelines serve as the foundation for our corporate governance framework, operating policies and other management policies, to which we adhere to everything we do.

Corporate Governance Structure

Fuyo Lease has established a Board of Corporate Auditors, which includes two outside corporate auditors who are independent from our company. In addition, in order to enhance the supervisory function of the Board of Directors, we have also appointed three independent outside directors, who provide oversight and advice on the execution of business operations from an external perspective.

Corporate Governance Structure



CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management

Corporate Governance

Code of Corporate Conduct

Risk Management and Compliance System

Information Security

Each Group Company's Environmental and Social initiatives >

Furthermore, to improve management efficiency and expedite decision-making by separating the management oversight function from the execution of operations, we have adopted the executive officer system.

For further details, please refer to: Fuyo Lease Group Report on Corporate Governance (PDF)

[Report on Corporate Governance](#)  (539KB)

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

Strengthening Corporate Governance

Fuyo Lease has implemented various initiatives aimed at strengthening corporate governance.

Year	Initiative	Objective
2008	Introduced performance-based compensation and stock compensation-type stock options	To strengthen links between directors' remuneration and their performance and shareholder value
2011	Reduced the term of office of a director from two years to one year	To increase opportunities to build shareholder confidence
2015	Increased the number of independent outside directors from one to two	To strengthen the management oversight structure
	Established the Corporate Governance Guidelines	To comply with the Japanese Corporate Governance Code
	Set up the Nomination and Compensation Advisory Committee	To ensure independence and objectivity in the decision-making process for matters such as nomination and compensation
2016	Started analyzing and evaluating the overall effectiveness of the Board of Directors	To verify the effectiveness of the roles and functions of the Board of Directors and to make ongoing improvements
2018	Increased the number of independent outside directors from two to three	To strengthen the management oversight structure
	<ul style="list-style-type: none"> ▪ Introduced a stock compensation plan (Board Benefit Trust, BBT) ▪ The base index for calculation of performance-based compensation was changed to key performance indicators for the Medium-term Management Plan (operating assets, ordinary profit, and ROA on a consolidated basis) ▪ Revised Corporate Governance Guidelines 	<ul style="list-style-type: none"> ▪ To strengthen links among the directors' remuneration, shareholder value, and achievement status of the Medium-term Management Plan ▪ To comply with the revised Japan's Corporate Governance Code

 "Integrated Report" PDF download

Year	Initiative	Objective
2019	<ul style="list-style-type: none"> Disclosed an English version of the Corporate Governance Report Began reporting annual internal audit results and annual plans and policies to the Board of Directors 	<ul style="list-style-type: none"> To enhance external disclosure related to corporate governance To expand reporting lines for internal audits

Establishment of the Corporate Governance Guidelines

In conformity with the purpose and spirit of the Japanese Corporate Governance Code, Fuyo Lease has established our own Corporate Governance Guidelines, which provide a foundation for corporate governance framework, operating policies, etc. The Corporate Governance Guidelines set out the framework, operating policies, roles, and responsibilities of different supervisory and executive functions, in addition to our basic approach to corporate governance. To achieve sustainable growth and increase our corporate value over the medium to long term, we adhere to these guidelines in everything we do across the Fuyo Lease Group.

For further details, please refer to: Corporate Governance Guidelines (PDF)

[Corporate Governance Guidelines](#)  (194KB)

■ Board of Directors

The Board of Directors consists of eight directors, including five inside directors and three independent outside directors, with independent outside directors accounting for more than 1/3 of the Board of Directors. The Board of Directors deliberates and makes decisions on important management issues, as well as matters specified in laws and regulations, the Articles of Incorporation, and the Regulations governing the Board of Directors. The Board of Directors also oversees the execution of operations by Directors and Executive Officers.

In fiscal 2019, the Board of Directors met 11 times.

■ Nomination and Compensation Advisory Committee

Fuyo Lease has set up the Nomination and Compensation Advisory Committee as an advisory body of the Board of Directors in order to eliminate arbitrariness in decision-making processes and to maintain a highly transparent management structure. The committee consists of four members, including three independent outside directors and an inside director. The committee mainly deliberates on topics such as nominating or removing of candidates for directors and corporate auditors, remuneration of directors, succession planning, and analysis and evaluations of the overall effectiveness of the Board of Directors, and reports its findings to the Board of Directors.

In fiscal 2019, the Nomination and Compensation Advisory Committee met three times.

■ Board of Corporate Auditors

Our Board of Corporate Auditors is composed of four auditors, including two full-time and two part-time auditors who are also independent outside corporate auditors.

According to the audit plan formulated by the Board of Corporate Auditors, each corporate auditor audits execution of operations by directors by attending important meetings, reviewing important documents, examining operations and assets, and reviewing the audit findings of the independent accounting auditor and the internal audit department among other relevant activities. Corporate auditors closely work with the Internal Audit and Internal Control Departments to conduct audits in order to enhance audit quality. At the request of the corporate auditors, an employee (a staff member from the Internal Audit Division) has been appointed to assist them.

In fiscal 2019, the Board of Corporate Auditors met 10 times.

■ Attendance at Board and Committee meetings (attendance in FY 2019 by board members, as of June 23, 2020)

Name	Position	Attendance at Board meetings
Takashi Sato	Director and Chairman (Representative Director)	Board of Directors: 11/11
Yasunori Tsujita	President and Chief Executive Officer (Representative Director), Chairman of the Nomination and Compensation Advisory Committee	Board of Directors: 11/11 Nomination and Compensation Advisory Committee: 3/3
Shozo Kazama	Director and Deputy President (Representative Director)	Board of Directors: 11/11
Soichi Hosoi	Senior Managing Director	Board of Directors: 11/11
Keiji Takada	Senior Managing Director	-(Elected in June 23, 2020)
Seiichi Isshiki	Director (Independent Outside Director), Member of the Nomination and Compensation Advisory Committee	Board of Directors: 11/11 Nomination and Compensation Advisory Committee: 3/3
Hideo Ichikawa	Director (Independent Outside Director), Member of the Nomination and Compensation Advisory Committee	Board of Directors: 11/11 Nomination and Compensation Advisory Committee: 3/3

Name	Position	Attendance at Board meetings
Masayuki Yamamura	Director (Independent Outside Director), Member of the Nomination and Compensation Advisory Committee	Board of Directors: 11/11 Nomination and Compensation Advisory Committee: 3/3
Shigeru Suda	Full-Time Corporate Auditor	Board of Directors: 11/11 Board of Corporate Auditors: 10/10
Yoshito Tsuruta	Full-time Audit & Supervisory Board Member	-(Elected in June 23, 2020)
Teruhiko Numano	Outside Audit & Supervisory Board Member (Independent Director)	Board of Directors: 8/11 Board of Corporate Auditors: 9/10
Yoshihiro Jinnai	Outside Audit & Supervisory Board Member (Independent Director)	Board of Directors: 11/11 Board of Corporate Auditors: 10/10

■ Executive Committee

The Executive Committee is composed of Executive Officers with positions of managing executive officer or higher, the heads of the Corporate & Planning Division, Human Resources Division, and Business Planning & Promotion Division as well as the presidents of affiliated companies. Full-time corporate auditors also attend meetings of the Committee on a regular basis.

As a general rule, the Executive Committee meets at least once a month to make decisions on operating activities and implementation of measures delegated to the President & CEO, and to discuss important issues concerning internal controls. Its aim is to improve the quality of management decisions and to speed up decision-making.

In fiscal 2019, the Executive Committee met 19 times.

■ Compliance Committee

Fuyo Lease has set up a Compliance Committee chaired by the Chief Compliance Officer and vice chaired by the Legal and Compliance Division officer. The heads of relevant planning and administrative departments, the heads of relevant departments of domestic and overseas subsidiaries serve as full-time committee members, and outside lawyers serve as outside members. The Compliance Committee meets quarterly to discuss issues related to compliance systems and implementing annual compliance plans. Based on its discussions the Committee submits reports to the Board of Directors and the Executive Committee, and takes measures to develop and enhance compliance systems.

■ Internal Audit

The internal audit function is administered by the Internal Audit Division (staffed by seven employees). The Internal Audit Division conducts operational audits of all departments, offices, branch offices, and major subsidiaries, and plays a part in ensuring that internal controls are functioning in addition to examining their effectiveness. The results of these audits of operations are reported to the President & CEO and corporate auditors every time they are conducted and periodically to the Board of Directors and the Executive Committee.

■ Analysis and Evaluation of the Effectiveness of the Board of Directors

At Fuyo Lease, we analyze and evaluate the overall effectiveness of the Board of Directors every year. The Board of Directors makes further efforts to enhance its functions in the light of the results of the analysis and evaluation with the aim of continually improving its effectiveness.

The results of the analysis and evaluation for fiscal 2019 are as follows.

└ Evaluation method

We conducted a questionnaire survey among all Directors and corporate auditors, as well as interviews with them on an as needed basis. Following the discussions and recommendations by the Nomination and Compensation Advisory Committee, which consists mainly of independent outside directors and assisted by the corporate lawyer, the Board of Directors carried out the analysis and evaluation of the results.

└ Results

While the Board of Directors met all evaluation criteria, including size, composition, functions and roles, as well as operation, and was found to be effective, we concluded that we must still steadily implement measures to improve the functions of the Board of Directors, make those activities part of our daily operations, and continually review the Board's functions.

└ Progress on issue identified last fiscal year

"Further enhancing the provision of information to outside directors" was one of the issues identified last fiscal year. Regarding this, while expanding information on subsidiaries in management reports, the presidents of important subsidiaries directly reported on business conditions, etc., and also key discussion points at the Executive Committee, as well as the meeting minutes, were provided.

The other issue was "expanding viewpoints and perspectives, and narrowing down discussion points in deliberations by the Board of Directors." Regarding this, in addition to establishing reports on the progress and risks of plans in each strategic area in the Medium-term Management Plan, it was confirmed that the effectiveness of the proposal was improved by sharing the points of discussion concerning the agenda items at the outside directors briefing session with all internal directors.

└ Newly identified issues

We recognized the need to reflect the viewpoints of CSV (Creating Shared Value) and ESG (Environment, Social, and Governance) in the deliberations of the Board of Directors and continue to further invigorate discussions at the Board of Directors and enhance the provision of information to outside directors.

■ Director Qualifications and Nomination Procedures

└ 1. Policy and procedures for nominating director and corporate auditor candidates and removing directors

Our Corporate Governance Guidelines set forth procedures for nominating and removing directors in addition to the qualifications of corporate auditors and procedures for nominating corporate auditor candidates. Under these guidelines, a director or corporate auditor candidate must possess an outstanding personality, a wide breadth of knowledge, abilities, experience, and high ethical standards. The guidelines also specify that candidates be nominated regardless of factors such as sex, age, and nationality, with the aim of achieving greater diversity. In order to ensure fairness and transparency in the nomination process, the selection of candidates for directors and corporate auditors is finalized by the Board of Directors following a discussion by the Nomination and Compensation Advisory Committee, which is comprised of majority independent outside directors. Selection of corporate auditor candidates is finalized by the Board of Directors upon consent of the Board of Corporate Auditors.

└ 2. Independence standards for outside directors and outside corporate auditors

Independence standards for outside directors and outside corporate auditors are stipulated in the Corporate Governance Guidelines in line with the independence standards prescribed in the Guidelines Concerning Listing Management, etc. established by the Tokyo Stock Exchange.

└ 3. Roles expected of outside directors and outside corporate auditors and reasons for appointment

Name	Reason for appointment
Seiichi Isshiki	Seiichi Isshiki has served as representative director and president of JX Nippon Oil & Energy Corporation, director of JX Holdings, Inc., and president of ENEOS Celltech Co., Ltd. We believe that he will help enhance the effectiveness of the decision-making and oversight functions of the Board of Directors from a position that is independent from our company's management by drawing upon his extensive experience and wealth of knowledge.
Hideo Ichikawa	Currently serving as representative director, president and corporate officer, the representative director, chairman of the board, and the director, chairman of the board of Showa Denko K.K., Hideo Ichikawa has years of experience in corporate management. We believe that he will help enhance the effectiveness of the decision-making and oversight functions of the Board of Directors from a position that is independent from our company's management by drawing upon his extensive experience and wealth of knowledge.

Name	Reason for appointment
Masayuki Yamamura	Masayuki Yamamura has served as president of Nippon Telegraph and Telephone East Corporation and chairman of the incorporated association, and we believe that he will help enhance the effectiveness of the decision-making and oversight functions of the Board of Directors from a position that is independent from our company's management by drawing upon his extensive experience and wealth of knowledge.
Teruhiko Numano	We believe that Teruhiko Numano will conduct audits appropriately from an objective standpoint based on the expertise he has gained as a jurist and a lawyer and provide us with highly professional legal advice. He is also well versed in business litigation cases as a lawyer and has considerable financial and accounting knowledge.
Yoshihiro Jinnai	Having served as senior managing executive director at Sompo Japan Insurance Inc. and president of Audatex Japan, Yoshihiro Jinnai should be able to conduct audits appropriately from an objective standpoint by drawing upon his extensive experience and wealth of knowledge.

■ Board Remuneration

Fuyo Lease believes that enhancing the link between shareholder value and remuneration of Board of Directors will boost their morale and motivate them to improve our financial performance and share price, leading us towards our goals of ensuring stable performance and growth, while enhancing our corporate value. That is why we have introduced variable pay programs such as performance-based compensation and stock compensation in addition to a base salary, which is provided as fixed compensation.

We determine base salaries in the light of our employees' salaries, average market salaries for directors, our financial standing, and other relevant factors.

The actual amount of performance-based compensation is based on our consolidated performance as well as an individual director's contribution to our financial performance among other factors. The indicators for performance-based compensation are operating assets, ordinary profit, and ROA on a consolidated basis, which are key performance indicators for the Medium-term Management Plan.

└ Method for calculating performance-based compensation

Performance-based compensation = base salary for each position × performance-based payment coefficient (*)

- * The performance-based payment coefficient is determined through a formula that combines the attainment percentage of the previously set targets and the year-over-year change percentage for: 1) operating assets, 2) ordinary profit, and 3) ROA. The performance-based payment coefficient ranges between 0.5 and 1.5.

The stock compensation plan (Board Benefit Trust, BBT) is designed to motivate Board members to help boost our company's performance and corporate value over the medium- to long-term by making the

link between their compensation and our equity value clearer. Under this compensation plan, the Company's shares are acquired by a trust using funds contributed by the Company, and the directors will be provided, on their retirement, with the Company's shares and cash-equivalents to the market price of the Company's shares (in lieu of the provision of the Company's shares, an amount equivalent to the market value of the Company's shares for a specified proportion, if the requirements specified in "Regulations for Provision of Shares to Officers" are met) in accordance with the Regulations for Provision of Shares to Officers approved by the Board of Directors.

The ratio between the base salary and the variable pay plan is set at 1 to 0.6 based on the average compensation ratio used by listed companies. The variable pay plan consists of performance-based compensation and stock compensation, and the ratio between the two is set at 5 to 7 in the light of the characteristics of the revenue structure of the leasing business to provide higher incentives on a medium- to long-term basis.

Directors' compensation is discussed by the Nomination and Compensation Advisory Committee in order to ensure transparency and objectivity in determining the amounts. Compensation for outside directors and corporate auditors consists only of fixed compensation because short-term incentives and equity compensation are not really applicable.

The company prescribes malus provisions providing that if a director causes significant damage to the Company or engages in inappropriate conduct, the director's base salary or performance-based compensation will be reduced or the director will not be paid and the director will no longer be eligible to receive stock compensation.

Director classification	Total amount (millions of yen)	Remuneration amount (millions of yen)			Number of directors
		Basic remuneration	Stock-based remuneration (Board Benefit Trust, BBT)	Performance-linked remuneration (Annual bonuses)	
Directors (excl. Outside Directors)	327	202	76	49	6
Board of Corporate Auditors members (excl. Outside Auditors)	44	44	-	-	2
Outside Directors	57	57	-	-	6

* The above remuneration amount and number of directors include those who resigned by the end of fiscal 2019.

* The above performance-linked remuneration comprises the amount, which shall be recorded in the fiscal year.

* The amount of the Board Benefit Trust (BBT) comprises the amount recorded in the fiscal year based on the number of points granted or expected to be granted during the fiscal year.

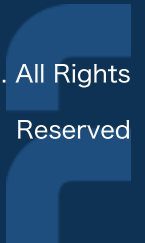
* At the 39th Annual General Meeting held on June 25, 2008, Fuyo Lease approved the resolution to

pay accrued retirement benefits associated with the abolishment of the retirement benefits system for directors. The estimated amount as of the end of the fiscal year is 4 million yen (outside directors). The payment is made at the time of their retirement.

■ Internal Control System

Fuyo Lease has instituted an internal control system across our corporate group to ensure compliance with all relevant laws and the articles of incorporation, capability to respond to various risks in a timely and appropriate manner, and to ensure transparency and efficiency of operations, in addition to ensuring the reliability of financial reports, etc.

Our Internal Audit Department, corporate auditors, and independent auditor share information about audit findings to monitor the status and operation of the internal control system. The status of the internal control system operation is reported to the Board of Directors during a meeting held at the end of each fiscal year, and continuous improvements are made in the light of the audit findings.



Code of Corporate Conduct

Chapter 1 Basic Policy of Fuyo General Lease Group

1. Social Responsibilities and Public Missions

- Always bearing in mind the significance of our social responsibilities and public missions, we commit ourselves to sound business management based on the principle of self-responsibility as a financial business group that consists mainly of listed companies.
- We endeavor to communicate closely with society, and to align our corporate conduct with social norms.

We have considerable social responsibilities and public missions as a financial business group that consists mainly of listed companies. We must be aware that we are required to fulfill both our social responsibilities and public missions, and the purpose of a private company at a high level.

First of all, we are expected to take social responsibilities, including economic, legal, ethical, and social contribution responsibilities, as follows;

- Economic responsibilities such as pursuing reasonable profits, securing employment and efficient management;
- Legal responsibilities to comply with laws and regulations as a member of society;
- Ethical responsibilities to respect human rights and act in line with social norms; and
- Social contribution responsibilities as a good corporate citizen that supports and grows with society.

To fulfill these social responsibilities and public missions, it is essential to gain the unwavering trust of our customers and society through the Group's sound and appropriate business operations.

While great effort and time are required to gain the trust of our customers, that trust can be lost in an instant. A financial business group's loss of trust can lead to a reduction of trust in the entire financial system.

We declare that we always bear in mind the significance of our social responsibilities and public missions, and commit ourselves to sound business management based on the principle of self-responsibility. Furthermore, through activities such as public relations activities, we endeavor to

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management

Corporate Governance

Code of Corporate Conduct

Risk Management and Compliance System

Information Security

Each Group Company's Environmental and Social initiatives >

actively communicate with society at all times, and to ensure that our activities are fair and transparent in line with social norms.

2. Implementation of Customer First Principles

- We put our customers first and provide services at the highest quality to our customers.
- We believe that gaining the trust of our customers is the basis for gaining the trust of shareholders, local communities, and all other stakeholders.

We need to appreciate that we engage in financial service businesses centered on lease businesses in which we put our customers first; in other words, our ongoing development is derived from our customers' prosperity.

"Putting our customers first" means that every single director and employee considers how he or she can serve as the most reliable consultant for our customers and provide the best services that meet the needs of our customers at all times. The accumulation of such daily efforts can lead to us gaining the trust of our customers and appropriate profits.

We can exist as a corporation only after gaining a profit. Then, by using the profit to make new investments and create new services, we can further enhance the trust of our customers.

In other words, "putting our customers first" and gaining the trust of our customers is the basis of secure and sound business management, which results in gaining the trust of other stakeholders.

Moreover, "putting our customers first" does not mean that we accept all requests from our customers or provide services with no thought to profit. We should never forget that "putting our customers first" does not conflict with "earning profits," but rather the two are connected to each other.

3. Compliance with Laws and Rules

- We strictly comply with all laws and regulation, and carry out fair and honest business activities in line with social norms.
- We respect local customs and cultures, as well as international standards and local laws in each region of the world.

We place ensuring compliance as the foundation of our Management Principle, based on which we strictly comply with all laws and regulations, and perform fair and honest business activities in line with social norms.

It is not our policy to achieve this principle by merely avoiding violations of laws and regulations. Instead, always bearing social norms in mind, we act with a high level of self-discipline based on fully understanding the intent, purpose, and background of the establishment of laws and rules.

We also comply with international standards and foreign countries' laws and regulations, and respect the local customs and cultures, as well as Japanese laws and regulations and social norms as a financial business group, that provide services to overseas customers.

As laws, regulations, and social norms change with the times, we strive to accurately understand the underlying social trends.

If we violate laws or regulations or act against social norms, we would be not only held legally liable but would also be exposed to severe criticism from society. In addition, we could lose trust, our

External
Evaluation >

Editorial Policy >

Independent
assurance >



"Integrated Report"
PDF download

most valuable asset, which could, in some cases, shake the core elements of our business management.

4. Respect for Human Rights

- We act with respect for the dignity and fundamental human rights of all persons, including our customers, directors, and employees, and establish a corporate culture with a spirit that fully respects human rights.

Today, respect for human rights is a global standard of conduct. We are required to be strongly aware that we shall not engage in, or allow others to engage in, discrimination or harassment for any reason (including based on factors such as gender, nationality, race, ethnicity, religion and disability). Moreover, we take due care to protect privacy of others because we have many opportunities to access information of various individuals.

The basic concept of respecting for human rights is to respect other people as human beings and to "put yourself in another person's shoes." To conduct bearing this concept in mind is an extremely important platform for providing an energetic and great work environment for our employees, and to gain the trust of our customers.

We should be vigilant of human rights and never forget that we act with the highest respect for the human rights of all persons. Based on this recognition, we actively work on improving every single employees' awareness of human rights.

5. Blocking Relationships with Anti-social Forces

- We block any relationships with anti-social forces that pose a threat to the order and safety of civil society.

We block any relationships with anti-social forces.

We do not provide any products or services to anti-social forces. We conduct an appropriate investigation before entering into transactions in order to prevent any transactions with anti-social forces. If a counterparty to a transaction is found to be an anti-social force after entering into a transaction, we will promptly cancel such transaction.

We take organizational actions.

If a relationship with an anti-social force is found, the top management will be promptly notified and we will take organization-wide actions.

We cooperate with external expert organizations.

We closely cooperate with external expert organizations such as the police, the National Center for the Elimination of Boryokudan (anti-social forces), and lawyers on an ongoing basis, and address issues with due care for the safety of our directors and employees.

We will not hesitate to take legal measures and respond with a firm attitude.

We respond to anti-social forces with a firm attitude in both criminal and civil aspects as necessary and do not conduct any backdoor transactions in response to unreasonable demands or attacks such as intimidation.

Chapter 2 Basic Attitude of Fuyo General Lease Group

1. Basic Attitude toward Customers

- We always endeavor to provide satisfaction to customers, gain their trust and establish long-term confidential relationships.
- We strive to fully understand our customers and serve our customers faithfully.
- We provide sufficient information to our customers and the highest level of comprehensive financial services.
- We strictly manage customers' assets.
- We endeavor to improve ourselves to possess excellent insights, as well as expertise and skills, to make ourselves useful to customers.

We act based on the principle of "putting our customers first" and always aim to provide the highest level of comprehensive services that satisfy the needs of our customers. To this end, we should be aware that all of our activities lead to providing satisfaction to our customers and gaining their trust. We also note the following items in performing acts in order to establish a long-term confidential relationships with our customers.

- First, it is important to know our customers well. We collect sufficient information on our customers by carefully listening and closely observing our customers.
- We accurately understand the needs of our customers by putting ourselves in a customer's shoes.
- We provide adequate information based on accurate knowledge and provide services that meet the needs of our customers through making the most of our ability to provide comprehensive financial services.
- We fulfill our promises to customers, and perform fair and honest business activities.
- We always bear in mind that we store our customers' valuable assets with due care and strictly manage information of our customers.
- While it is important to become acquainted with customers, we do not offer nor receive entertainment or gifts that deviate from social norms or conduct any acts, such as cash loans, that may create an excessively familiar relationship with our customers.
- We strive to improve ourselves to possess deep insights, as well as expertise and skills, to make ourselves useful to customers, and actively try to create and develop new business areas.

2. Basic Attitude toward Shareholders

- To gain the trust of our shareholders, we endeavor to protect and increase our corporate assets.
- We enhance and reinforce our internal control system by performing proper accounting and effective internal audits.
- In order to communicate accurate business information to shareholders, we actively disclose information and improve the transparency of business management.

We keep our shareholders' valuable funds with due care as a joint-stock corporation.

Therefore, to respond to our shareholders' trust and expectations, we endeavor to promote the protection and expansion of our group's assets and to maximize our profitability.

In order to gain widespread understanding and trust from our shareholders, we maintain the accuracy and reliability of our financial and tax accounting procedures, and monitor whether they function properly and effectively under a strict internal control system. Moreover, we will further reinforce our independent internal audit functions and improve the internal control system.

To those ends, we aim to achieve an "open management" style that is trusted by the markets through actively disclosing appropriate information in a timely manner through opportunities such as the general meetings of shareholders, as well as focusing on IR activities and maintaining a close two-way communications with shareholders.

3. Basic Attitude toward Local Communities

- We perform functions as a good corporate citizen who grows with local communities.
- We actively perform social contribution activities.
- We are aware that activities related to environmental issues are mandatory requirements for the existence and operations of a corporation and perform such activities voluntarily and proactively.

Through the corporate actions and activities of our individual directors' and employees', we have a deep involvement with the local communities upon which our existence relies. Therefore, we conduct business activities while harmonizing our Group's profits with the benefits of society, and perform these functions as a "good corporate citizen" who contributes to the development of local communities. Furthermore, in order to respond to social changes over time, we endeavor to closely communicate with society and respectfully listen to the opinions of society to ensure that our activities conform to social norms and meet the expectations of society.

We regard engaging in social contribution activities as one of our social responsibilities and engage in activities in various fields. In addition, we actively disclose our corporate attitude and actual activities through media such as the disclosure materials in order to gain the understanding of society. Moreover, we actively support volunteering activities carried out by our directors and employees.

Today, environmental issues are not limited to preventing conventional industrial pollution but extends to issues common to all humankind such as the disposal of waste, nature conservation, and preservation of the global environment.

We acknowledge that we have a social responsibility to voluntarily and actively address environmental issues, and promote the fulfilment of both economic development and environmental preservation.

4. Basic Attitude toward Employees

- We help our employees lead more prosperous and fulfilling lives, and secure a comfortable and safe work environment for our employees.
- We create workplaces where workers respect each other and no discrimination or harassment takes place.

While responding to the diversification of workers' values, we are required to establish various employment and working forms and vacation systems under which workers can lead more

prosperous and fulfilling lives, and ensure that each worker can exercise his or her individuality and achieve personal growth.

In order to address these challenges, we will create an attractive, free, and open-minded workplace where workers can feel that their duties are worthwhile. We also strive to improve workers' sense of ethics through education and training on compliance, and comply with labor laws and regulations, as well as caring for health and safety in the workplace.

Our basic philosophy is to respect human nature and protect fundamental human rights.

Discrimination and harassment are acts that violate human rights, which demotivate workers, disrupt order in the workplace, and lead to a deterioration of the work environment. We do not permit any acts of discrimination and harassment in any forms and for any reasons. We work to create a sound work environment where workers respect the human rights of other workers and understand each other.

It is our basic policy to conduct fair and impartial employment screenings without discrimination. In conducting employment screenings of employees, we make judgments based on the individual's abilities and qualifications without any discrimination.

5. Basic Attitude toward Suppliers and Competitors

- In purchasing goods and services and ordering systems, we make decisions that are objectively based on factors such as quality, convenience, and price, and maintain sound and transparent relationships with suppliers without engaging in acts that can be regarded as creating excessively familiar relationships.
- We require our suppliers to understand the Fuyo General Lease Group Code of Corporate Conduct.
- We make efforts to approach corporate conduct with common sense, and engage in free competition in a fair and transparent manner.

■ Suppliers

In purchasing goods and services and ordering systems, we select suppliers by objectively and comprehensively considering factors such as quality, convenience of service, price, and reliability.

Regarding relationships with suppliers, we maintain sound and transparent relationships without engaging in acts that can be regarded as creating an excessively familiar relationship. To this end, we do not ask or receive any entertainment or gifts in contravention of our internal rules.

Moreover, in order to maintain our credibility, we require our suppliers to understand the Fuyo General Lease Group Code of Corporate Conduct.

■ Competitors

Due to the globalization of corporate activities and the expansion of a borderless economy, it is increasingly important to conduct corporate activities in compliance with competition rules in the market.

As basic rules that are essential for the sound development of a free economic society, many countries have established laws such as anti-monopoly acts for the purpose of maintaining and promoting fair and free competition. It is our responsibility to comply with these laws, including with the philosophy behind such laws.

We promote complete compliance with laws and will not engage in any illegal acts or pursue profits through unreasonable means. Furthermore, we will not conduct any unfair competitive acts such as formation of a cartel or abuse of an advantageous position.

In accordance with the principle of self-responsibility, we carry out fair, transparent, and free competition based on our self-sustaining and independent spirit, which is a precondition of the market economy system.

6. Basic Attitude toward Politics and Government

- We maintain sound and appropriate relationships with politics and government.

Many countries have established laws to regulate the participation of corporations in the political activities of political parties and political offices.

Public officials, for example, government officials, have duties entrusted to them by citizens as servants of all citizens. Thus, government officials are required to maintain ethics pertaining to their duties. Laws and regulations also require administrative systems to be fair and transparent.

Moreover, with respect to foreign public officials, domestic laws, mainly in OECD countries, have been developed pursuant to ensure fair competition in international business activities.

Based on the recognition of this environment regarding relationships with politics (political parties and political offices) and government (supervisory agencies, etc.) inside and outside Japan, we maintain sound and transparent relationships without engaging in acts that can be regarded as creating an interdependent relationship or an excessively familiar relationship.

To this end, we comply with laws and regulations and never offer illegal political contributions or provide benefits. In particular, we firmly maintain our attitude of avoiding any suspicious acts with respect to relationships with public officials; as the saying goes, "don't straighten your cap under a plum tree (raising hands might seem as if one is attempting to steal the fruit above)."

Chapter 3. Action Guidelines for All members of the Fuyo Lease Group

1. Maintaining Order in the Workplace

- Each employee acts independently and autonomously with high ethical standards.
- We cooperate and work with each other while respecting human rights and individuality to build an open-minded workplace.
- We eliminate empty formalities and obscure practices, etc.

■ Independence and rigorous ethical standard

We will work independently and autonomously with a rigorous ethical standard in carrying out our duties, and act based on a thorough understanding of not only the wording of laws, regulations and rules, but also the spirit thereof, while conforming to social norms. Furthermore, we faithfully exercise our work authorities without exceeding those bounds, and strive to report, communicate and consult promptly.

We are aware that the results of our actions are entirely our own responsibility, and act accordingly. It is unacceptable to violate the rules, regardless of the reasons behind them whether it was for the benefit of the company, a superior or a customer.

■ **Respect for human rights and individuality**

We respect each other's human rights and individuality, and do not engage in any form of discrimination. We also do not engage in sexual harassment or any other forms of harassment.

■ **Teamwork and performance of work duties**

Although it is expected that each employee acquires expert knowledge and skills relating to their field to perform their work duties, that alone is not enough. An organization is based on the cooperation and teamwork of each and every employee. It is a mistake to act of your own accord and disrupt teamwork, thinking that you can do something by yourself. We bring together each individual's expertise and value teamwork to provide the best service to our customers.

■ **Open-minded workplace**

We create an open-minded workplace where employees can freely discuss anything without fearing their managers or superiors.

■ **Elimination of rituals and obscure practices, etc.**

We do not engage in acts based on formal courtesies (rituals) or obscure practices, etc. between directors and employees. For example, it is unnecessary for directors and employees to exchange mid-year and year-end seasonal gifts, etc. Instead, we prioritize our basic policy of "putting our customers first".

In addition, directors and employees do not engage in money lending or solicitation of personal goods, etc. among themselves without due cause.

■ **No personal activities in the workplace**

We do not engage in unauthorized personal activities such as political and religious activities during working hours or within the company's facilities.

2. No Personal Use of Company Assets

- We do not use company assets (expenses, goods, and know-how, etc.) for private purposes.

Company assets are loaned or provided to us for the purpose of carrying out business and should not be used for private purposes.

■ **Expenses**

As directors and employees of the Financial Services Group, we always act with awareness that great care is required in dealing with money. We do not use or divert company expenses for private purposes.

Conversely, employees should make sure to charge for even small work-related expenses, such as transportation expenses when going out for work purposes.

In this way we are able to get into the habit of distinguishing between business and personal expenses.

■ **Goods**

Company goods (novelty items and office supplies, etc.) are not to be used for private purposes. In order to discipline ourselves, we should think and act in a way that treats any fixtures as company assets. Also, we refrain from using company telephones and computers (e-mail and Internet) etc. for personal use unrelated to the performance of work duties.

■ **Know-how, etc.**

We recognize that intangible items such as the Group's know-how, etc. are company assets, and do not use them outside of our work.

3. Appropriate Information Management

- We obtain external information by legitimate means and do not disclose any personal information or nonpublic information concerning customers that we acquired in the performance of our work, or any confidential information about the Group itself. In addition, information obtained is used only for work purposes, and not for private interests such as insider trading, etc.
- We respect intellectual property rights, including patent rights and copyrights.
- We will strive to actively create and share knowledge to increase customer satisfaction.

In performing our work we will handle all manner of different information. Strict and appropriate management is required for all information that we obtain through work, such as customers' personal and nonpublic information, confidential information concerning the Group itself and information held by others.

In addition, due to advances in the IT (information technology) revolution, there is increased risk of external information leakage, intrusion into the company system by external parties etc., therefore the management of electronic information has also become increasingly important.

■ **Obtaining information**

We obtain external information by legitimate means, such as through authorized channels, and by paying compensation as necessary. We do not obtain confidential information by means that breach laws and regulations, or without obtaining consent from the relevant person.

■ **Confidentiality**

Unless there is a legitimate reason based on laws and regulations, or the relevant person has given consent, the information obtained through work is used only for the purpose of such work, and is carefully managed to ensure it is not leaked to external parties. Customers do business with us particularly trusting that we do not disclose secrets to other parties. Protecting customers' secrets is a basic element of our work.

■ **No unauthorized use, etc.**

We do not engage in illegal investment activities such as insider trading, etc. or pursue personal interests by using nonpublic information which we obtained through work. Moreover, we do not destroy, counterfeit, tamper with, or illegally use the company's information.

■ **Preventing leakage of information due to carelessness**

It goes without saying that we do not intentionally leak information, but care must also be taken to prevent leakage due to negligence. For example, in performing our daily work we properly manage documents and keep our desks orderly, as well as lock cabinets etc. We refrain from conversation that leads to information leaks not only when in transit and at restaurants, but also in elevators and cafeterias, etc. within the company. We also do not leak confidential information to our families.

■ **Disposal of information**

We dispose of information that is no longer required, in accordance with company rules.

■ **Joining or leaving the company**

We do not use any secrets obtained while working at a previous place of employment at all, even if it is a document, etc. created by we made ourselves. Also, after leaving the company, we do not disclose secrets obtained while employed at the company to any other party. We do not use any intellectual property belonging to the company after leaving the company, even if we created it ourselves while a director or employee of the company.

■ **Information disclosure**

We disclose company information in accordance with the prescribed rules. When asked for interviews from external press or analysts, we consult with our managers or public relations department and follow their instructions.

■ **Protection of privacy**

When handling personal information we make sure it is truly necessary to conduct our work, that it is obtained in a legal and fair way, and used and managed in a way which protects privacy at all costs.

■ **Respect for intellectual property rights**

We do not use information for which another party holds intellectual property rights (patent rights, copyrights and trademark rights, etc.), in principle, unless the consent of the relevant person has been obtained. We give due consideration not to infringe copyrights particularly for information obtained from magazines, literature and the Internet, etc.

Meanwhile, in order to maintain the company's competitive edge, we will protect our company's intellectual property, which includes patents, copyrights, trademark rights, financial technology knowledge and know-how, and experience and knowledge acquired through our work.

■ **Using information within the Group**

We recognize that the Group itself has a wealth of knowledge and information, and actively utilize such information within the Group while paying attention to confidentiality obligations, etc. to enhance customer satisfaction and the Group's competitiveness.

4. No Conflicts of Interest

- We act to ensure that the interests of the company or our customers are not harmed due to our own interests.
- We do not use our status in the company for the interests of anyone other than the company.

We always act with the interests of the company or our customers as our top priority. We are careful not to put ourselves in situations where we may be seen as acting in our own interests. Even when we have done nothing wrong, we need to be careful that others around us may perceive that there is a conflict of interests. We are responsible for being faithful to our duties at the company and do not engage in any personal investment or business that may prevent us from making reasonable judgments to optimize the company's interests.

■ Use of status

We do not accept personal benefits by using our work duties or the status thereof. We also do not seek personal advantages from any third party. For example, we will never use our work duties or status thereof to request entertainment or goods, or cooperation with personal activities such as political or religious activities. Also, we do not personally receive remuneration or commissions from our customers or their employees, etc., or engage in money lending or borrowing.

■ Competing position

We do not place ourselves in a position where we compete with the company. We do not assume positions as directors or employees of other rival companies, or engage in activities such as promoting or supporting the sales activities of other rival companies.

■ Transactions involving relatives, etc.

We avoid engaging in transactions involving our family, close relatives and friends, etc. This is due to the fact that, compared to general customers, we are more prone to getting into a situation of having to provide some advantages.

5. Appropriate Personal Conduct

- We do not conduct any acts that harm or damage the company's credibility or honor, not only as a part of our work duties, but also outside of work.
- We observe the Road Traffic Act not only as a part of our work duties, but also outside of work, and as a matter of course do not drink drive, or make another person drink drive.
- When engaging in private activities outside the company we participate in a personal capacity, and do not use the company name or our position title without due cause.
- We do not engage in any other business without permission.

In principle the company does not usually get involved in or interfere with private activities. However, if there is a risk of damaging the company's honor and interests, even private activities may be subject to disciplinary action.

We believe that the trust vested in us by customers and society is the foundation of our business. Therefore, even in private activities that are separate from work, we are careful not to damage this trust and are rigorous in ensuring we conduct ourselves appropriately.

■ **Leading sound personal lives**

We are constantly aware that we are members of the Financial Business Group, and try to lead sound personal lives to avoid falling into economic collapse due to speculative behavior, or taking out guarantees or money lending and borrowing, etc. exceeding individual capabilities.

■ **No drink driving**

We fully recognize the tragedy of traffic accidents caused by drink driving, and absolutely do not drink drive ourselves, or allow others to do so.

■ **Distinction between public and private lives**

We do not abuse the Group's company name or our job titles, and avoid harming the company's honor and interests in order to gain personal benefits, etc. We clarify whether those activities are conducted as directors or employees of our company, or whether they are private activities so as to avoid any misunderstandings.

■ **No other business**

We do not work at other companies or conduct business without permission. This is because holding concurrent posts is prohibited by laws and regulations, or there may be conflict of interests.

6. Social Media Policy (Appropriate Personal Conduct 2)

- We will not disclose confidential information within and outside the company as a matter of course, or personal information and information obtained in the course of business regarding customers.
- We recognize the existence of an unspecified number of people with diverse values, and do not transmit information that is contrary to the facts, or that could be misunderstood by, or cause discomfort to the receiving person.
- We recognize that our own opinions and views could be perceived to be the views and opinions of the company, so we strive to behave in a way befitting of a member of the company.
- We always keep in mind to make respectful remarks, and respond calmly when criticized by other persons.
- We comply with various laws and regulations and try not to infringe any third party intellectual property rights and privacy on social media.

In recent years, social media that allows general individuals to disseminate information and exchange opinions, etc. on the Internet have been developing rapidly due to the spread of smartphones and other technology.

Examples of popular social media include blogs, YouTube, Twitter and Facebook, etc.

Meanwhile, there has been a succession of issues caused by information disseminated on social media.

There are many cases where information (remarks) that were casually posted developed into an incident, and the personal information of the person (employee) who posted the information was disclosed on the net, with even the person's workplace (company) becoming the target of criticism.

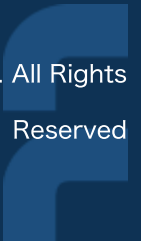
In order to prevent such issues, the company has established a social media policy (moderate personal activities 2) as our basic stance for employees' use of social media.

In addition, as with the moderation in personal activities mentioned in the preceding paragraph, even personal use of SNS may be subject to disciplinary action if there is a risk of damaging the company's honor and interests.

Naturally, posting personal opinions on social media from the company's internal networks is restricted by the systems.

■ Characteristics of social media

- They can be accessed by an unspecified number of users with diverse values
- The speed of information dissemination is fast
- Once information is posted it is almost impossible to erase
- Even if a person posts anonymously, there is a high probability that the person who posted the comment will be identified



Risk Management and Compliance System

Our Approach to Risk Management and Risk Management System

As stipulated in the Fuyo Lease Group risk management regulations, we have established a risk management system at our locations across the globe in order to manage risks based on their particular risk characteristics and importance. Risks to be managed are categorized into credit, market (such as interest rate fluctuation risk), liquidity (such as cash flow risk), administrative, system, legal, human, reputation, and other risks. Each type of risk is managed by a designated department.

The Board of Directors and the Executive Committee receives updates on risk management, discusses risk management policies according to the characteristics and importance of each risk, and evaluates the effectiveness of risk management. The Asset and Liability Management (ALM) Committee meets on a regular basis to appropriately manage and control market and liquidity risks. These efforts enable us to continually improve our risk management system.

In addition, we have a system in place for responding to emergencies. In the event of a large-scale disaster or emergency, the emergency response headquarters under the direction of the president will take measures necessary for ensuring safety and continuity of our operations in accordance with the Emergency Preparedness Regulations.

Risk Management Training

In order to foster a corporate culture that enables risk prevention and that can take appropriate measures against risks, the Fuyo Lease Group regularly conducts training that includes content related to risk management. For example, in the leasing industry, legal risks are expected to be high, so training is conducted for new employees on regulatory laws and regulations. We focus on training using case studies and other methods so that each employee can deepen their understanding of possible risks in their work and take appropriate measures.

Our Approach to Compliance and Compliance System

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet

Corporate Governance

Code of Corporate Conduct

Risk Management and Compliance System

Information Security

Each Group Company's Environmental and Social initiatives >

At the Fuyo Lease Group, ensuring compliance is a fundamental principle of management. We work to strengthen and enhance our compliance system, which enables us to operate with integrity and fairness by conforming to relevant social norms, while strictly complying with all laws and regulations.

We promote compliance throughout the Group by stipulating various regulations, procedures, and manuals, conducting compliance education, and enhancing the whistleblower system on the basis of the Fuyo General Lease Group's Code of Corporate Conduct. In order to maintain and further improve our compliance systems, we implement and carry out compliance programs every fiscal year. Issues associated with the compliance programs are discussed at the Compliance Committee and the Executive Committee before being submitted to the Board of Directors for approval. Findings and progress of the programs are reported to the Board of Directors on a semi-annual basis.

The Compliance Committee, which forms the core of the Group's compliance system, is chaired by Fuyo Lease's Compliance Management Officer, and standing committee members are made up of representatives of the compliance-related departments of each group company. To verify the effectiveness of the compliance system for the entire group, the Compliance Committee meets every three months to deliberate and report on the formulation and progress of the Group's compliance program, whether or not compliance problems have occurred and how to deal with them, and trends in the enactment, revision, or abolition of major laws and regulations.

We will continue our group-wide activities including management and implementation of compliance measures and compliance education, and streamlining our compliance systems across the Group to improve their effectiveness.

Fuyo General Lease Group Code of Corporate Conduct

The Fuyo Lease Group has formulated the Fuyo General Lease Group Code of Corporate Conduct, which specifies the basic policies and position of the entire group as well as behavioral guidelines for the employees of the Group.

We conduct training programs and offer e-learning courses to employees to enhance the effectiveness of the Code of Corporate Conduct. These programs and courses ensure that all employees are aware of its policies and guidelines, and evaluation of the training is regularly reviewed.

Whistleblower Hotline

The Fuyo Lease Group operates a whistleblower hotline.

In addition to the in-house compliance hotline, we provide a consultation service desk through a cooperating law firm. These services are available on a regular basis and information on these services is disclosed on the company's intranet bulletin board. Concerned individuals can immediately seek consultation or report whenever they detect any violations of the law, the Code of Corporate Conduct and other corporate regulations, harassment cases, misconduct in information management or other potential infringements. The whistleblower systems accept anonymous reports to protect whistleblowers.

Compliance Officers* as well as persons in charge of compliance are appointed as consultants within their departments and group companies to handle individual cases. In the event of non-compliance or a

[External Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

 ["Integrated Report" PDF download](#)

suspected violation, compliance personnel such as compliance officers are responsible for taking appropriate measures and conducting investigations and reports in accordance with instructions and orders from Fuyo Lease's Legal and Compliance Division and the heads of the compliance departments of the relevant group companies as per the Compliance Manual.

- * A compliance officer is appointed for each department or company to raise compliance awareness and ensure compliance.

Furthermore, Fuyo Lease has appointed full-time corporate auditors as a contact point for receiving whistleblower reports from group companies, and we have also set up a contact point at affiliated law firms for whistleblowing from employees of overseas subsidiaries.

In fiscal 2019, three reports were received through the hotline. In each case, investigations are promptly conducted, such as confirming the facts with the parties concerned with due care to protect whistleblowers against detrimental treatment and taking appropriate measures. All cases have been resolved, and measures put in place to prevent recurrences.

Prohibition of Corruption and Bribery

The prohibition of misconduct, including collusion, cartels, abuse of superior position, inappropriate entertainment and gifts, and illegal political donations is clearly stipulated in Chapter 2 "5. Basic Attitude toward Suppliers and Competitors" and "6. Basic Attitude toward Politics and Government," and Chapter 3 "2. No Personal Use of Company Assets" and "4. No Conflicts of Interest" of the Fuyo General Lease Group Code of Corporate Conduct. We prohibit corruption, including bribery, and any actions that could be suspected of being corrupt, and facilitation payments are no exception. The Management Committee and Board of Directors of Fuyo Lease oversee these policies and their management status and receive periodic reports from the Compliance Committee.

In order to prevent corruption and bribery and bring about its early detection, the Company implements compliance audits in addition to identifying businesses, intermediaries and business partners that are high risk in the flow of its operations and avoiding involvement with them. In business audits, risks regarding the identification and prevention of corruption and bribery are appropriately evaluated based on confirmation of items such as proper use of entertainment expenses and the existence of a long-term employees in the sales department. Furthermore, for cases that are considered to be particularly high risk, we confirm that the compliance officer has further evaluated the appropriateness, and we are thoroughly preventing corruption and bribery.

We inform all Group employees about the Code of Corporate Conduct and the prohibition of corruption and bribery, and encourage them to report to and seek consultation with the Whistleblower Hotline whenever they have any suspicions. Support is also available anonymously.

Furthermore, the Code strictly prohibits the forging of collusive ties with political and administrative authorities and business partners, and the private use of the company's assets. In fiscal 2019, no infringements related to corruption were found in the Group. Additionally, no employees were dismissed or subjected to disciplinary action due to corruption.

In fiscal 2019, the Company made no political donations.

Compliance Training

The Fuyo Lease Group emphasizes employee training programs that are designed to ensure compliance. Our training programs include workplace compliance training and e-learning on insider trading regulations for all Group employees, as well as group training conducted by external instructors for directors, heads of departments, offices and branch offices, presidents of Group companies, and departmental compliance officers.*

Compliance Training (fiscal 2019)

Group training and workplace training

Participant	Subject	# of session
Entry level	Introduction to compliance, Fuyo General Lease Group Code of Corporate Conduct, Unreasonable demand	1
1st year employee (Generalist track)	Confidential information management, Personal information protection, Prevention of harassment, Insider trading regulations	1
5th year employee (Generalist track)	Response to accidents and troubles	1
Newly appointed head of department/branch office	Issues to be understood as responsible officers to ensure compliance	1
Newly appointed assistant manager/section chief	Prevention of power harassment, sexual and maternity harassment	2
All employees	Prevention of money laundering and measures to counter terrorism financing	1
Directors and head of department/office/branch office	Prevention of money laundering and measures to counter terrorism financing	1

E-learning

Participant	Subject	# of session
Directors, head of department/office/branch office, compliance officer, entry level	Regulation for Insider Trading (e-learning material of the Japan Exchange Group)	2
All employees	General issues on compliance	1

Prevention of Money Laundering

The Fuyo Lease Group is striving to prevent money laundering and funding of terrorism.

Fuyo Lease complies with laws and guidelines together with a thorough due diligence of its business partners in accordance with its Policy for the Prevention of Money Laundering. In addition, we have established a system to prevent money laundering and funding of terrorism not only in Japan but also in transactions outside Japan.

Furthermore, we continuously strive to promote understanding by way of training for all group employees and by inviting outside experts to train the compliance and legal staff of each group company.

Prevention of Insider Trading

At the request of the Tokyo Stock Exchange, Fuyo Lease has joined the J-IRISS*, which aims to prevent unfair trading and to maintain the transparency and impartiality of the market.

* J-IRISS (Japan-Insider Registration & Identification Support System): A system operated by the Japan Securities Dealers Association by which listed companies register information on their officers and securities firms periodically compare this information on officers with their customer information with the aim of checking for unfair trading before it happens and eliminating it as much as possible.

Information Security

Our Approach and Management System for Information Security and Customer Information Protection

The Fuyo Lease Group has established an information management system based on work content, and strictly manages customer information. To ensure information security is strictly enforced throughout the Group, details of the Appropriate Information Management section included in the Code of Corporate Conduct and the Privacy Policy are communicated to our employees. Additionally, data is strictly controlled by the management supervisor in accordance with detailed rules, including the Confidential Information Management Rule.

Initiatives to Information Security and Customer Information Protection

To appropriately protect customer information, when outsourcing work, we impose confidentiality obligations on outsourcers, and when obtaining personal information from individual customers, we always give notice of the purpose of use in accordance with the Act on the Protection of Personal Information and its guidelines.

In addition, our rules and regulations subject to disciplinary action under the rules of employment include rules and regulations that concern information security, and we make efforts to prevent violations.

Furthermore, to maintain our information security system, once a year, we confirm procedures that are not only conducted under regular circumstances but also those in which we assume emergency situations in response to incidents such as cyber-attacks and natural disasters.

Also, training is provided for each level of employment so that each employee can recognize the importance of information security and manage information appropriately. In fiscal 2019, we focused on the protection of customer information through e-learning training for all employees, and we provided training on the confidential information management and personal information protection for 1st year employees (generalist track).

In fiscal 2019, there were minor issues, such as erroneous email transmissions and incorrect delivery of mail, but there were no incidents, such as violations of laws and regulations concerning information security, and there were no related sanctions.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management

Corporate Governance

Code of Corporate Conduct

Risk Management and Compliance System

Information Security

Each Group Company's Environmental and Social initiatives >

In response to each customer segment and the work being handled, the following group companies have acquired [the Privacy Mark](#) **Glossary** given to business operators who have been deemed appropriate for the handling of personal information, and [ISO27001 certification](#) **Glossary** , which is a global standard for information security management systems. By continuously improving our management systems based on these standards, we are working to further improve reliability.


Sharp Finance

Sharp Finance is a leasing company that has its strengths in the retail market for small retail leasing, such as developing vendor leasing in collaboration with dealers for small- and medium-sized enterprises.

Since 2006, the company has been granted the Privacy Mark by JIPDEC.

Privacy Mark Registration Certificate



 Click on the image to enlarge.

Accretive


Accretive provides solution services such as financial services and accounting administration. In March 2006, it acquired ISO27001 certification for the entire company.

ISO27001 Management System Registration Certificate

External Evaluation	>
Editorial Policy	>
Independent assurance	>

 "Integrated Report" PDF download



 Click on the image to enlarge.

 Click on the image to enlarge.

INVOICE

INVOICE's offerings include business customers integrated billing services that help reduce costs and improve productivity, and Internet services for residential buildings for individual customers.

Since 2008, the company has been granted the Privacy Mark by JIPDEC.

Privacy Mark Registration Certificate



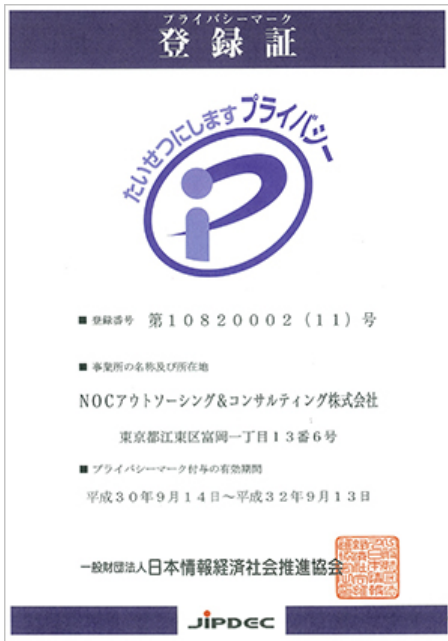
 Click on the image to enlarge.

NOC Outsourcing & Consulting

NOC Outsourcing & Consulting handles a wide range of business outsourcing such as back office services (accounting, HR and payroll, general affairs, sales administration), IT services, personnel services.

In 1989, NOC Outsourcing & Consulting was granted the Privacy Mark by JIPDEC first in Japan. Furthermore, in February 2006, it acquired ISO27001 certification for the Information Systems Department, Business Headquarters.

Privacy Mark Registration Certificate



Click on the image to enlarge.

ISO27001 Management System Registration Certificate



Click on the image to enlarge.

Fuyo Network Service

Fuyo Network Service is engaged in the sales of information equipment, and is providing support for the introduction and operation of the equipment and for activities such as erasing sensitive data. In January 2010, Fuyo Network Services acquired ISO27001 certification for the entire company.

ISO27001 Management System Registration Certificate



Click on the image to enlarge.




Click on the image to enlarge.

Fuyo Lease Sales Tokyo 3R Center

Fuyo Lease Sales focuses on Fuyo Lease's lease expiration processing business, and on purchasing and sales of used assets. The Tokyo 3R Center was opened in March 2013 as a base to recycle assets whose leases have expired and for used assets. In June 2013, it acquired ISO27001 certification for the Information Security Room (ISR), which serves as the guideline for operations such as deleting data saved in second-hand information equipment and checking their operational status. In March 2018, the scope of the ISO27001 certification was expanded to the entire Tokyo 3R Center.

ISO27001 Management System Registration Certificate



 Click on the image to enlarge.



 Click on the image to enlarge.

Glossary

Privacy Mark

The Privacy Mark is given to business operators that handle personal information appropriately by conforming to the standards set in the Japanese Industrial Standard of JIS Q 15001: 2017 Personal Information Protection Management System - Requirements.

ISO27001

ISO27001 is a global standard for the specification of information security management systems established by the International Organization for Standardization.

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease [▶](#)

Sharp Finance [▶](#)

Accretive [▶](#)

INVOICE [▶](#)

NOC Outsourcing & Consulting [▶](#)

YAMATO LEASE [▶](#)

FUJITA [▶](#)

Fuyo Network Service [▶](#)

Aqua Art [▶](#)

Fuyo Lease Sales [▶](#)

CSR

Fuyo Lease Group's CSR [▶](#)

Solving Social Issues through Business [▶](#)

Environmental Report [▶](#)

Social Report [▶](#)

Governance and Managemnet [▶](#)

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO
LEASE

FUJITA

Fuyo
Network
Service

Aqua Art

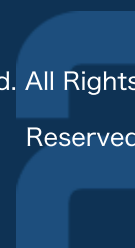
Fuyo Lease
Sales

External
Evaluation >

Editorial Policy >

Independent
assurance >

 "Integrated Report"
PDF download



Fuyo Auto Lease

Outline of Fuyo Auto Lease

Profile

Fuyo Auto Lease reduces complicated operations related to customers' cars and supports a total rationalization of management.

Company profile

Established	January 1987
Capital	240 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Handling of automobile leasing/installment/sales, car maintenance/repair/service, refueling cards/ETC cards

[Fuyo Auto Lease website](#)

Reducing the environmental impacts of auto leasing business

Based on Fuyo Lease Group's Environmental Policy, Fuyo Auto Lease strives to reduce environmental impacts company-wide. Above all, in the core auto leasing business, we are working on environmental activities at all stages from the start of a lease lasting until the end of a lease.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE

■ Environmental activities in the auto leasing business



- FUJITA
- Fuyo Network Service
- Aqua Art
- Fuyo Lease Sales
- External Evaluation >
- Editorial Policy >
- Independent assurance >

Initiatives to contribute to customer safety

Drive recorder suggestions

At Fuyo Auto Lease, we assist customers to prevent accidents by suggesting that they install a drive recorder.

A drive recorder is an in-vehicle camera device that records items like the time, the location, forward image, acceleration, turn signal operation and brake operation for approximately twelve seconds before and after a large impact.



■ Characteristics of drive recorder

- The driver can confirm objectively review driving behavior that is likely to cause a near-miss or a traffic accident.
- Drivers can understand their own driving behavior, improve their awareness of safe driving by reflecting on their actions, and prevent traffic accidents.



Suggestions for telematics

Fuyo Auto Lease supports customer's operation management and accident prevention through telematics proposals.

"Telematics" is a blend word that combines "Telecommunication" and "Informatics." It refers to a service or a system that provides information by combining a communication system with a moving vehicle, such as an automobile. By installing a dedicated in-vehicle unit, we can acquire various information and understand/analyze a driving situation.



Extensive reference materials

Holding safe driving seminars

Fuyo Auto Lease holds safe driving seminars so that customers can use vehicles safely and securely. In fiscal 2019, we held 85 seminars for major companies, medium-sized companies, and small to mid-sized companies, which were attended by a total of 1,993 participants. At the seminars, we provided the attendees with lectures, paper tests, video training programs, and driving aptitude tests using equipment.



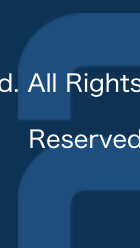
Donation activities to assist children orphaned from traffic accidents

Fuyo Auto Lease aims to contribute to society generally, even in areas outside the scope of business.

In addition, in fiscal 2019, continuing from the previous year, we donated funds to support children orphaned by traffic accidents.

■ Results of support provided from FY 2014 to 2019

	Details of Activities	Donation
FY 2014	Donated funds from our employees/company to the Scholarship Foundation for Traffic Accident Orphans	210,000 yen
FY 2015	Donated funds from our employees/company to the Scholarship Foundation for Traffic Accident Orphans	210,000 yen
FY 2016	Donated funds from our employees/company to the Scholarship Foundation for Traffic Accident Orphans	210,000 yen
FY 2017	Donated funds from the company to the Scholarship Foundation for Traffic Accident Orphans	200,000 yen
FY 2018	Donated funds from the company to the Scholarship Foundation for Traffic Accident Orphans	200,000 yen
FY 2019	Donated funds from the company to the Scholarship Foundation for Traffic Accident Orphans	200,000 yen



Sharp Finance

Outline of Sharp Finance

Profile

Sharp Finance is a leasing company that has its strengths in the retail market for small leases, such as developing vendor leasing in collaboration with dealers for small- and medium-size enterprises.

Company profile

Established	May 1982
Capital	3 billion yen
Shareholders	Fuyo General Lease (65%) Sharp Corporation (35%)
Business Activities	Various leasing businesses, credit sales business, real estate rental business, and insurance agency business

["Sharp Finance" website](#)

Fuyo General Lease and Sharp Finance have combined their expertise to meet diversified and sophisticated customer needs.

Contributing to the environment through the introduction of LED lighting equipment

Sharp Finance offers energy-saving products in collaboration with Independent Incubator Co., Ltd., a facilities and equipment dealer.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE

LED lighting devices are gaining popularity as an energy-saving lighting alternative to conventional lighting, due to the fact that LEDs' power consumption is about one-third of fluorescent tubes. Moreover, they are not only energy-saving but also have long lives, so the use of LED lighting saves a lot of time previously used for maintenance.

Our customer Mokunansha Tomita Hospital, a medical institution, was established in Okazaki City, Aichi Prefecture over 100 years ago. Over time, the hospital has developed its community-based medical activities as a hospital trusted by local people.

Recently, the existing lighting system in the Preventative Medicine and Rehabilitation ward that had been in place since the ward's opening in July 2012 was replaced with LED lighting through a lease system from us.

Hospitals need appropriate lighting equipment to maintain a comfortable medical care environment, but the large amount of energy used by such a system is a problem.

LED lighting was introduced to cover the whole building from the entrance to the back courtyard. As a result, the hospital achieved its energy-saving goals, and we were highly evaluated because the brighter hospital has made it easier to work for those working in the building.

We want to continue advising our customers about the advantages of LED lighting in the future.



FUJITA

Fuyo Network Service

Aqua Art

Fuyo Lease Sales

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

Accretive

Overview of Accretive

Profile

Accretive purchases receivable accounts that arise from the delivery of goods and services, provides financial services that support cash flow of supplying companies by providing cash early, and in addition to supporting business efficiency also offers business process outsourcing (BPO) services such as accounting administration to clients including retail business operators.

Company profile

Established	May 1999
Capital	100 million yen
Shareholders	Fuyo General Lease (74%) Pan Pacific International Holdings Corporation (26%)
Business Activities	Financial services centering on the purchases of accounts receivables, BPO services such as accounting administration

["Accretive" website](#)

Cambodia support activities

Since 2017, in collaboration with its Cambodian subsidiary Accretive Service (Cambodia) Co., Ltd., Accretive has supported to elementary schools in Takeo province, Cambodia.

10 employees from Japan visited the local elementary schools and conducted exchange meetings to provide guidance on hygiene and to donate goods such as clothing, stationery, and daily necessities collected from employees at each base in Japan.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE

The exchanges with the children were helpful in understanding the current local situation and its issues, namely, that the educational environment in Cambodia's rural areas is lacking due to factors such as equipment and funding shortages.

We will continue to participate in activities that improve this environment little by little in the future.



We handed stationery directly to about 120 elementary school students



Teaching hand-washing with soap



Playing together using a donated long rope



Commemorative photograph

- FUJITA
- Fuyo Network Service
- Aqua Art
- Fuyo Lease Sales

External Evaluation >

Editorial Policy >

Independent assurance >

↓ 統合報告書 PDFダウンロード

Approach to Positive Off Motion

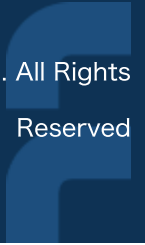
Accretive agrees with the aims of the Positive Off -movement advocated by the Japan Tourism

Agency to realize more meaningful leisure activities of employees and their families.



This movement sees "holiday = off" as "forward-looking = positive." Each employee can proactively declare their plans to take paid leave, and as a result of going out and traveling during leisure time becomes refreshed both mentally and physically, which enhances self-improvement, and contributes to economic revitalization.

Accretive is introducing a system that allows annual paid leave to be acquired in hourly units. The Company is engaging in awareness-raising activities with posters to promote the new system and is endeavoring to improve working environments and create an atmosphere that makes it easier to take a vacation.



INVOICE

Outline of INVOICE

Profile

INVOICE provides integrated billing services for business clients that help reduce costs and improve productivity, and Internet services for residential buildings for individual customers.

Company profile

Established	December 1992
Capital	100 million yen
Shareholders	Fuyo General Lease (60%) Development Bank of Japan Inc. (40%)
Business Activities	Integrated billing services for business clients and Internet services for residential buildings for individual customers

["INVOICE" website](#)

Contributing to Client Companies' Improved Productivity through BPO Services

INVOICE provides integrated billing services, which are BPO services where INVOICE compiles the individual telecommunications and public utility bills that are delivered to a customer's individual offices, pays those bills on behalf of the customer, and then bills the customer for those charges all at once.

The corporate environment is changing significantly as labor shortages have become a social issue and work-style reform is required to reduce long working hours. Companies face an urgent challenge to

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

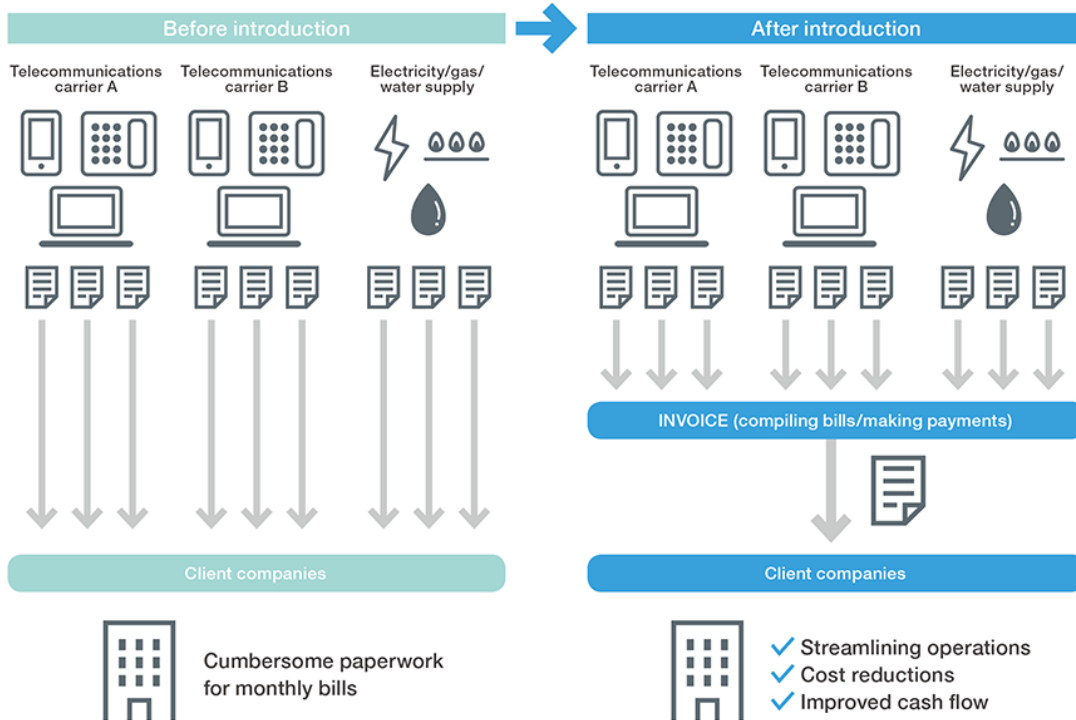
YAMATO LEASE

increase the productivity of employees by streamlining cumbersome bill-processing tasks and increasing the time used to focus on high value-added core business activities.

Against this backdrop, the utilization of INVOICE’s integrated billing services allows customers to unify the different payment procedures used by each telecommunications carrier and utility provider, improving operational efficiency. Using the client’s mobile phone and Internet-related bills to understand the details of usage and then proposing the most suitable communication plan also helps client companies reduce their communication costs.

There have been drastic changes in the business environment surrounding payment and settlement services as a result of technological advances. With INVOICE, we will take advantage of these changes to increase character recognition rates using AI and improve the overall efficiency of business processes through the use of robotic process automation (RPA), thus contributing to the reduction of costs and improved productivity for more customers.

Workflow of integrated billing service



FUJITA

Fuyo Network Service

Aqua Art

Fuyo Lease Sales

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

NOC Outsourcing & Consulting

Outline of NOC Outsourcing & Consulting

Profile

NOC Outsourcing & Consulting provides "total outsourcing" targeting administrative departments such as general affairs, accounting, and human resources, as well as sales administration and IT.

Company profile

Established	November 1998
Capital	100 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Comprehensive outsourcing, human resources services, and shared services

["NOC Outsourcing & Consulting" website](#)

Providing BPO services that meet the needs of the times

The strengths of NOC Outsourcing & Consulting lie in its outsourcing services (BPO services) targeting administrative departments such as general affairs, accounting, and human resources, as well as sales administration and IT. In addition to its robust consignment and operational functions, NOC Outsourcing & Consulting is contributing to operational efficiency and cost reductions at approximately 1,000 companies. It is doing this by visualizing and standardizing operations through the use of its own consulting functions, and by automating and reducing the number of employees through the use of system development functions such as RPA.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE

The recent decline in the number of people coming to work due to the spread of COVID-19 has prolonged risks to business continuity for companies. This has raised the question of what tasks can be handled with minimum personnel. As a result, there is a growing need to develop telecommuting environments and BPO services as part of BCP measures. In March 2020, NOC Outsourcing & Consulting also began providing IT outsourcing services that make use of the Tokyo Metropolitan Government Business Continuity Emergency Measures (Telecommuting) Grant. It has promptly engaged in supporting clients who have already entrusted it to carry out payroll processing to prepare documents related to payment applications for employment adjustment subsidies.

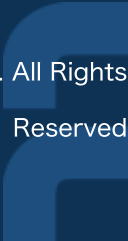
Going forward, NOC Outsourcing & Consulting will continue to be more sensitive to changes in the business environment as well as accompanying changes in needs, and will proactively respond to new needs of the times.

- FUJITA
- Fuyo Network Service
- Aqua Art
- Fuyo Lease Sales

- External Evaluation >

- Editorial Policy >

- Independent assurance >



YAMATO LEASE

Outline of YAMATO LEASE

Profile

YAMATO LEASE provides support services for the management issues of transportation companies, such as succession problems and driver shortages in addition to providing support for the leasing, procurement, and sales of new and used trucks.

Company profile

Established	March 1977
Capital	30 million yen
Shareholders	Fuyo General Lease (60%) YAMATO HOLDINGS CO., LTD. (40%)
Business Activities	Truck leasing and installment sales, used car sales

["YAMATO LEASE" website](#)

Supporting vehicle procurement to resolve management issues faced by transport companies

In the logistics industry, many social issues have become apparent, including an increase in the volume of cargo being handled due to the expansion of the e-commerce market, shortages and aging of truck drivers, and work-style reform in response to the reduction of long working hours. In addition, the automobile industry is said to be entering a once-in-a-century period of great change due to CASE*1 technological innovations and the progress of MaaS*2 that connects vehicles and other means of

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE

transportation with IT. Environmental regulations, such as automobile exhaust regulations, are also being strengthened. Against the backdrop of such changes in the business environment, transportation companies are also required to procure vehicles in an optimal manner to adapt to these changes.

By using truck leasing from YAMATO LEASE, transportation company customers can introduce vehicles that are suited to the latest environment without the need for large sums of money. In addition, as truck distribution support, we offer full support for the replacement of trucks through proposals for purchase of existing and used trucks to meet our customers' needs. When selecting a used truck, we provide an environment where customers can search for a vehicle that meets their needs in a catalog-like manner through our "Tora-Machi" used-truck matching application.

- FUJITA
- Fuyo Network Service
- Aqua Art
- Fuyo Lease Sales

- External Evaluation >
- Editorial Policy >
- Independent assurance >

↓ "Integrated Report" PDF download

Our strengths lie in our customer network as well as proposal-based sales, and going forward, we will continue to leverage these strengths in support of vehicle procurement that resolves the issues faced by transportation companies.

- *1 CASE stands for Connected, Autonomous/Automated, Shared, and Electric. It is expected that technological innovation in these new areas will change the ways in which mobility and our society will exist.
- *2 MaaS refers to Mobility as a Service, which indicates services that connect vehicles, public transportation, and other means of transportation through IT.

The first leasing company to be certified as an organization that promotes the Comfortable Workplace Certification System

YAMATO LEASE has been certified by the Ministry of Land, Infrastructure, Transport and Tourism and the Nippon Kaiji Kyokai as an organization that promotes the Driver's Workplace Environment Quality Certification System (commonly known as the Comfortable Workplace Certification System).

The Comfortable Workplace Certification System is also called the White Management Certification System. It is a system to certify companies that are engaged in work-style reform, such as the revision of long working hours, in order to improve working conditions and the working environments of drivers as well as to secure and train drivers who are needed.

In order to promote the Comfortable Workplace Certification System, YAMATO LEASE holds briefing sessions, provides advice as well as guidance, and supports trucking companies in obtaining certification. The aim is to maintain safety management of the transportation industry and solve social issues such as the shortage of human resources.

- * The Comfortable Workplace Certification System is a system in which a third-party organization evaluates and certifies the working environments of automobile transportation companies and provides this information mainly to job seekers. To encourage companies that have acquired certification to move to a higher level, there are three levels of certification depending on the number of certification items that a company has achieved. The three levels of certification are one star, two stars, and three stars.

Business succession support services specifically for the transportation industry

YAMATO LEASE provides business succession support services specifically for the transportation industry. The business succession support services provided by YAMATO LEASE leverage the experience and know-how that we have acquired from leasing trucks to transportation companies to match companies that are struggling to continue business due to aging managers and a lack of successors with companies that want to expand their business.

Through our business succession support services, we aim to solve the challenges facing the industry, such as the problems of finding successors at transportation companies, retaining employees, and resolving driver shortages.



FUJITA

Outline of FUJITA

Profile

FUJITA Co., Ltd. provides full support for the purchase, demolition and removal of medical equipment, in addition to the disposal of medical equipment, furniture and fixtures when hospitals and clinics open, relocate, and/or close.

Company profile

Established	July 2006
Capital	70.35 million yen
Shareholders	Fuyo General Lease (51%) Ken Fujita (38%) Shuji Furuta (11%)
Business Activities	<ul style="list-style-type: none"> ▪ Buying and selling second-hand medical equipment (including installation and removal) ▪ Demolition and removal of medical equipment, furniture and fixtures when hospitals and clinics closed ▪ Selling new medical equipment

["FUJITA" website](#)

Initiative to resource circulation through promotion of the 3Rs

FUJITA is truly committed to the 3Rs (reuse, recycle, and reduce) to reduce the amount of waste when the company engages in the purchasing and selling of second-hand medical equipment and disposing of

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE

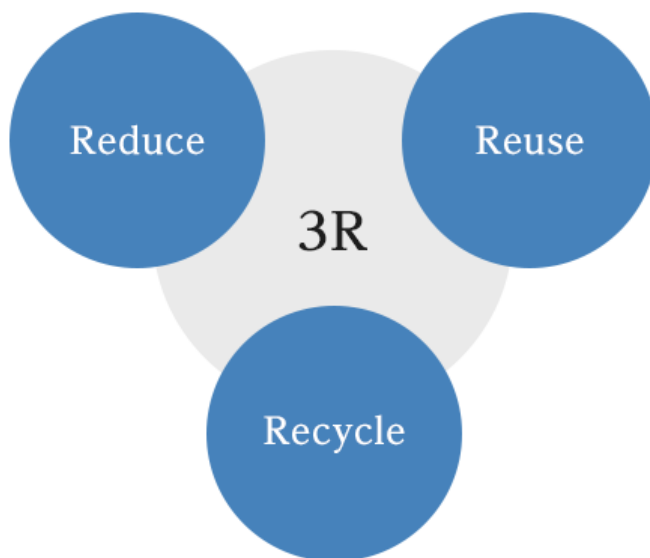
medical equipment from hospitals or clinics that have been closed.

In particular, FUJITA focuses its efforts on the reuse element of the 3Rs. The company reuses not only medical equipment*¹, but also extends its reuse activities including equipment, furniture, fixtures, and other materials*² that remain in hospitals. The company strives for resource circulation in order to maximize the reuse of resources and cut down on waste. Furthermore, the company provides support to hospitals and clinics in the disposal of their medical equipment when they close. These activities allow the company to efficiently sort out and separate waste and recyclable metals or plastics. The company's activities to reduce the waste amount results in lower waste disposal costs incurred by the customers.

*1 Heavy medical equipment including MRI scanners, CT scanners, and angiography machines and portable equipment including ultrasonic diagnostic equipment and endoscope systems.

*2 Hospital beds, office furniture and equipment, electrical appliances, books and magazines, etc.

FUJITA's 3Rs



Cost reduction through reusing and recycling

① Reuse

FUJITA reuses medical equipment, office equipment and furniture, and electronic equipment.

② Recycle

FUJITA sorts out and separates waste. Furthermore, the company recycles it as resources including metals and plastics.

③ Reduce

As a result of reducing the waste amount, FUJITA can cut disposal costs.

FUJITA

Fuyo Network Service

Aqua Art

Fuyo Lease Sales

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

Fuyo Network Service

Outline of Fuyo Network Service

Profile

Fuyo Network Service provides technical services such as selling ICT equipment and software, providing technical services including assembly, configuration and data erasure, and reselling used PCs based on the company-wide ISO 27001 security standards certification.

Company profile

Established	April 1995
Capital	40 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Selling servers/PCs/peripherals, performing assembly/installation services, selling used PCs, constructing network systems

[Fuyo Network Service website](#)

Promoting the reuse of used PCs and contributing to a circular society

Fuyo Network Service's Hachioji Technical Center accepts about 5,000 used computers per month (approximately 60,000 computers in a year) that have been used in the PC Eco & Value leases and PC Rental provided by Fuyo Lease. After this, the company re-commodifies (reuses) them.

In the recycling process for customers who would like to employ used computers, we pre-install official Windows OS in collaboration with a MAR operator (Microsoft Authorized Refurbisher PC operator), as well as take appropriate measures such as erasing existing data and checking the operational status of

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

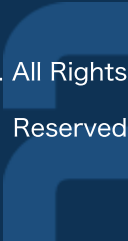
NOC Outsourcing & Consulting

YAMATO LEASE

the computer. Many used PCs are maintained at a sufficiently high level of functionality. By establishing a resale system such as this for used PCs and promoting reuse, we are contributing to creating a circular society.

- FUJITA
 - Fuyo Network Service
 - Aqua Art
 - Fuyo Lease Sales
- External Evaluation >
- Editorial Policy >
- Independent assurance >

 "Integrated Report"
PDF download



Aqua Art

Outline of Aqua Art

Profile

Aqua Art was established in March 1994 as a wholly-owned subsidiary of Fuyo Lease. It operates a rental business for tropical fish tanks, which replicate the natural environment.

Company profile

Established	March 1994
Capital	50 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Manufacture, sale, rental, and maintenance of ornamental aquarium

[Aqua Art website](#)

AQUA ART interior aquarium

AQUA ART is a product that directly reproduces the structure of the natural world in an aquarium using real creatures. The food chain in the aquarium provides a balanced aquarium, and the staffs of Aqua Art carry out maintenance precisely to maintain that balance.

AQUA ART is familiar to a wide range of people from small children to the elderly as an interior aquarium installed at locations such as offices, shops, hospitals, and schools.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

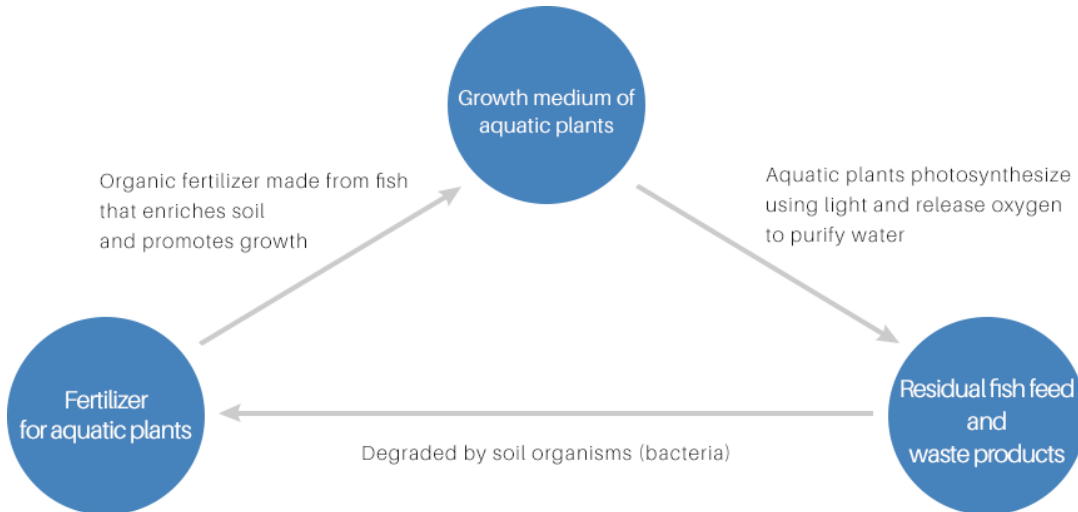
YAMATO LEASE

■ (1) Providing people and communities a relaxing space

AQUA ART comprehensively provides a fascinating viewing experience, and a moment to meet the wonder of nature through colorful fish and aquatic plants in exceptionally clear water that gives peace of mind.

■ (2) Education on nature

AQUA ART is a unique system that reproduces the food chain directly in an aquarium with actual living fish and aquatic plants. It is ideal for children learning about the mechanics of the natural world.



FUJITA

Fuyo Network Service

Aqua Art

Fuyo Lease Sales

External Evaluation >

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

Contributing to the environment through products

Since June 2011, Aqua Art has been changing the lighting of AQUA ART aquariums from conventional fluorescent tubes to LEDs, achieving high energy-savings. Very little electricity is used for lighting the aquarium, but we are promoting this measure so that it helps to achieve even small energy savings.

Since July 2013, we have been installing only LED lighting in new aquariums. By the end of August 2020, we had installed 800 LED lamps in about 660 aquariums.

Preparing a variety of LED lightings according to the size of the aquariums



Contributing to society through products

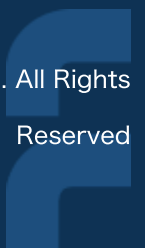
In 2003, we started an initiative to donate the AQUA ART interior aquarium as a standalone product to provide environmental educational material for local kindergartens and nursery schools.

The laughter and cheerful facial expressions that can be found in kindergartens after setting up the aquarium have created positive emotions among Aqua Art employees, contributing not only to communities, but also to the motivation each employee.

Since 2012, in cooperation with Fuyo Lease, donation targets have included maternal and child support facilities and work support facilities for people with disabilities in Tokyo and its neighboring prefectures. The number of donations totaled 9 at the end of March 2020.

We will continue to make efforts to help even a little to heal the hearts of everyone at facilities in the future.

Donated AQUA ART aquariums and children who participated in a visiting lecture



Fuyo Lease Sales

Outline of Fuyo Lease Sales

Profile

Fuyo Lease Sales handles administrative work for Fuyo Lease's lease expiration cases and sales of used property. It also purchases and sells property owned by customers.

Company profile

Established	April 1996
Capital	10 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Administrative work related to re-leasing contracts, administrative work related to the sale/disposal of lease-end properties, second-hand trade

[Fuyo Lease Sales website](#)

Saving resources and reducing waste through the 3Rs

Fuyo Lease Sales is responsible for processing Fuyo Lease's lease property, whose lease contract has expired, and implementing the 3Rs (reduce: reduce waste generation; reuse: reusing; recycle: recycling) under the Environmental Policy of Fuyo Lease Group.

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Managemnet >

Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease

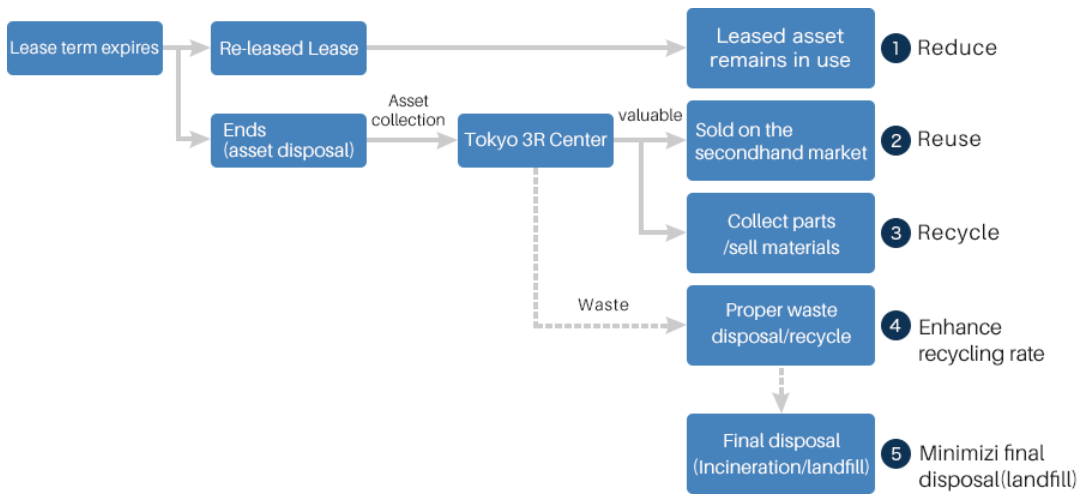
Sharp Finance

Accretive

INVOICE

NOC Outsourcing & Consulting

YAMATO LEASE



Fuyo Lease Sales Operations and Promoting the 3Rs

Tokyo 3R Center

At the Tokyo 3R Center, we reuse and recycle not only lease-expired property but also for used assets we buy from other companies.

In October 2017, we expanded the Tokyo 3R Center, and one of Fuyo Lease Group companies, Fuyo Network Service, relocated its technical center to the Tokyo 3R Center to strengthen the Group's reuse and recycle functions.

Since May 2019, we have been working on reducing waste by building a recycling system with the Seki Factory, Matsuda Sangyo Co., Ltd. for equipment that cannot be reused at the Tokyo 3R Center.



the Seki Factory, Matsuda Sangyo Co., Ltd.

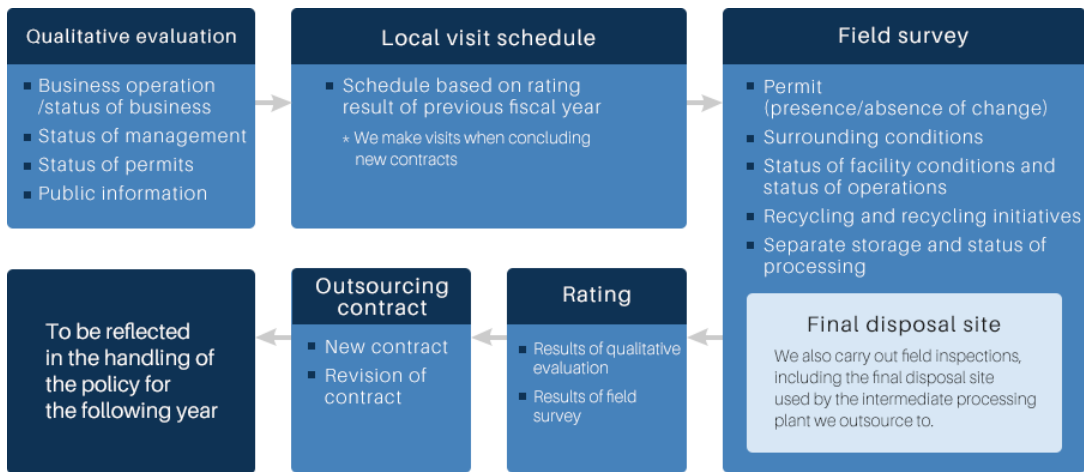
[Tokyo 3R Center website](#)

Appropriate disposal of waste

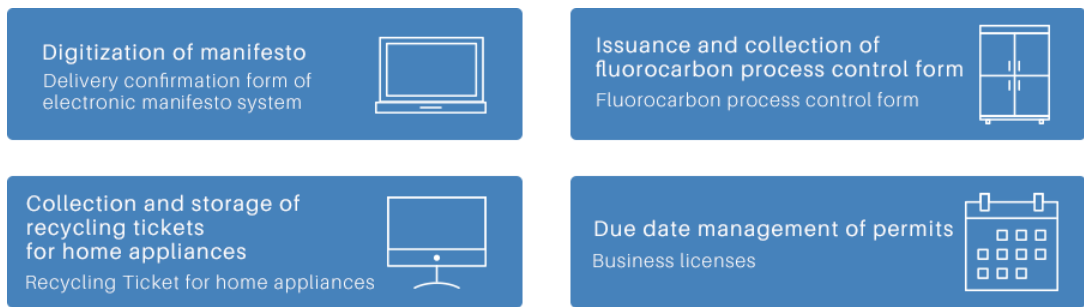
Property for which a lease has expired and cannot be reused are discarded. Going above and beyond simply complying with the Waste Disposal and Public Cleaning Law (Waste Management Act), as a waste generating business operator, we keep close track of every piece of waste we dispose of through an electronic manifest system. We conduct on-site inspections of waste disposal contractors according to an annual schedule.

- FUJITA
- Fuyo Network Service
- Aqua Art
- Fuyo Lease Sales
- External Evaluation >
- Editorial Policy >
- Independent assurance >

["Integrated Report" PDF download](#)



Management of outsourcers



Management of reports

Examples of intermediate processing plants

Waste is transported to an intermediate processing plant and is reduced in quantity and volume by processes such as crushing. As a result, a lot of waste is now being recycled at the intermediate processing plant.

■ KANAME KOGYO Co., Ltd.

Shikahama Recycling Center of KANAME KOGYO Co., Ltd. is an intermediate processing factory established in September 2000. It is responsible for crushing and recycling mixed waste generated in the Tokyo metropolitan area.

In 2002, it obtained ISO14001: 1996 certification, and in 2010 it acquired Industrial Waste Expert certification under Tokyo's excellent industrial waste processing company certification system. In 2011, it acquired certification as an Excellent Industrial Waste Processing Company.

In December 2017, it was listed on the Second Section of the Tokyo Stock Exchange.

The company publishes a waste information magazine called the KANAME Environmental News for waste-generating business operators and carries out activities such as free business consultations and workshops. The company is working to expand the appropriate disposal of waste.



Shikahama Recycling Center, KANAME KOGYO Co., Ltd.

■ Re-Tem Corporation

Tokyo Plant of Re-Tem Corporation, which was completed and started operations in 2005, is the newest plant, and is part of the Tokyo Super Eco Town being built in the Tokyo Bay area as part of Japan's

urban renewal project. It recycles 100% of various wastes, mainly metal waste, discharged in the Tokyo metropolitan area.



Tokyo Plant, Re-Tem Corporation

Example of final disposal site

The final disposal of waste is shifting to recycling processes due to the lack of final disposal sites for landfilling.

■ ECO KEIKAKU CO., LTD.

ECO KEIKAKU CO., LTD.'s Yorii Eco-Space and Arashiyama Eco-Space are the only private facilities certified by the Ministry of the Environment under the Act on Promotion of Development of Specified Facilities for the Disposal of Industrial Waste as comprehensive recycling facilities contributing to improved recycling rates.

Both facilities, which are capable of accepting waste items totaling over 20 different item types, are actively involved in developing new technologies such as material recycling, in order to meet various needs. The plants use mainly thermal recycling with a total processing capacity of 155.8 t a day.

Fuyo Lease periodically visits the company's disposal facility and disposal site to confirm the on-site conditions, to exchange information and to build relationships that can help both companies to improve environmental awareness.



Yorii Eco Space, ECO KEIKAKU CO., LTD.



External Evaluation

The Fuyo Lease Group is reinforcing its environmental, social, and governance (ESG) activities and pursuing CSV initiatives to solve social issues. Our ESG practices have been highly evaluated by the following organizations, which rate companies based mostly on their non-financial information.

Inclusion in Socially Responsible Investment (SRI) indexes

FTSE4Good Index Series

The FTSE4Good Index Series is a set of stock indexes operated by FTSE Russell of the London Stock Exchange Group to measure the performance of companies that demonstrate strong ESG practices.



FTSE4Good

FTSE Blossom Japan Index

The FTSE Blossom Japan Index is a set of stock indexes operated by FTSE Russell of the London Stock Exchange Group to measure the performance of Japanese companies that demonstrate strong ESG practices. The FTSE Blossom Japan Index is one of five ESG indexes selected by the Japanese Government Pension Investment Fund (GPIF) to be tracked in order to manage its ESG investment.



FTSE Blossom
Japan

MSCI Japan ESG Select Leaders Index

The MSCI Japan ESG Select Leaders Index is a stock index operated by MSCI Inc. to target Japanese companies in various industries that have high ESG performance. The GPIF also manages its ESG investment by tracking this index.

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation

Editorial Policy >

Independent assurance >

↓ "Integrated Report" PDF download

- * The inclusion of Fuyo General Lease in any MSCI Index, and the use of MSCI logos, trademarks, service marks or Index names herein, do not constitute a sponsorship, endorsement or promotion of Fuyo General Lease by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

S&P/JPX Carbon Efficient Index

Jointly developed by S&P Dow Jones Indices LLC. and Japan Exchange Group, Inc., the S&P/JPX Carbon Efficient Index is designed to adjust the constituent weightings based on the companies' performance in terms of carbon emissions per unit of revenue and environmental information disclosure level. The GPIF also manages its ESG investment by tracking this index.



SNAM Sustainability Index

The SNAM Sustainability Index is an index managed based on the results of corporate ESG surveys conducted jointly by SOMPO Risk Management Inc. and Integrex Inc. Companies whose total ESG scores exceed a specified level are included in the index. Fuyo Lease has been included in the index since 2012.



Evaluation of ESG Financial Initiatives

ESG Finance Awards Japan

In fiscal 2019, in the bond category of the ESG Finance Awards, in which the Ministry of the Environment recognizes financial institutions that are actively engaged in ESG finance and companies engaged in environmentally sustainable management, we received the Gold Prize (Minister's Prize, the Ministry of Environment) in recognition of our efforts in the Fuyo 100% Renewable Electricity Declaration Support Program.



Recognition as a good workplace

Platinum Kurumin

The "Kurumin" accreditation mark is issued to companies that have implemented the General Employers Action Plan under the Act on Advancement of Measures to Support Raising Next-Generation Children and whose initiatives have been recognized. In fiscal 2017, we received a special certification known as the Platinum Kurumin, which is awarded to Kurumin-certified companies that have demonstrated a higher level of commitment.



[Disclaimer](#) | [Disclosure Policy](#) | [Privacy policy](#)

Copyright(C) Fuyo General Lease Co., Ltd. All Rights Reserved

[BACK TO TOP](#) 

Editorial Policy

About this website

On this website, we report on Fuyo Lease Group's approach to CSR and on the main activities carried out by the Group in fiscal 2019 in as much detail as possible. Additionally, details on the activities carried out by group companies have been included, so please have a look at these.

➤ Each Group Company's Environmental and Social initiatives

Since fiscal 2018, we have also published an Integrated Report, which details how social and corporate value is created through our businesses from medium- to long-term perspectives. Please also take a look at this.

["Integrated Report" PDF download](#)  (5649KB)

The Group would like to receive opinions and impressions from a wide range of stakeholders which we would like to refer to in future CSR activities and activity reports. Please send us questions, comments, impressions, and other feedback you might have.

➤ For questions, comments, and other feedback, please click here.

Reporting organization

Fuyo General Lease Co., Ltd. and its 52 consolidated subsidiaries and 8 affiliated companies

Reporting period

Fiscal 2019 (April 1, 2019 to March 31, 2020)*

- * Some reports include reports from outside the reporting period.

Update time

September 2020 (previous information was updated in October 2019)*

- * The English version was updated in December 2020.

Reference guidelines

In preparing this report, we have referred to the Global Reporting Initiative (GRI), GRI Standards, Ministry of the Environment's Environmental Reporting Guidelines 2018, and Japan Standards Association's ISO26000: 2010 Social Responsibility Guidance.

CSR

[Fuyo Lease Group's CSR](#) >

[Solving Social Issues through Business](#) >

[Environmental Report](#) >

[Social Report](#) >

[Governance and Managemnet](#) >

[Each Group Company's Environmental and Social initiatives](#) >

[External Evaluation](#) >

[Editorial Policy](#)

[Independent assurance](#) >

[↓ "Integrated Report" PDF download](#)

■ For inquiries and comments regarding the CSR activities of Fuyo Lease Group, please contact:

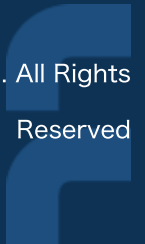
Fuyo General Lease Co., Ltd.

Creating Shared Value Promotion Office

TEL +81-3-5275-8809

We welcome any questions, comments, impressions, and other feedback you might have.

[Contact us here](#) 



Independent assurance



Independent Assurance Report

To the President and CEO of Fuyo General Lease Co., Ltd.

We were engaged by Fuyo General Lease Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with (the "Indicators") for the period from April 1, 2019 to March 31, 2020 included in its Fuyo Lease CSR Website 2020 Archive (the "Report").

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting Aqua Art Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 14, 2020

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance


↓ "Integrated Report" PDF download



"Integrated Report" PDF download


"Integrated Report 2020"




➤ "Integrated Report 2020"  (5649KB)

"Integrated Report 2019"





➤ "Integrated Report 2019"  (5378KB)

➤ CSR Website 2019 Archive  (11487KB)

"Integrated Report 2018"



➤ "Integrated Report 2018"  (6714KB)

➤ "Integrated Report 2018" full version  (7645KB)

CSR

Fuyo Lease Group's CSR >

Solving Social Issues through Business >

Environmental Report >

Social Report >

Governance and Management >

Each Group Company's Environmental and Social initiatives >

External Evaluation >

Editorial Policy >

Independent assurance >

 "Integrated Report" PDF download

