

FUYO LEASE

Fuyo Lease Sustainability Website

2022

Archive

Sustainability

FUYO LEASE GROUP



The Fuyo Lease Group supports the Sustainable Development Goals.



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FUYO LEASE GROUP
Fuyo Lease Group Integrated Report
2022

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— Top Message

In anticipation of what society will be in 10 years, we aim to achieve sustainable growth by simultaneously solving social issues and enhancing corporate value.



President & Chief Executive Officer Hiroaki Oda

Review of the Previous Medium-Term Management Plan

My name is Hiroaki Oda, and I'm honored to be appointed president & CEO of Fuyo General Lease Co., Ltd

The Fuyo Lease Group's five-year Medium-term Management Plan, Frontier Expansion 2021, marked its final year in fiscal 2021 (the fiscal year ended March 31, 2022). During this time, we achieved all of the plan's key management goals (ordinary profit, return on assets (ROA), and operating assets). Notably, ordinary profit showed a high average annual growth rate of over 10%. These results were made possible by achieving improved ROA while also accumulating operating assets. This achievement, in turn, reflected growth in businesses in New Domains such as non-asset businesses like business process outsourcing (BPO) and the Mobility Business, coupled with the expansion of businesses focused on Strategic Areas, which serve as our growth drivers. Moreover, I believe that the past five years marked a period in which our full-scale launch of inorganic strategies to maximize group synergies and CSV management to create shared value between society and companies enabled us to demonstrate, through our track record, that we could achieve sustainable growth even in the financial industry, which has traditionally been regarded as a stable, low growth sector.

Moving to a New Era by Aligning Directors' and Employees' Values, Judgment, and Actions in the Same Direction

The Fuyo Lease Group's corporate slogan is "Go Where No One Has Gone Before." The Group has consistently encouraged employees to embrace challenges under this slogan. This encouragement has grown into a powerful driving force, resulting in the Group's impressive results. We used the launch of our new medium-term management plan to chart a course to "Go Where No One Has Gone Before." In order to share with all executives and employees, and to provide a guide for moving forward, we have created our "Mission," "Vision," and "Values" as a new statement after reviewing our past actions and experiences.

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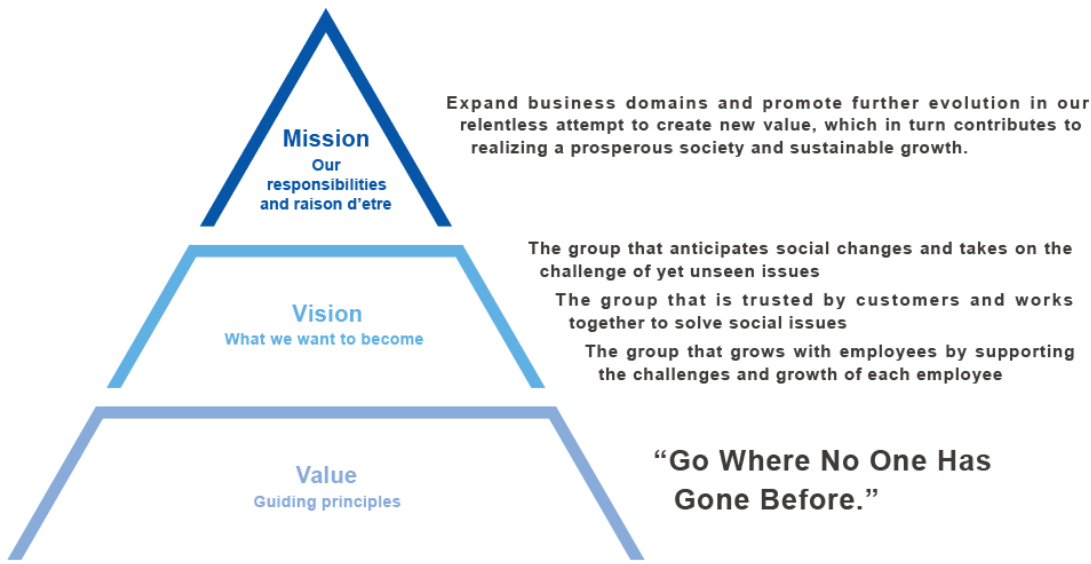
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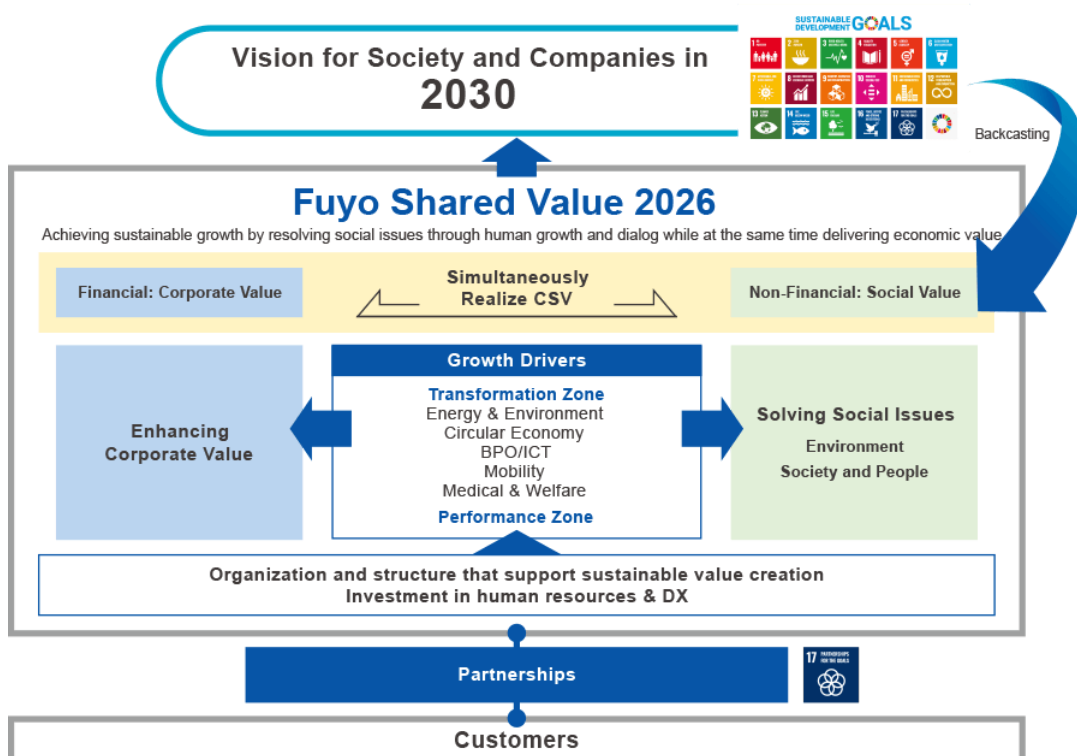
Our Vision, or in other words our description of "What we want to become," states that we will become a group that anticipates social changes and takes on the challenge of yet unseen issues; a group that is trusted by customers and works together to solve social issues; and a group that grows with employees by supporting the challenges and growth of each employee. While realizing this Vision will take time, I'm confident that if every employee combines their individual aspirations with the Vision, we will get closer to realizing it little by little.

The new Medium-Term Management Plan, which I will now describe, will signal the start of this Vision. Through this plan, we will make steady strides toward realizing "what we want to become."

Fuyo Shared Value 2026 - A Medium- to Long-Term Growth Strategy Based on CSV

Our new Medium-Term Management Plan, Fuyo Shared Value 2026, fully embraces the Creating Shared Value (CSV) approach, which aims to solve social issues through business while also enhancing corporate value. Fuyo Shared Value 2026 is Fuyo Lease Group's new growth strategy - one that aims to achieve sustainable profit growth through the balanced pursuit of financial goals (corporate value) and non-financial goals (social value).

In anticipation of what the world will be in 10 years, we constantly consider what we will need to accomplish as a company to solve social issues. We developed strategies for each business domain using a backcasting approach that focuses on what we will need to have accomplished five years from now, which is at the midway point of our 10-year time frame. We set up two fields that represent the social value that we should realize as we enhance our corporate value through our businesses. The two fields are "Environment" and "Society and People."



Environment

In the environment field, the most important issue is the realization of a decarbonized society, so massive investment, including the development of renewable energy, is expected. In the U.S., investments between several ¥10 trillion and ¥100 trillion are anticipated over the next 10 years, whereas in Europe investments to double the renewable energy ratio (on a power mix basis) from its current level to 65% will be needed in 2030. Even in Japan, the public and private sectors are expected to invest around ¥150 trillion yen over 10 years to achieve greenhouse gas emissions targets,^{*1} and it is uncommon for a single theme to drive the economy on such a vast scale. Furthermore, initiatives will be accelerated, such as those to store electricity in order to use renewable energy effectively and efficiently. The Group sees this external environment as a business opportunity and will invest more than ¥300.0 billion in the promotion of decarbonization over 5 years. We will advance the renewable energy power business worldwide, increasing our renewable energy power generation capacity by more than 3 times the current level to 1,000 MW. Moreover, in the field of energy management, we will work intensively on priorities such as promoting the widespread adoption of electric vehicles (EVs) by developing package solutions that encompass chargers and storage batteries. Naturally, we will also continue to advance the Group's carbon neutrality efforts (achieve carbon neutrality and RE100^{*2} in 2030).

Furthermore, we will increase our efforts to realize a circular society in order to build a sustainable world. The Group, as the owner of numerous lease assets, connects the forward logistics of economic supply responsible for the production and sale of products, and the reverse logistics of economic collection that recycle and reuse products after they have been used. In collaboration with partner companies, we will strive to realize a circular society by launching a circular economy platform that generates economic benefits by facilitating the circulation of resources.

*1 To achieve carbon neutrality by 2050, the Japanese government announced in April 2021 a target for a 46% reduction in greenhouse gas emissions by fiscal 2030 (compared to fiscal 2013).

*2 RE100 is an abbreviation comprised of the initial letters of "Renewable Energy 100%." It is an international corporate partnership whose members intend to procure all of the electricity they need for their business operations from renewable sources. The Company joined in 2018 and aims to achieve RE100 and become carbon neutral by 2030 for the Group.

Society and People

In the field of Society and People, addressing the shrinking labor force and improving productivity are important themes to society. We always hear about problems in this area when we speak with our customers. In fact, the COVID-19 pandemic has altered work styles and demand for business process outsourcing (BPO) has been increasing. Customers will need to address issues such as the so-called 2024 problem^{*3} in the logistics industry. Therefore, demand for solutions to improve business efficiency will only continue to increase. The Group will promote a total solution that it has named a business process service (BPS), which links BPO and information and communication technology (ICT). In addition to BPO, the Group will offer proposals for fundamentally improving business efficiency through the replacement of whole business systems. Moreover, the Group intends to provide Environmental BPS as a service. This service will use BPS to support companies' decarbonization initiatives and disclosure of related information.

In the Medical & Welfare field, one priority is that as society continues to age, it will be absolutely critical to maintain and improve the community healthcare system. The Group will provide Healthcare BPS, which will combine traditional healthcare and BPS, by offering BPO services for medical office work and by promoting improved efficiency using ICT. The Group will support the effective utilization of management resources by healthcare providers to contribute to the development of a dependable community healthcare system.

Additionally, the Group has supported the advancement of innovation by investing in more than 20 startups to date. In the future, the Group will continue to collaborate with startups that will play a key role in solving edgy social issues.

The Group will continuously meet the expectations of society, customers, and business partners by providing solutions to the important social issues described above. Concurrently, these efforts will also present the Group with major earnings opportunities, so we have positioned these business domains as growth drivers and will intensively allocate management resources to each of these growth drivers.

Throughout the process of formulating the Medium-Term Management Plan, we held many discussions with outside directors and we gained insights from their many and varied opinions and viewpoints. In addition, the entire Board of Directors agreed on a shared medium- to long-term strategy based on CSV, and non-financial indicators were developed and adopted as evaluation criteria for directors' performance-linked remuneration from the current fiscal year. The Group's directors and employees will work as one to meet both financial and non-financial targets.

*3 The 2024 problem refers to a wide range of issues that are expected to arise in the logistics industry when work style reform laws, such as regulations limiting overtime work, go into effect. Transportation companies will need to limit truck drivers' extended overtime hours and implement measures to improve productivity by improving business processes even more than before.

Nurture People Who Create Sustainable Value and Foster Relationships with Customers

People are crucial to creating sustainable value. The Fuyo Lease Group is a non-manufacturing business, so it doesn't necessarily possess cutting-edge technologies or game-changing products. The main thrust of its value creation process is for employees to listen carefully to customers and obtain hints from such dialog, identify customers' true needs, and then create and provide solutions. It is crucial that employees ensure that the first instance of value creation builds the relationship with the customer and earns their trust, and thus leads to the next instance of value creation, thereby generating a positive cycle. By repeating this process, the customer relationship will evolve into an even stronger partnership.

To make this happen, we will focus on investment in human resources and work in earnest to support the growth of employees. We will provide as many opportunities as possible for training so that employees can identify and solve the issues they need to overcome to attain personal growth. To do so, the Company will prepare the necessary training program and create a framework that facilitates participation in the training. The sub-heading of our Medium-Term Management Plan contains the phrase "through human growth and dialog." In keeping with this phrase, we will support human growth, while further deepening our customer relationships through dialog with customers. Through these efforts, we will strive to create sustainable value.

Another key is digital transformation (DX). DX is most effective when it visualizes issues and harnesses data. We will strive to raise the sophistication of business processes using digital technologies to rapidly propose solutions that better fit customer needs. We will supply valuable solutions that combine the capabilities of people and DX, with a view to fostering strong relationships with customers.

Towards Achieving Sustainable Corporate Growth

In these times of major upheaval, we have not only seen the emergence of the COVID-19 pandemic and geopolitical risks, but we could also experience events that are even more unexpected in the near future. The path to realizing our vision for "what we want to become" is by no means smooth and straight. It is essential that we constantly overcome new problems that will arise along the way by constantly formulating hypotheses, taking action and verifying those actions, as we continually anticipate social changes and refine our problem-solving skills. The Fuyo Lease Group is determined to ceaselessly come up with ways to deliver value, with a view to creating an even better society. Through these efforts, we aim to achieve sustainable growth as an enterprise, and we will constantly enhance our capabilities so that we can serve society as a reliable and trusted partner.

Looking ahead, we will continue to ambitiously expand new business domains and create value as we endeavor to realize a prosperous society and sustainable growth.

Basic Policy on Systems to Support Sustainable Value Creation

Basic Policy on Systems to Support Sustainable Value Creation

In addition to meeting the expectations of society and our stakeholders, the Fuyo Lease Group is committed to building a sustainable society and achieving sustainable growth as a company through our business operations, and to addressing social issues such as the SDGs. To this end, we will position the concept of CSV as the foundation of our management and strengthen it as a long-term strategy.

1. Responding to climate change

In response to climate change issues, the Fuyo Lease Group is working to reduce greenhouse gas emissions from its own operations. At the same time, we recognize the growing demand for renewable energy and environmentally friendly products and services as a business opportunity and are working to help our customers decarbonize.

In addition, as a measure to adapt to climate change, we are working to strengthen our resilience in the event of an emergency by promoting BCP measures that assume risks such as restrictions on corporate activities due to an increase in natural disasters. We will work proactively to mitigate and adapt to climate change and achieve sustainable growth.

2. Respect for Human Rights

The Fuyo Lease Group will act in a manner that respects the dignity and basic human rights of all people, including business partners, officers and employees, and will build a corporate culture filled with a spirit of respect for human rights.

3. Human Resource Strategy to Enhance Value

The Fuyo Lease Group believes that "Human Capital" are its greatest asset. We respect each employee and his or her individuality, and we believe it is important for employees to "job satisfaction" and "motivated to work", to grow through their work, and to lead fulfilling lives both physically and mentally.

We also believe that the sustainable growth of the Group will be achieved by encouraging the growth of every employee and maximizing the use of their talents and abilities, thereby simultaneously enhancing corporate value and creating social value.

4. Contributing to the Community

The Fuyo Lease Group recognizes its deep relationship with local communities, and we want to continue to grow together while fulfilling our role as a good corporate citizen that contributes to the development of local communities. The Group has established a social contribution policy and is engaged in social contribution activities mainly in the areas of "environment," "local communities," "academia and research," and "support for disaster-stricken areas," while making use of the Group's know-how, products and services.

5. Approach to Risk

The Fuyo Lease Group anticipates a variety of risks that could arise in the course of business development and is taking steps to address them. Details of the Group's business and other risks are disclosed in our Annual Securities Report, and the status of our response to these risks is regularly reported to the Board of Directors.

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6. Ensuring compliance

The Fuyo Lease Group has positioned thorough compliance as a fundamental management principle, and we are working to strengthen and enhance the compliance system to ensure strict adherence to all laws, regulations and rules, as well as to carry out honest and fair corporate activities that do not violate social norms.

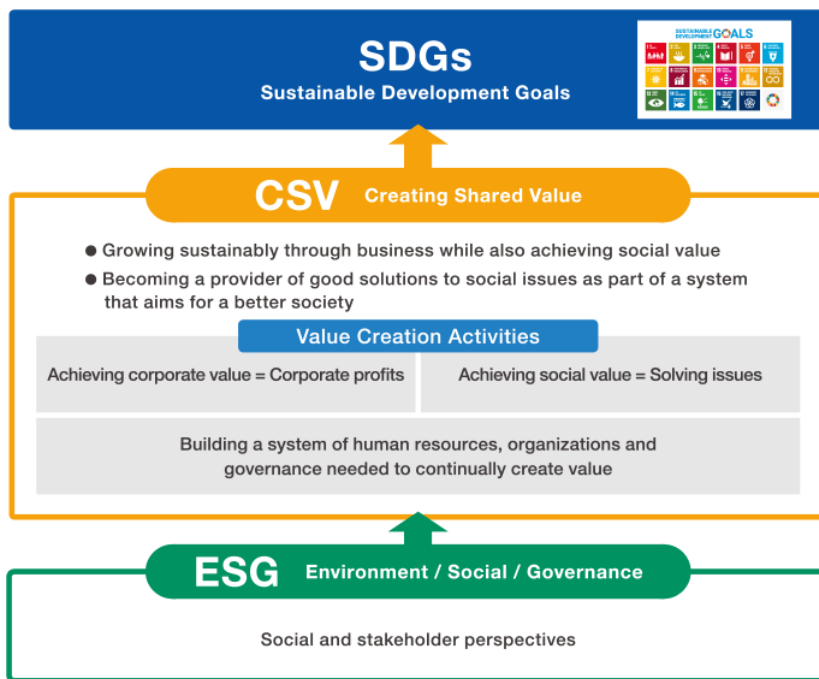
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Our Thoughts on CSV

Practicing management based on CSV

The Fuyo Lease Group focuses on the concept of Creating Shared Value (CSV): achieving the sustainable growth of the Company by solving social issues. In practicing CSV, we believe it is important to deliver both corporate value (corporate profits) and social value (solving issues), and to build structures (for human resources, organization, and governance) that will support the sustainable generation of both values. We are engaged in a range of initiatives aligned with these priorities.



We used the launch of our new Medium-Term Management Plan Fuyo Shared Value 2026 as an opportunity to redefine our material issues (important issues to be addressed). We considered potential issues by backcasting from our vision of 10 years into the future, in 2030, to identify the greatest social value creation needs and then determining whether there were any areas in which the Group can create business opportunities by responding to these needs. We will strive to achieve the KPIs we have set for each issue while actively disclosing information to encourage our stakeholders' understanding and cooperation as we accelerate our activities.

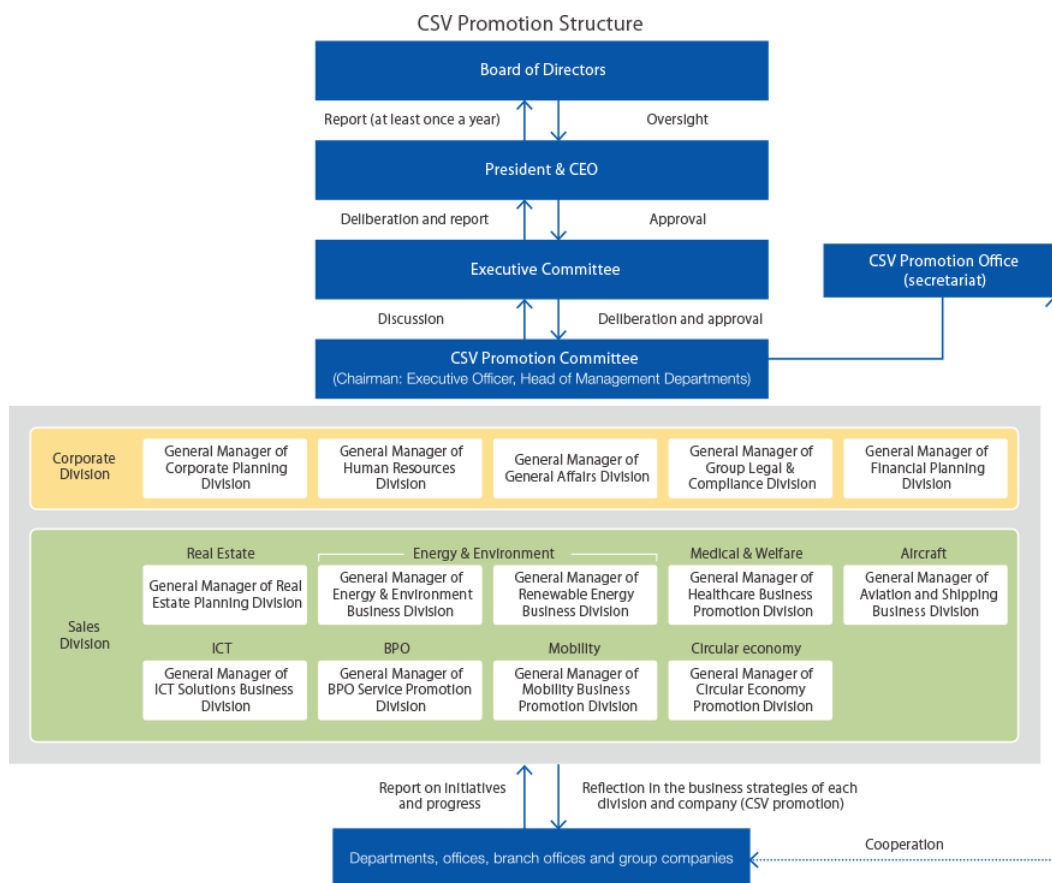
In addition to our expertise in finance cultivated in the lease business, we will also utilize our strengths in a wide range of fields, including Energy & Environment, Circular Economy, BPO/ICT, Mobility, and Medical & Welfare. By combining these strengths, the Group will work as one, aiming to solve social issues through its businesses.

CSV Promotion System

In October 2020, we established the CSV Promotion Committee to promote CSV and sustainability efforts in a cross-sectoral Group-wide manner. It comprises the main general managers from the Corporate Division, as well as general managers from the Sales Division with authority over each business domain. Matters discussed by and reported to the Committee are submitted to the Executive Committee, and then reflected in the Group's strategy upon approval. The Group's overall policy involving CSV and promotion status, will be reported to the Board of Directors at least once a year in an effort to enhance their effectiveness.

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Major Matters Discussed in the CSV Promotion Committee

In addition to discussing and receiving reports on matters important for the promotion of CSV, the CSV Promotion Committee produces non-financial targets and plans and monitors progress against those targets and plans. In fiscal 2021, the committee held three meetings during which it discussed and received reports on the development of a basic policy for systems that support sustainable value creation, progress against non-financial and environmental targets, and the setting of non-financial targets in the new medium-term management plan, among other items.

Major discussions and reports in fiscal 2021

2nd	<ul style="list-style-type: none"> ■ Development of the value creation story ■ Organization of a set of material issues ■ Reports on progress against non-financial targets and environmental targets
3rd	<ul style="list-style-type: none"> ■ Development of a basic policy on systems that support sustainable value creation
4th	<ul style="list-style-type: none"> ■ Setting of non-financial targets in the new Medium-Term Management Plan (Fuyo Shared Value 2026) ■ Review of progress against non-financial targets and environmental targets

Understanding of CSV in the Group

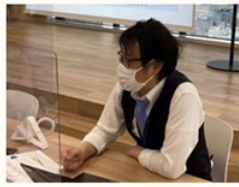
To create shared value, all employees of the Group need to understand the concept of CSV, support the concept, and put it into practice. In fiscal 2020, Fuyo General Lease held a series of CSV training programs (“Let’s CSV!”) for all employees. In fiscal 2021, the Group held the series for all employees of the Group. In the series, all employees of the Group took an e-learning course and then participating in a “workshop to think about connections between your work and CSV.” In the workshop, heads of departments, offices and branch offices acted as instructors. In the CSV training, employees became aware of what kinds of value they can provide to customers and communities through their work. Certain Group companies posted images of internal workshops on the intranet. Interest in CSV has increased in Group companies.

全社での実施に先駆け、7/13(火)に「マネジメント向けCSVワークショップ（副部長以上対象）」を趣町本社にて実施しました。

FGJ/辻田社長による「CSV経営について」のお話からスタートし、グループディスカッション、全体発表、質疑応答を経て、「BPOドメインにおけるCSV」についての理解を深め合い、最後は澤倉社長による総括で締め括りました。

- ・FGJグループが取り組むCSVについて (FGJ/辻田社長)
- ・グループディスカッション
「ステークホルダーの10年後の想定課題」
「各部門のCSVの可能性」
- ・全体発表、質疑応答
- ・全体総括 (澤倉社長)

【グループディスカッション】



Images of a workshop at NOC that were posted on the company intranet

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 each issue's impacts on society and stakeholders with reference to the SDGs proposed by the United Nations. We have since used the launch of our new Medium-Term Management Plan Fuyo Shared Value 2026 as an opportunity to redefine these material issues, which are important issues to be addressed to create social value through our business, and set new KPIs and targets to be achieved by fiscal 2026. We will advance initiatives to address the material issues as part of efforts to realize a sustainable society and the sustainable growth of the Group by resolving social issues while at the same time delivering economic value.

Identifying Materiality

STEP 1 Determining a vision for 2030

Based on our CSV approach, we discussed and determined a vision of how we want each business area in each domain to be in 2030, taking into account what the world will be like in 10 years' time.

STEP 2 Considering important issues

We then backcasted from our vision of 2030 to identify the greatest social value creation needs and determine whether there were any areas in which the Group can create business opportunities by responding to these needs.

This enabled us to define the important issues (material issues) to be addressed through Fuyo Shared Value 2026.

STEP 3 Deciding on non-financial KPI

After determining specific material issues, workplaces and members of upper management discussed which non-financial KPI are the most appropriate for monitoring progress on addressing them. The Board of Directors then decided which of KPI will be used.

Materiality for Fuyo Lease Group

The Materiality identification process shown above identified eight material issues to be addressed through our new Medium-Term Management Plan Fuyo Shared Value 2026.

1. Contribution to the realization of a decarbonized society
2. Contribution to the realization of a circular society

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3. Delivery of reinsurance by ensuring health and welfare
4. Creation of new value creation time
5. Value creation through partnerships
6. Strategic human resources development
7. Diversity and inclusion
8. Health and productivity management, work-life balance




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

Environment

1. Contribution to the realization of a decarbonized society




[CSV1:Energy & Environment >](#)

[CSV4:Mobility >](#)

Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Contribution to CO ₂ emissions reduction	500,000 t-CO ₂	The estimated reduction in CO ₂ emissions achieved through the provision of facilities and services that contribute to decarbonization.	
Amount invested in promoting decarbonization	Total of ¥300.0 billion over five years	The total of capital expenditure related to the provision of facilities and services that contribute to decarbonization as well as investment in and loans to businesses that contribute to decarbonization, etc.	 
Renewable energy generation capacity ¹	1,000MW	FY2021 result was 318 MW.	
Percentage of Group vehicles that are EVs or FCVs	30%	Percentage owned by Fuyo Auto Lease	
Amount of financing handled for the promotion of decarbonization ²	Total of ¥10.0 billion over five years	The cumulative result for FY2019-2021 was ¥6,460 million. ¥10.0 billion is a cumulative target for the five-year period from FY2022-2026	

2. Contributing to the realization of a circular society




[CSV2:Circular Economy >](#)

Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Percentage of returned items that are reused or recycled	100%	FY2021 results were 100% for PCs and 95% for other items. Under the new medium-term management plan, the target covers all returned items.	
Percentage of materials/chemicals contained in waste plastics (from returned items) that are recycled ³	100%	Excludes thermal recovery ⁴ . The percentage of Material and chemical recycling ³ that will contribute to a reduction in CO ₂ emissions or resource recycling.	 

Society and people




3. Delivery of reinsurance by ensuring health and welfare

CSV5: Medical & Welfare >

Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Number of new rooms provided at elderly care homes	Total of 1,000 rooms over five years	The number of rooms created through building leases for elderly care homes	
Management support-related financing in medical and welfare markets	¥56.0 billion	The balance of operating assets for financing related to FPS Medical (factoring for medical and nursing care receivables by Accretive) and business succession. The FY2021 balance related to FPS Medical was ¥23.3 billion.	 

4. Creation of new value creation time

CSV3: BPO/ICT >



Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Work hours saved by our customers	+1 million hours compared to FY2021	In FY2021, we provided BPO services to 20,134 companies. Under the new medium-term management plan, hours saved at customer companies through the provision of services will count toward the target.	  

5. Value creation through partnerships



Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Investment in venture companies that have technologies and services that will create new social value	No quantitative target	Investment in start-up companies that are working to solve social issues, primarily in business areas positioned as growth drivers.	

Organizational and structural support for sustainable value creation



6.Strategic human resources development

Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Human resource development-related expenses (non-consolidated)	300% compared to FY2021	FY2021 result was ¥74.0 million	 

7.Diversity and inclusion

Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Percentage of female employees in management positions (non-consolidated)	35%	FY2021 result was 29.5%.	
Percentage of eligible male employees who have taken childcare leave (non-consolidated)	100%	FY2021 result was 110%.	

8.Health and productivity management, work-life balance

Non-Financial KPI	FY2026 Targets	Supplemental	Relevant SDGs
Percentage of employees aged 35 or over who have had a health examination (non-consolidated)	100%	FY2021 result was 86%	
Rate of taking annual paid leave (non-consolidated)	90%	FY2021 result was 82.3%.	
Rate of taking the +Friday system (non-consolidated)	No quantitative target	A system enabling employees to select one Friday of each month to work only a half day	
Percentage of improvement in engagement indicators (consolidated)*5	No quantitative target	In FY2021, the percentage of employee satisfaction toward work*5 was 85.9%	

*1 Covers investments made in the Renewable Energy Generation Business, project financing, etc. (power generation capacity is calculated based on ownership ratio or share)

- *2 Covers the Fuyo Zero Carbon City Support Program and the Fuyo 100% Renewable Electricity Declaration Support Program
- *3 Material recycling: Waste that is reused as a raw material. Chemical recycling: Used resources that have their compositions altered through chemical reactions and are then recycled.
- *4 The recovery and reuse of thermal energy generated by burning waste.
- *5 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 Satisfaction Survey

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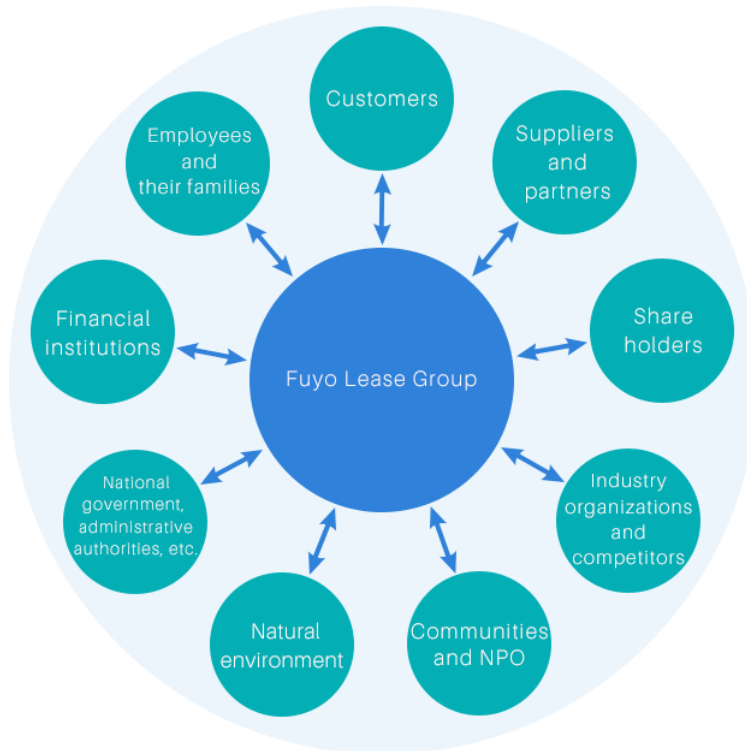
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Fuyo Lease Group and Its Stakeholders

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.



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Customers	Our management philosophy is “we maintain customers first philosophy, providing the best services.” 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 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 comfortable and secure workplace environments for all employees and support the realization of self-sustaining work-life balances to enhance the quality of both life and work.

Participation in the United Nations Global Compact (UNGC)

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. Fuyo Lease signed the UNGC in January 2018. We agree to and continue to work toward the achievement of the UNGC's 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.

* The Ten Principles of the UNGC

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; and
	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.



Solving Social Issues through Business



Helping to Achieve a Decarbonized Society by Resolving Social Issues through the Energy & Environment Business

[CSV1:Energy and Environment >](#)



Contributing to Society as a Whole by Becoming a Circular Economy Platformer

[CSV2:Circular Economy >](#)



Promotion of Business Process Services (BPS) through Operational Outsourcing Combined with Digital Transformation (DX)

[CSV3 : BPO/ICT >](#)



Contributing to Solving Social Issues and Creating Social Value Through the Mobility Business

[CSV4:Mobility Business >](#)



Contributing to Solving the Issues of Both Businesses and Society Through Support for Medical and Nursing Care Providers and Dispensing Pharmacies

[CSV5:Medical & Welfare >](#)

Products and services that contribute to the achievement of a decarbonized society



We are actively promoting energy conservation, renewable energy, and the creation of new energy for the future through leasing and financing. We are helping customers to decarbonize by developing a wide range of businesses that promote energy conservation and renewable energy.

Green Electricity Supply Services (PPA: Power Purchase Agreement)

This service supplies CO₂ free, green electricity by installing solar power generation systems and operating and managing them over a contracted period.

[Click here for details >](#)

Energy-saving equipment and subsidy-based leases

We offer energy-saving measures using leases.

[Click here for details >](#)

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– 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 RE100 and the "100% Renewable Energy Declaration RE Action".

[Click here for details >](#)

– Fuyo Zero-Carbon City Support Program

This is a finance program that supports the installation of renewable energy and energy-saving facilities in areas promoted as "Zero-Carbon Cities" by the Ministry of the Environment.

[Click here for details >](#)

– Financing for renewable energy companies

We provide various financing services in the renewable energy field.

[Click here for details >](#)

– Renewable energy generation business

The Group is involved in operation of solar power plants, and participates in renewable energy projects in Japan and overseas.

[Click here for details >](#)

– One-stop EV services

This is a service for companies that have decided to introduce EV, providing not only EV, but also solutions to various related issues such as establishing recharging infrastructure and energy management, in a one-stop package.

[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 >](#)

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



We are contributing to the creation of a closed-loop society by providing economic advantages to our customers through various services, such as reusing or recycling items whose leases have expired and purchasing used assets owned by customers, as well as by promoting the 3Rs (Reduce, Reuse, and Recycle).

– PC Lifecycle Management (PC-LCM) Service

We conduct comprehensive services related to general PC operations.

[Click here for details >](#)

– 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 >](#)

Products and services that create new value creation time for customers



The need to address intensifying labor shortages and implement work-style reforms has made raising productivity into an important management issue. Accordingly, we are helping customers transform their operations in terms of both their operations and systems by providing total solutions that enlist operational outsourcing and DX.

– BPO Services

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

[Click here for details >](#)

– PC Lifecycle Management (PC-LCM) Service

We conduct comprehensive services related to general PC operations.

[Click here for details >](#)

Products and services that contribute to solutions to social issues in the mobility field



We are contributing to solutions to social issues in the mobility field, such as industry-specific challenges and climate change, through services related to logistics mobility, such as logistics, vehicles, and warehouses.

– One-stop EV services

This is a service for companies that have decided to introduce EV, providing not only EV, but also solutions to various related issues such as establishing recharging infrastructure and energy management, in a one-stop package.

[Click here for details >](#)

– 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 solutions for challenges in the Medical & Welfare fields



We are building a one-stop service system that provides a wide range of solutions for businesses in medical and welfare markets, including medical and nursing care providers and dispensing pharmacies, which are facing various issues such as reduced income from medical practices, labor shortages, and a lack of successors, against the background of the declining birthrate, aging population, and the concept of the Regional Medical Care Vision.

– 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](#) [↗](#)

– Fuyo Mediwell Support (dedicated media for medical and nursing care providers)

An informational website that provides support for solving the management issues of clinics (medical and dental) and nursing care providers.

[Click here for details](#) [↗](#)

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

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— CSV1:Energy & Environment



* Affiliations and titles are as of August 2022

Growth Strategies

2030 Goals

- Serve as a global company that helps give rise to a decarbonized society by engaging in energy-related business domestically and overseas
- Serve as a frontrunner that contributes to resolving environmental issues in breaking ground in the new Energy & Environment business domain

Fuyo Shared Value 2026

We seek to help resolve social issues and contribute to decarbonization with respect to society overall and our customers by actively promoting energy conservation, renewable energy, and newly created forms of energy going forward.

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Fuyo Shared Value 2026 Strategies for Achieving Our Goals

1. ¥300.0 billion investment in promoting decarbonization
We aim to invest a cumulative total of ¥300.0 billion over the five years of the medium-term management plan in the Energy & Environment domain in helping to achieve a decarbonized society particularly with respect to renewable energy and energy conservation.
2. Expansion of renewable energy supply
We will strive to expand the supply of renewable energy available to society by promoting renewable energy development and renewable energy generation business on a global scale through coordination with strategic partners both in Japan and overseas. In so doing, we aim to contribute to climate change initiatives targeting 1,000 MW of renewable energy power generation capacity.

3. Challenges in new domains

We will take on challenges enlisting our new business model geared to seeking expansion and creation amid structural transformation in the energy industry. This will involve initiatives that include developing the storage battery business and participating in the supply-demand adjustment market.

TOPICS

Left to right

Yasushi Sekihara, General Manager of Renewable Energy Business

Division

Hideki Oka, General Manager of Energy & Environment Business

Division

* Affiliations and titles are as of August 2022



1. Participating in Offshore Wind Power Generation Project Overseas

At the end of May 2022, the Company became involved in an offshore wind power generation project in the United Kingdom for the first time through investment in the “Equitix MA 21 LP” investment fund targeting offshore wind farm projects in the United Kingdom.

Our participation in the UK offshore wind power generation business through investment in the fund enables us to gain expertise in terms of the latest industry trends and the offshore wind power generation business in the United Kingdom. This in turn makes it possible for us to help bring about development of the energy industry, which is likely to encounter major changes going forward, and contribute to achieving a decarbonized society.



2. Participating in Large Power Grid Storage Battery Project Overseas

The Company has taken part in a project involving large storage batteries for an approximately 100 MW power grid in the United Kingdom, led by Nippon Koei Energy Europe B.V., a wholly owned subsidiary of Japan’s largest general construction consultancy Nippon Koei Co., Ltd.

The project will contribute to power grid stabilization by providing the power grid operator with power grid stabilization services using storage batteries in connecting to the power transmission and distribution network operated by National Grid, a major power transmission company in the United Kingdom.

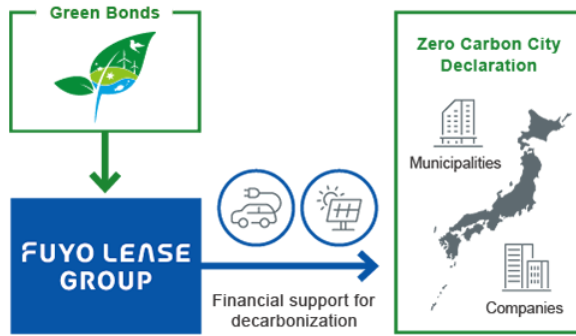
In addition to investing in the project, the Company will engage in financing as a senior lender, which will involve arranging project finance using the operating revenue generated by the large power grid storage battery project as the source of repayment. This constitutes the first time the Company has ever taken part in a large storage battery project. In Japan as well, we will engage in initiatives looking toward the successively expanding supply-demand adjustment market as we continue to extend our business domain in conjunction with our alliance partners, drawing on knowledge we gain through our participation in the project under the leadership of Nippon Koei, which has an extensive track record.

3. Facilitating Decarbonization of Companies and Other Organizations in the Zero Carbon City

In 2020, we launched the “Fuyo Zero Carbon City Support Program” to facilitate decarbonization efforts of municipalities that serve as zero-carbon cities in having declared their intent to achieve “net zero CO2 emissions by 2050.” Thus far, our zero carbon city support program has been used by customers representing more than 250 organizations located in 31

prefectures and other municipalities throughout Japan.

We have been making use of green bonds and other sources of funds raised by the Company to provide financial support to customers who are introducing properties that contribute to renewable energy and energy conservation. Moreover, we have been taking a multifaceted approach to addressing climate change also by contributing the equivalent of 0.2% the value of contracts jointly with our customers to public interest incorporated foundations, NPOs, and other such entities.



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— CSV2: Circular Economy



* Affiliations and titles are as of August 2022

Growth Strategies

2030 Goals

- Serve as a Circular Economy infrastructure companies that transcends the leasing business
- Contribute to achievement of Japan as a recycling-oriented nation through our Circular Economy business

Fuyo Shared Value 2026

We believe that “the leasing business connects the forward logistics and reverse logistics value chains of resources and is a core domain for the realization of the circular economy.” Given that the notion of achieving a circular economy approach hinges on building various networks, we create opportunities for customers to readily take part in resource recycling through our leasing network. We seek to engage in Creating Shared Value (CSV) business practices by creating new value through a circular economy approach.

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Fuyo Shared Value 2026 Strategies for Achieving Our Goals

1. 100% reuse and recycling of lease assets upon its return
We aim to achieve 100% reuse and recycling of lease assets returned to the Company's business locations in order to promote resource recycling initiatives through our leasing business. With the aim of achieving advanced resource recycling, we also engage in efforts that involve maintaining various forms of infrastructure related to reuse and recycling and developing channels for resource recovery.
2. 100% recycling of waste plastics
Waste plastics constitute one form of waste that adversely affects society given the substantial emissions volume attributable to such waste and difficulty in recycling it. Thermal recovery (conversion to fuel) serves as the primary method of recycling such waste in Japan, but the method poses cause for concern given that it is not regarded as means of recycling under global standards because it yields CO2 emissions during the combustion phase. To achieve a 100% recycling rate of waste plastic from returned properties through

"material recycling" and "chemical recycling, we repeatedly perform proof-of-concept testing on a daily basis.

TOPICS

Left to right

Yasushi Mizuta, Executive Officer and General Manager of Circular Economy Promotion Division

Yumiko Yoshihara, President & Chief Executive Officer, FGL LeaseUp Business Service Co., Ltd.

Takashi Nakamura, President & Chief Executive Officer, FGL Circular Network Co., Ltd.



* Affiliations and titles are as of August 2022

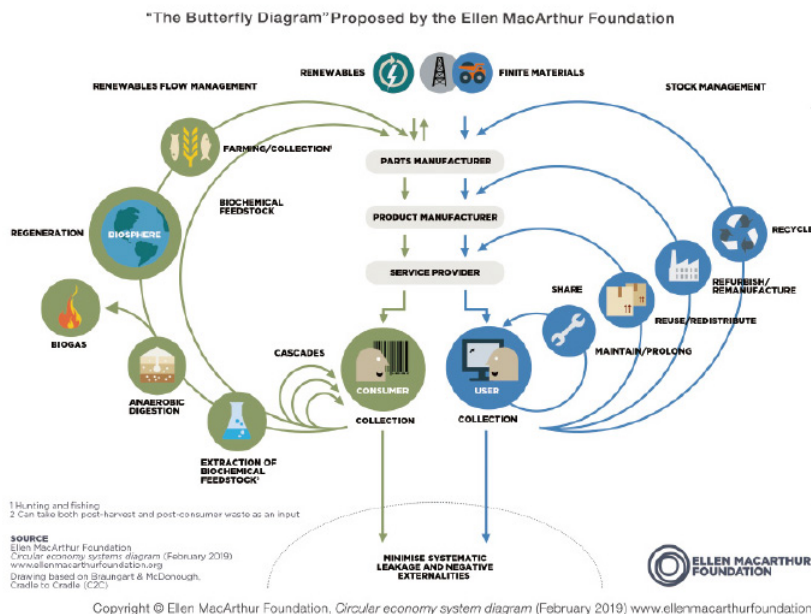
1. Launch of New Organization to Help Achieve a Circular Economy Approach

A circular economy is an economic system whereby the generation of waste is minimized by preserving and maintaining the value of products and resources for as long as possible. We are accordingly building a new business model geared to enabling a circular economy approach through our leasing business, serving as a leasing company that handles various types of tangible property.

In April 2022, the Fuyo Lease Group substantially restructured the organization with the aim of further accelerating its Circular Economy initiatives. This involved launches of the Circular Economy Promotion Division to take on the planning function of the head office, FGL LeaseUp Business Service Co., Ltd. for the purpose of promoting advancement of lease expiration affairs and resource recovery, and FGL Circular Network Co., Ltd. as a functional subsidiary responsible for our Circular Economy operations.

The Fuyo Lease Group will work in conjunction with the three units in carrying out our Circular Economy business and creating new value.

Circular Economy Butterfly Diagram



2. Providing Services That Enable Customers to Participate in the Circular Economy through Leasing

The notion of the circular economy is often discussed from a corporate social responsibility perspective and is still not often talked about in terms of serving as a business. Commercialization hinges on creating mechanisms for promoting resource circulation and simultaneously producing economic benefits. Fuyo Lease Group seeks to achieve extended product life and better resource recycling, which are cornerstones of its Circular Economy business. This will involve prompting more widespread availability of mechanisms for leases with return conditions (return conditions that take

effect upon lease expiration). Specifically, we are developing and expanding our range of lease products (lifecycle management services) encompassing services under contract involving lifecycle management (LCM) of repair, reuse, and recycling.

Although it tends to be difficult for a company to engage in the circular economy on its own, our customers are able to take part in product lifecycle management aligned with Circular Economy aims by using such lease products. We will encourage our customers to use such services given that they are highly beneficial to society.

First, we have launched our PC Lifecycle Management (PC-LCM) Service equipped with such features with respect to personal computer operations. Going forward, we will consider the option of more widely providing the service with respect to applications that include forklifts and medical equipment. We are enlisting the cooperation of our customers in making steady progress with respect to developing infrastructure and building networks for achieving a circular economy approach.

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CSV3:BPO/ICT



Growth Strategies

2030 Goals

- Become a leading company in Business Process Service (BPS)
- Serve as the most trusted company for customers struggling to address the serious shortage of IT professionals

Fuyo Shared Value 2026

Corporate management is being called on to increase operational productivity by overhauling non-core operations and undertaking DX of tasks against a backdrop of companies enterprises encountering the need to address intensifying labor shortages and implement work-style reforms. Fuyo Lease Group accordingly helps customers transform their operations in terms of both their operations and systems by providing total solutions in the form of BPS that enlist operational outsourcing and DX.

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Fuyo Shared Value 2026 Strategies for Achieving Our Goals

1. Making Time for Customers to Create New Value
By providing business process outsourcing (BPO) services and facilitating DX, we aim to achieve a reduction in customer workloads in terms of work hours by a cumulative total of one million hours in the final fiscal year of the medium-term management plan relative to actual work hours in FY 2021. We will help our customers make time for creating new value, thereby helping them increase productivity while also contributing to corporate work-style reforms and greater job satisfaction among all employees.
2. Providing BPS linking BPO and ICT
We provide total solutions with respect to BPS ranging from upstream to downstream by combining products with operational outsourcing and consulting related to DX. By expanding the BPO service menu and providing services tailored to the corporate scale of the client, we will realize benefits such as increased operational efficiency and focus on core businesses.
3. Digital Transformation of customers supported by Fuyo Lease Group Companies with Strengths in DX
Having become a subsidiary of Fuyo Lease Group in October 2021, WorkVision serves as a DXaccredited

enterprise that proposes solutions to customers tailored to their needs involving use of packaged cloud products, based on its in-house experience developing DX initiatives. It accordingly resolves management challenges encountered by customers, including the shortage of IT professionals and transformation of their business models.



* DX Certification logo: WorkVision obtained Digital Transformation Certification in December 2021.

TOPICS

Left to right

Yuji Kawasaki, General Manager of BPO Service Promotion

Division

Kiyoshi Nii, General Manager of ICT Solution Business Division

* Affiliations and titles are as of August 2022



1. Providing Business Process Service (BPS)

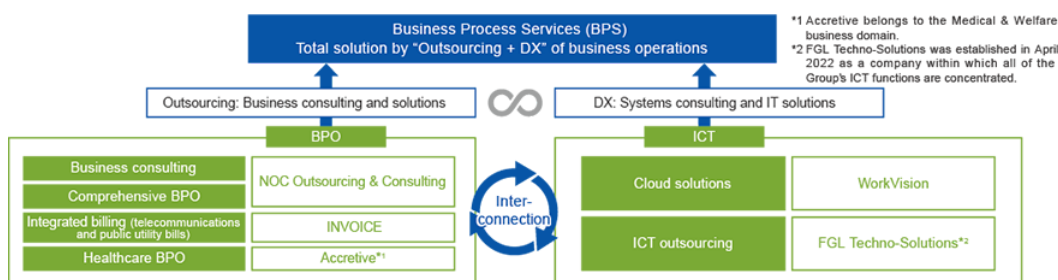
Total solutions through “Outsourcing + DX” of business operations DX

Outsourcing (Business Consulting and Solutions)

Our BPO services that make up our BPS encompass a wide range of services that meet diverse needs of general affairs, accounting, personnel, and information system departments. Meanwhile, we have been building a framework that enables us to provide such services working in partnership with INVOICE, NOC, and other Group companies. Our total solutions based on consulting provide a means of addressing the labor shortage and contending with work-style reforms.

DX (Systems Consulting and IT Solutions)

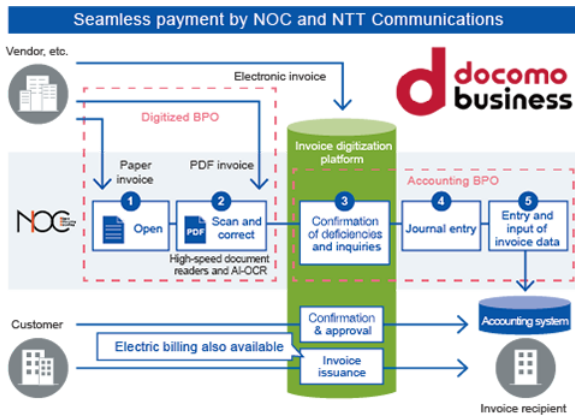
We have assembled a menu of options for taking an information and communications technology (ICT) perspective in addressing management challenges such as the shortage of corporate IT professionals. Through our comprehensive ICT outsourcing company FGL Techno-Solutions Co., Ltd., we undertake non-core operations involving our customers’ personal computers and provide support for having information system departments place their focus on core operations.



2. Providing Solutions through Alliances

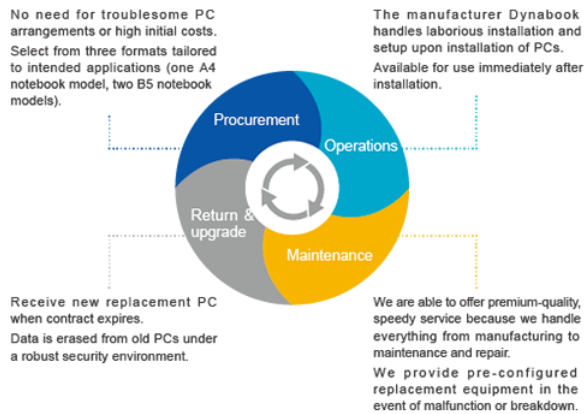
Fuyo Lease Group and NTT Communications Corporation

We offer comprehensive services that entail undertaking a whole series of billing operations by combining the BConnection Digital Trade cloud-based invoice digitization service provided by NTT Communications with the digitized BPO and accounting BPO services provided by NOC.



Fuyo Lease Group and Dynabook

Our dynabook Package personal computer lifecycle management (LCM) package-based service, offered in partnership with Dynabook, provides one-stop services available for a fixed monthly fee encompassing everything from PC installation to operations management, maintenance, and replacement.



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— CSV4:Mobility Business



* Affiliations and titles are as of August 2022

Growth Strategies

2030 Goals

- A mobility solutions provider that solves social issues, including climate change issues, in the areas of general vehicles and logistics

Fuyo Shared Value2026

In the general vehicles area, we will contribute to solving social issues, including climate change issues, by promoting the introduction of electric vehicles (EV) and fuel cell vehicles (FCV), which are expected to rapidly become widely used, and by realizing social application of technological innovations such as CASE and MaaS.

In the logistics area, we will utilize Group synergies to provide solutions for a wide variety of issues facing customers, including the need for more efficient distribution accompanying increases in cargo volumes, as well as personnel shortages.

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Fuyo Shared Value 2026 Strategies for Achieving Our Goals

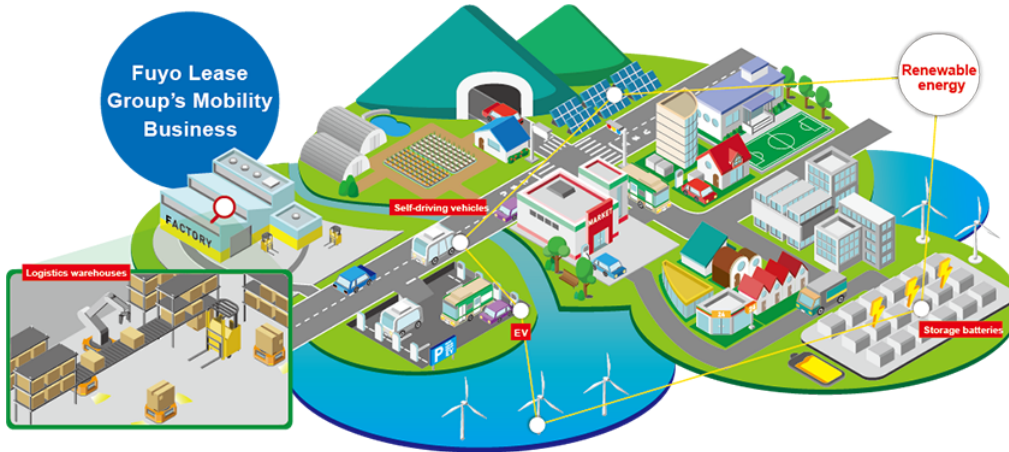
1. Electrification of general vehicles and advancement of next-generation mobility
In addition to introducing EV leases, we will also provide one-stop EV services that offer total support for addressing the various management and operational issues that accompany these leases. This will encourage customers to choose EV for their lease vehicles. We will contribute to the realization of a decarbonized society by aiming to have EV and FCV account for 30% of the operating assets (vehicles) owned by Fuyo Auto Lease by the end of fiscal 2026. We will also actively engage the next-generation mobility field, which includes autonomous driving, by advancing the realization of next-generation transportation options together with partner companies.
2. Total support for the logistics industry
We will leverage the transportation and logistics industry knowledge possessed by YAMATO LEASE to advance various initiatives, including providing diverse support concerning the remedying of long working hours for

drivers and promotion of workstyle reforms, and addressing customer's business succession needs. We will also contribute to solving logistics industry issues by providing consulting services covering the building of new warehouses and the installation of logistics equipment during new renovations of existing warehouses, as well as various financing schemes.

3. Business collaboration with the Yamato Group

We are working through YAMATO LEASE to establish a business collaboration with the Yamato Group. This will include leveraging our expertise to develop and deliver a range of solutions to a wide range of supply chain issues.

Fuyo Lease Group's Mobility Business



TOPICS

Left to right

Yoshinobu Nagano, President & Chief Executive Officer, Fuyo Auto Lease Co., Ltd.

Hirotohi Tadokoro, General Manager of Mobility Business Promotion Division

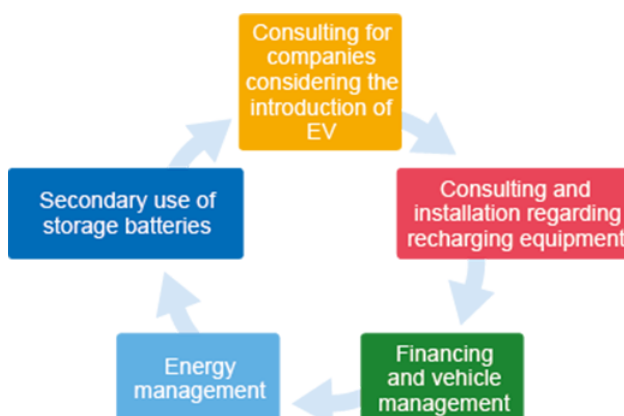
Naomi Ogata, President & Chief Executive Officer, YAMATO LEASE CO., LTD.



* Affiliations and titles are as of August 2022

1. Contributing to the Realization of Decarbonized Society(Solving social issues associated with EV)

When a company decides to introduce EV, it has to address a variety of issues, from the lifecycle management of its current gasoline-based vehicles to the establishment of recharging infrastructure, review of power supply agreements, and energy management. We are working with partner companies to establish a framework for providing one-stop solutions to these diverse issues (one-stop EV services), with the aim of supporting companies that want to introduce EV.



2. Autonomous Driving (Participating in three proof-of-concept tests)

Japan is seeing changes in its social structure—including a declining birthrate, aging population and the concentration of population in urban areas— which is leading to the emergence of a variety of social issues related to mobility, such as ensuring freedom of movement, revitalizing local communities, and reducing environmental impact. Expectations are focused on autonomous driving as one means of solving these kinds of issues and in order to facilitate its early implementation, in June 2021, the Group entered into a business alliance with MACNICA, Inc. to advance social applications of autonomous driving. Since then, we have participated in proof-of-concept tests that have trialed different applications. These were 1) the testing of “Healthcare MaaS” at Shonan Health Innovation Park, 2) the testing of a self-driving bus service at Mibu Highway Park (part of Tochigi Prefecture’s ABC Project), and 3) the second round of the municipal testing of next-generation mobility in Yokkaichi, Mie Prefecture, which aimed to test new transportation applications. Going forward, we will continue to deepen our relationships with MACNICA and other partner companies to contribute to the implementation of autonomous driving through self-driving testing programs.

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— CSV5:Medical & Welfare



Growth Strategies

2030 Goals

- A company that offers solutions to the management issues faced by businesses engaged in the health market of a super-aged society
- Provision of new services that address changes in the business environment driven by the advancement of DX in the healthcare field

Fuyo Shared Value 2026

In addition to management issues such as reduced income from medical practices, labor shortages, and a lack of successors, the 2025 problem* is expected to make medical and welfare needs even greater and more complex. We will contribute to businesses in the medical and welfare market, such as medical and nursing care providers and pharmacists, who are facing these challenges. For businesses with business restructuring and succession needs, we will provide financing services in collaboration with regional financial institutions and professional consulting companies, as well as solutions that leverage the various functions possessed by our Group companies.

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Fuyo Shared Value 2026 Strategies for Achieving Our Goals

1. Providing services tailored to a super-aged society
Responding to the super-aging of society is an urgent issue and we are developing partnerships with nursing care providers to support the creation of 1,000 new rooms at elderly care facilities over a five-year period. We are also working with various alliance partners to expand initiatives in related business areas.
2. Supporting the enhancement of regional healthcare and welfare
We are addressing the management issues facing medical and nursing care providers and dispensing pharmacies, such as opening or closing hospitals, reorganizing and restructuring, business succession, and M&A, by establishing a healthcare fund and providing solutions that include financing for hospital real estate and financing for business restructuring and succession. We are also engaging in the medical DX field, including anticipated growth areas such as remote healthcare, by leveraging synergies between WorkVision

and startups we have invested in to support the enhancement of essential regional medical and welfare providers.

3. Providing medical and nursing care businesses with useful information

We have established Fuyo Mediwel Support, a Group-wide website that provides clinic (medical and dental) and nursing care provider customers with a wide range of information that is useful for solving management issues. We also offer specific solutions such as factoring for medical and nursing care receivables by Accretive, financial support for business launches and building leases by Sharp Finance, and BPO services from various Group companies.

* Various challenges that are expected to manifest in 2025, when the baby boomer generation born between 1947 and 1949 reach the latter-stage elderly age of 75 and above. These challenges include a rapid increase in social security costs and shortages of healthcare and nursing care personnel and facilities.

TOPICS

Left to right

Shuji Furuta, Representative Director, FUJITA Co., Ltd.

Eiki Koseki, General Manager of Healthcare Business

Promotion Division

Takeshi Sugahara, President & Chief Executive Officer,

Accretive Co., Ltd.

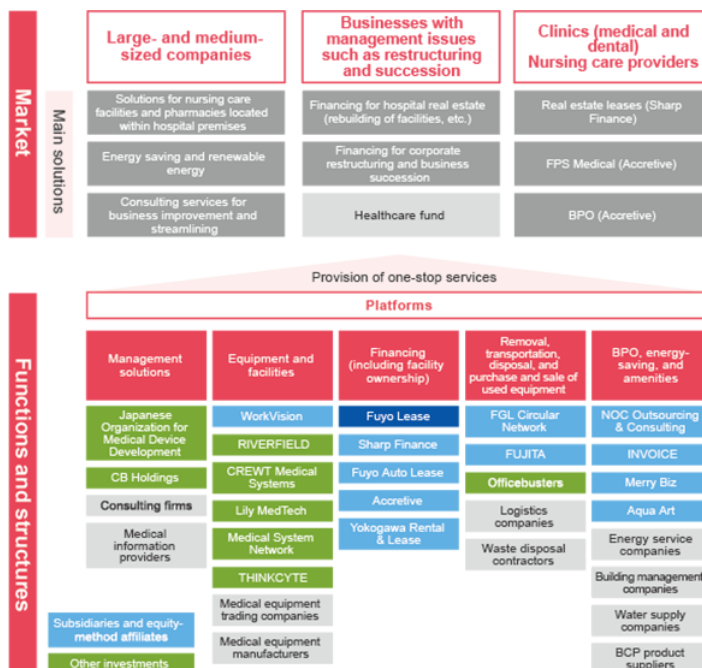


* Affiliations and titles are as of August 2022

1. Expanding the Fuyo Lease Platform Concept

We are working on expanding the Fuyo Lease Platform to respond to the various management challenges facing medical and nursing care providers and dispensing pharmacies with one-stop solutions.

Up to now, we have been bringing companies with strengths in the medical field into the Group, including Accretive, which carries out factoring for medical and nursing care receivables, and FUJITA, which specializes in buying and removing second-hand medical equipment. We have also been growing business collaborations in new business areas with partners such as CB Holdings, which carries out M&A operations for medical businesses and dispensing pharmacies, RIVERFIELD, a joint academic-industrial joint venture company originating from a university, and Lily MedTech. Going forward, we will continue to contribute to solving various issues by enhancing the platforms' various functions to deliver solutions covering areas such as consulting on business succession and support for hospital business restructuring, as well as the financing needed to establish and maintain elderly care facilities.



2. Launch of Fuyo Mediwel Support

Clinics (medical and dental) and nursing care providers face a wide range of challenges, including securing personnel such as doctors, nurses, and nursing care staff, implementing work style reforms, and coping with the COVID-19 pandemic. Through Fuyo Mediwel Support, a Group-wide website, we provide these clinics and nursing care providers with a wide range of specialized information tailored to diverse management environments and challenges, as well as various services. In this way, we are providing support for solving management issues, including by enhancing the productivity of medical institutions and nursing care providers, as well as contributing to the realization of sustainable regional healthcare and nursing care frameworks. We are also implementing CSV by working with partner companies on the creation of joint content that leverages both parties' expertise to provide added-value information that goes beyond the Group's knowledge base.

Launch of a Group-wide website in the medical and welfare business area
Implementation of efficient inbound marketing



Fuyo Mediwel Support: <https://www.fuyo-mediwel-support.jp/>

Site Policy Privacy policy Customer-oriented Operational Policies Basic Policy for Prevention of Money Laundering, etc.

Blocking Relationships with Antisocial Forces Site Map

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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 products 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.

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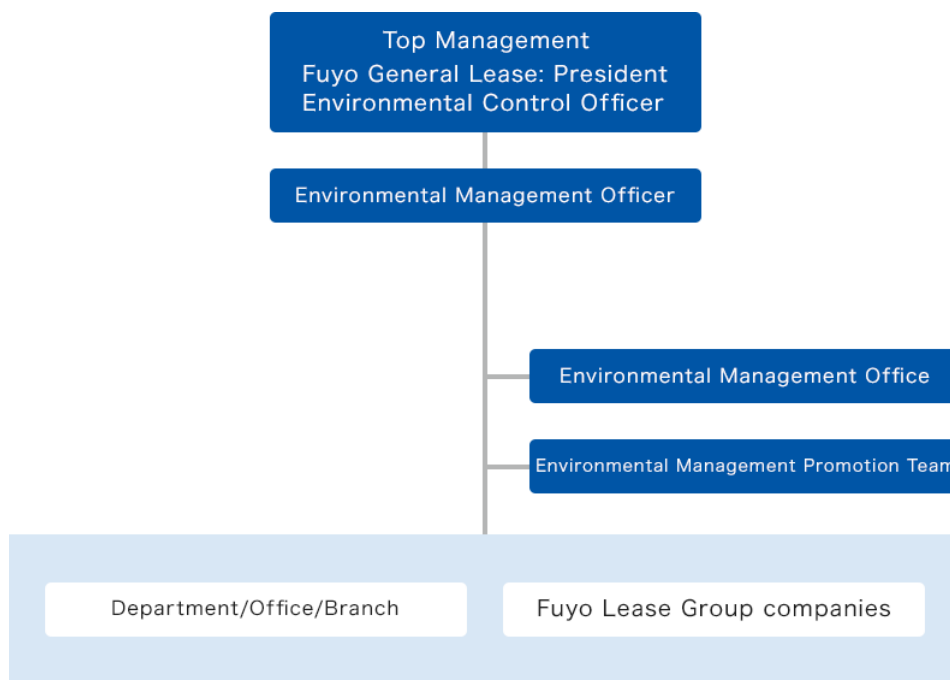
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Environmental Management

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



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 2021

Implementation status of environmental education (FY 2021)

	Training	Period	Number of Participants
Employee Training	Environmental e-learning	October 2021	899employees
	Hachioji Technical Center Training Program	Suspended in fiscal 2021 due to impact of the COVID-19 pandemic	
	Sanden Forest Biodiversity Training Program	Suspended in fiscal 2021 due to impact of the COVID-19 pandemic	

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In fiscal 2021, we conducted an environmental e-learning program targeting all employees to increase their knowledge of the latest environment-related information and environmental laws.



Hachioji Technical Center Training Program

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 FGL Circular Network Co., Ltd. and FGL LeaseUp Business Service Co., Ltd., Group companies which have been contracted by Fuyo Lease to dispose of waste.

Compliance with environmental laws and regulations

Inspection Result	Cases
Violation of law	None
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 2021 compliance checks, covering the period between February 2021 and January 2022, were inspected in February 2022. 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.

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 has positioned “contribution to the realization of a decarbonized society” as one of its material issues to be addressed by fiscal 2026. Accordingly, we are working to mitigate climate change by reducing greenhouse gas emissions from our operations and carrying out business activities, while taking into account the risks and opportunities in the business environment that climate change brings. We also recognize that business opportunities lie in renewable energy generation and energy-efficient asset leasing businesses and expanding and enhancing services in these areas is one of the growth drivers of our Medium-Term Management Plan Fuyo Shared Value 2026. We aim to grow our businesses alongside activities to mitigate climate change.

In 2019, we expressed support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and in 2022, we conducted an analysis of risks and opportunities using the 1.5 °C and 4 °C scenarios. As a result, we are disclosing information based on the TCFD recommendations.

[Information disclosure based on the TCFD recommendations can be found here](#) >

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 the same year, we officially joined the Japan Climate Leaders Partnership (JCLP), a group of companies that aims to realize a sustainable, carbon-free society. In addition, we joined RE100, a business initiative which aims to source 100% renewable energy to power business activities.

Use of renewable energy generated inhouse

In fiscal 2021, all of the electric power used at the Group's head office building was shifted to RE100-compliant electricity and our overseas affiliates were also encouraged to use renewable energy. Consequently, the percentage of power derived from renewable energy rose to 44% of power consumed by the entire Group.

Initiatives for more efficient energy use

Each business site within the Group is advancing energy-saving and energy efficiency initiatives. Specific efforts include setting air conditioning systems to appropriate temperatures, encouraging energy saving measures, and switching to high-efficiency lighting. We are also working to reduce the amount of fuel consumed by company cars by promoting safe, environmentally friendly driving techniques and raising awareness among employees. In fiscal 2021, we added two fuel cell vehicles (FCV) to our fleet of company cars to reduce fossil fuel use.

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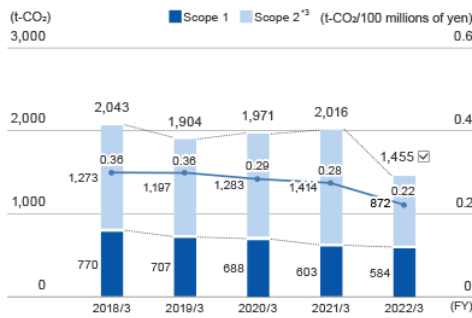
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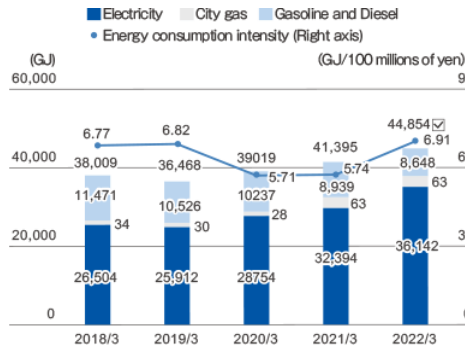
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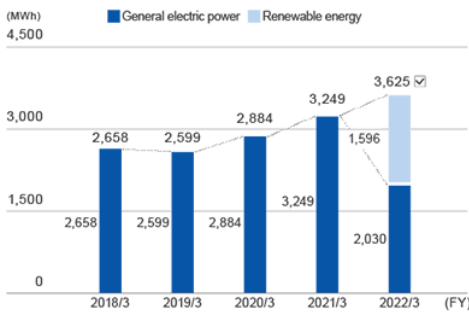
Total CO2 Emissions (Scope 1, 2)^{*1 *2}



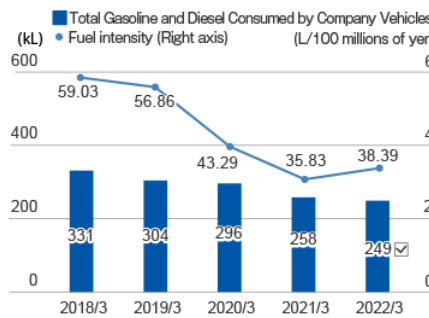
Total Energy Consumption^{*2 *4}



Electricity Consumption^{*2}



Total Gasoline and Diesel Consumed by Company Vehicles^{*2 *5}



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

Independent assurance >

- *1 CO₂ emissions are calculated using the emission coefficient specified in the Ministerial Ordinance on Calculation of Greenhouse Gas Emissions Emitted by Specified Emitters. (Calculations concerning domestic electric power use the annual adjusted emission coefficients for general power transmission and distribution businesses that supply power in the regions where the offices to which the calculations apply operate. Calculations concerning overseas electric power use the emission coefficients of the specific country published by the International Energy Agency (IEA)) However, Fuyo General Lease and companies of the Fuyo Lease Group are not considered to be specified emitters.
- *2 The statistics are collected from all domestic offices of Fuyo General Lease Co., Ltd., Fuyo Auto Lease Co., Ltd., FGL Group Business Service Co., Ltd., FGL Group Management Service Co., Ltd., FGL Circular Network Co., Ltd., FGL LeaseUp Business Service Co., Ltd., Aqua Art Co., Ltd., FGL Techno-Solutions Co., Ltd., Sharp Finance Co., Ltd., Accretive Co., Ltd., INVOICE INC., FUJITA Co., Ltd., NOC Outsourcing & Consulting Inc., YAMATO LEASE CO., LTD., and WorkVision Corporation, as well as overseas affiliates and subsidiaries including Fuyo General Lease (USA) Inc., Fuyo General Lease (China) Co., Ltd., Fuyo General Lease (HK) Limited, Fuyo General Lease (Asia) Pte. Ltd., Fuyo General Lease (Taiwan) Co., Ltd., Fuyo General Lease (Thailand) Co., Ltd. and FGL Aircraft Ireland Limited, and Aircraft Leasing and Management Limited. For Fuyo Lease Group companies, figures from before figures began to be recorded are not included.
- *3 Up to fiscal 2020, Scope 2 emissions were calculated based on standard emission factors, but from fiscal 2021 onward, they are calculated based on emissions factors after adjustment. Results of past years have been revised accordingly.
- *4 Energy consumption is calculated using unit heating values stipulated by the Act on Rationalizing Energy Use.
- *5 In addition to values shown in the graph, 219 kg of hydrogen fuel was used.

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 adaption 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.

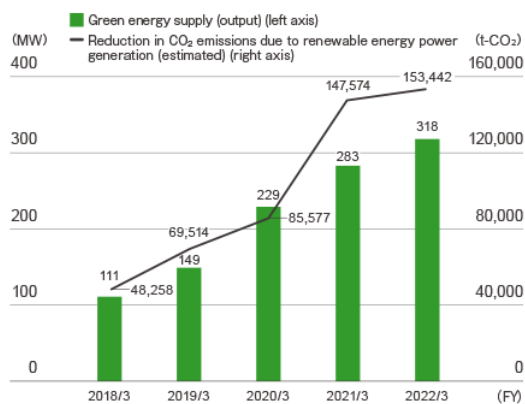
Initiatives in the Renewable Energy Generation Business

The Fuyo Lease Group launched its renewable energy generation business in 2012, and now supplies renewable energy to local communities. In fiscal 2021, we focused our efforts in Japan primarily on solar and wind power generation, while overseas, we joined a solar power generation business in the U.S. Including equity participation, this increased the Group's power generation capacity to 318 MW (sum of figures from Group businesses and partner businesses adjusted in accordance with equity investment share).



Wind Farm Tsugaru in Tsugaru City, Aomori Prefecture, Japan

Green Power Supplied (Output)/CO₂ Reductions from Renewable Energy (estimated)



Promoting Renewable Energy-Related Infrastructure

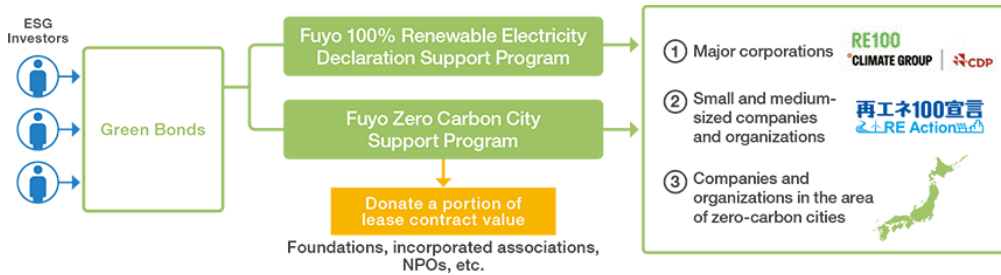
We offer two programs that provide financial support to companies and organizations working toward decarbonization: the Fuyo 100% Renewable Electricity Declaration Support Program, and the Fuyo Zero Carbon City Support Program.

The Fuyo 100% Renewable Electricity Declaration Support Program is a preferential financing program for businesses and organizations that have joined RE100 and the 100% Renewable Electricity Declaration RE Action. Using funds raised by the Company through green bonds, the program is aimed at encouraging the introduction of renewable energy facilities and energy-efficient equipment.

[Click here for details >](#)

The Fuyo Zero Carbon City Support Program is a donation-built-in program open to all companies, organizations, and local governments. Along with customers who install facilities and equipment that contribute to decarbonization in areas of municipalities that have declared themselves zero-carbon cities, the program donates an amount equivalent to 0.2% of the value of lease contracts to organizations that contribute to promoting zero-carbon cities.

[Click here for details >](#)



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.

Major 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
Oct. 2020	Tsubame BHB	Development manufacturing technology for distributed production of ammonia under low-temperature, low-pressure conditions

Information disclosure based on the TCFD recommendations

Fuyo Lease Group is committed to the mitigation of climate change by reducing the GHG emissions of its business operations. At the same time, the Group's business activities are based on the consideration of the risks and opportunities that climate change brings to the Group's business environment. Aware of the importance of correctly communicating to our stakeholders the impact of climate change on us, we expressed support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD^{*1}) in May 2019.

^{*1}Task Force on Climate-Related Financial Disclosures (TCFD)

Established in December 2015 by the Financial Stability Board at the behest of the G20 Finance Ministers and Central Bank Governors Meeting.



In June 2017, it released recommendations outlining a framework for disclosing information on the finance-related risks and opportunities created by climate change.

The Fuyo Lease Group's Climate Change Initiatives

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The Fuyo Lease Group's Climate Change Initiatives

We recognize that climate change-related risks and opportunities will have a significant impact on the Group's business activities, and we are implementing a response under our [CSV Promotion System](#) and [risk management system](#).

We believe that to reduce greenhouse gas (GHG) emissions, we must first take a proactive stance and in 2018, we became the first general lease company in Japan to participate in RE100.



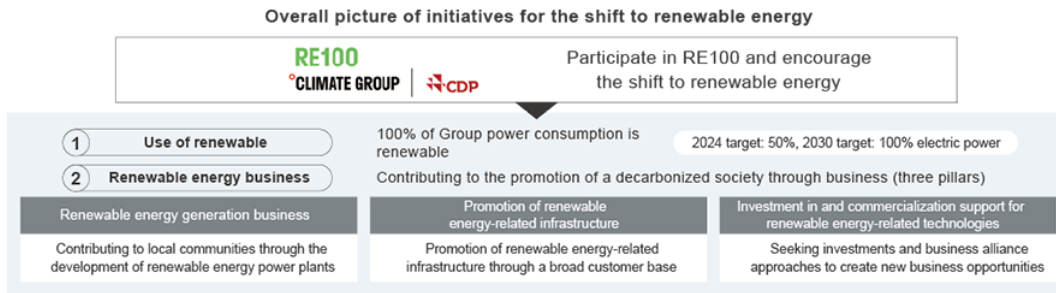
RE100 is an international initiative whose members intend to switch to electricity from renewable sources for the energy they need for their business operations. We have set medium- to long-term targets of achieving RE100 and becoming carbon neutral (for Scope 1 and 2 emissions) by 2030.

Also, as a group that operates in extensive areas of business and has an extensive customer base, we believe that contributing to the decarbonization of society as a whole through our business activities is an important commitment. Therefore, we have positioned addressing climate change issues and renewable energy as one of [our material issues](#)

([important issues to be addressed to create social value through our business](#)), and we are advancing operations accordingly. Specifically, we aim to contribute to the development of a decarbonized society through initiatives based on the following three pillars: 1) renewable energy generation business, 2) promotion of renewable energy-related infrastructure and 3) investment and commercialization support for renewable energy-related technologies.

For details, please see [Solving Social Issues through Business \(CSV1: Energy and Environment\)](#).

Initiatives for the Development of a Decarbonized Society (Overview)

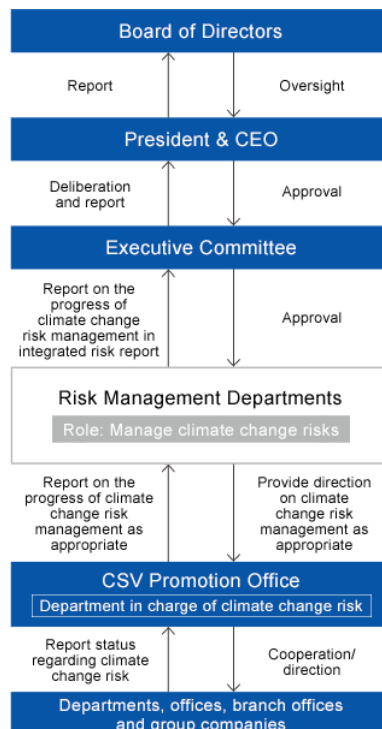


Governance

We engage in initiatives for the achievement of a sustainable society under our [CSV Promotion System](#). The Creating Shared Value Promotion Office identifies risks and opportunities concerning climate change. Non-financial targets are set for the opportunities related to climate change that are recognized as particularly important. Progress on these targets is managed by the CSV Promotion Committee and reported at Board of Directors meetings at least once a year.

We have built the climate change risk management system outlined below for the management of climate change risks and this risk management is carried out under a Group-wide risk management system.

Climate Change Risk Management System



Related page

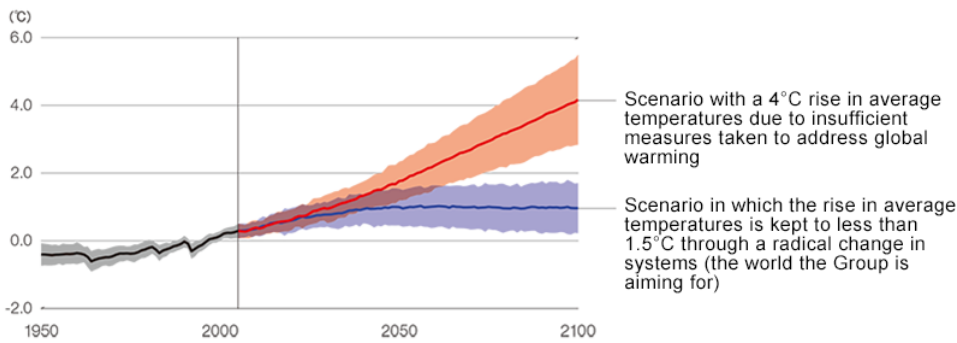
[Our Thoughts on CSV >](#)

Strategy

To quantitatively measure the impact of climate change on our financial affairs, we performed a scenario analysis based on two climate change scenarios, the 1.5°C scenario and the 4°C scenario.

The risks and opportunities identified as a result of this analysis have been reflected in our Medium-Term Management Plan [Fuyo Shared Value 2026](#), which started in fiscal 2022. For each of our financial and non-financial targets, we have set targets that will address climate change risks and maximize opportunities.

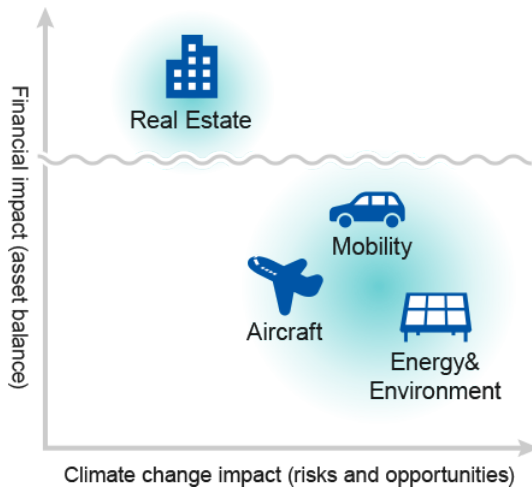
Change in global average temperatures



Source: Created by Fuyo Lease based on IPCC Fifth Assessment Report WG1

As the scope of our business activities is broad and varied, we started our analysis by identifying impact over the entire Group, and then carried out scenario analysis focused on the Real Estate domain, which is large in terms of assets, and on three domains containing businesses whose characteristics mean they are particularly susceptible to the impact of climate change (Energy & Environment, Mobility, and Aircraft).

Correlation Between the Severity of the Impact of Climate Change and the Group's Businesses



Climate Change Risks and Opportunities

Climate Change Risks^{*2}

In regard to impact over the entire Group, we identified an increase in costs for the achievement of RE100 and carbon neutrality due to the introduction of a carbon tax as a risk. However, as a result of calculating the monetary amount of this impact based on the Group's CO₂ emissions, we recognize that the financial impact of this risk is minor.

Additionally, the risks in each domain identified as being particularly susceptible to the impact of climate change are as follows.

Domain	Category		Effect on Our Operations			
			Business Summary	Timeframe	Impact by Scenario	
					1.5°C	4°C
Group-wide	Transition risks	Introduction of a carbon tax (policies and legal regulations)	Risk of an increase in costs for the achievement of RE100 and carbon neutrality due to the introduction of a carbon tax	Medium-to long-term	Minor	Minor
Real Estate	Transition risks	Decline in competitiveness due to changes in customer preferences (markets)	Risk of a decline in profitability and credibility as a debtor if properties that have been invested in through real estate financing transactions, etc., are slow to adapt to environmental measures	Medium-to long-term	Medium	Minor
	Physical risks	Increasingly serious natural disasters (acute)	Risk of rises in insurance premiums due to the increasing frequency and intensification of natural disasters	Short-to long-term	Minor	Minor
Energy & Environment	Transition risks	Institutional changes to energy purchase systems (FIT, FIP), etc. (policy and legal restrictions)	Risk of decreases in revenue from electric power sales, increases in operational costs, etc. in the event of unexpected institutional changes	Short-to long-term	Medium	Medium
		Changes in the business environment around the renewable energy generation business(markets)	Risk of decreases in revenue from electric power sales due to restrictions on output	Medium-to long-term	Medium	Medium
	Physical risks	Increasingly serious natural disasters (acute)	Risk of rises in insurance premiums due to the increasing frequency and intensification of natural disasters	Short-to long-term	Medium	Medium
Mobility	Transition risks	Stricter regulation of CO ₂ emissions (policy and legal restrictions)	Risk of a decrease in demand for the lease of conventional diesel- and gasoline-powered vehicles due to a decrease in demand for gasoline-powered vehicles following the tightening of CO ₂ emissions regulations, etc.	Medium-to long-term	Medium	Minor to medium
		Changes in the business environment (markets)	Risk of a decrease in the resale prices of gasoline vehicles in accordance with a shift to EV	Medium-to long-term	Medium	Minor
		Decrease in maintenance revenues (technology)	Risk of a decrease in sales and revenues related to maintenance in accordance with a shift to EV	Long-term	Medium	Minor
Aircraft	Transition risks	Decline in aircraft demand due to stricter regulations (policy and legal restrictions)	Risk of a decrease in lease revenues due to a decline in demand for aircraft following the tightening of CO ₂ emissions regulations, etc.	Medium-to long-term	Minor	Minor
		Changes in the business environment (markets)	Risk of a decrease in profits resulting from a fall in the resale prices of old model aircraft after the termination of the lease period in accordance with the shift to fuel-efficient aircraft	Medium-to long-term	Medium	Minor

– Definitions of time frames

Short-term: Present-2025; medium-term: 2026-2030; long-term: 2031-2050

– Definitions of impact (monetary impact on our consolidated gross profit in 2030)

Major: Greater than 3 billion yen; medium: 100 million-3 billion yen; minor: Smaller than 100 million yen

*2 In analyzing the 1.5°C scenario, there were some items where external information was insufficient, so data from the 2°C scenario was used.

Climate Change Opportunities*³

We have positioned the creation of social value through solutions to climate change issues as an important business opportunity and in our Medium-Term Management Plan [Fuyo Shared Value 2026](#), we have formulated strategies that incorporate the global aim of keeping temperature rises under 1.5°C. Within this, we are disclosing the items that the Group is being particularly active in engaging as opportunities.

Domain	Category		Effect on Our Operations			
			Business Summary	Timeframe	Impact by Scenario	
					1.5°C	4°C
Energy & Environment	Opportunities	Rise in demand for renewable energy (products, services, and markets)	Increase of initiatives for renewable energy projects in Japan	Short-to long-term	Major	Major
			Increase of initiatives for renewable energy projects overseas	Short-to long-term	Major	Medium
		Business opportunities created by new technologies, new systems, etc. (products, services, and markets)	Increase of initiatives for new areas of business such as secondary energy	Short-to long-term	Major	Medium
Mobility	Opportunities	Rise in demand for electric vehicles (markets)	<ul style="list-style-type: none"> ■ Promotion of one-stop services for electric vehicles ■ Promotion of partnership with car manufacturers and dealers, and alliance strategies with power companies, trading firms, etc. ■ Retention of maintenance facilities and engineers through the building of a maintenance network ■ Promotion of FCV before other companies do 	Short-to long-term	Medium	Medium
		Rise in demand for services related to electric vehicles (products and services)				
Aircraft	Opportunities	Introduction of new technologies related to aircraft and the formation of new markets (products and services)	<ul style="list-style-type: none"> ■ Expansion of the business domain ■ Capture of opportunities regarding existing products and increase in profitability through investment in and cooperation and synergies with peripheral businesses ■ Venture capital investment and cooperation in new areas of technology (sustainable aviation fuel [SAF], hydrogen/electric/ eVTOL [electric vertical takeoff and landing] aircraft, etc.) 	Medium-to long-term	Medium	Medium

– Definitions of time frames

Short-term: Present-2025; medium-term: 2026-2030; long-term: 2031-2050

– Definitions of impact (monetary impact on our consolidated gross profit in 2030)

Major: Greater than 3 billion yen; medium: 100 million-3 billion yen; minor: Smaller than 100 million yen

*3 In analyzing the 1.5°C scenario, there were some items where external information was insufficient, so data from the 2°C scenario was used.

About the Impact on the Group’s Business

Our analysis shows that for both the 1.5°C and 4°C scenarios, the impact of climate change risks on the Group’s business will be limited, while the opportunities will be great. It also revealed that although both scenarios are expected to result in an increase in consolidated gross profit, there is more potential for an increase in profit in the 1.5°C scenario.

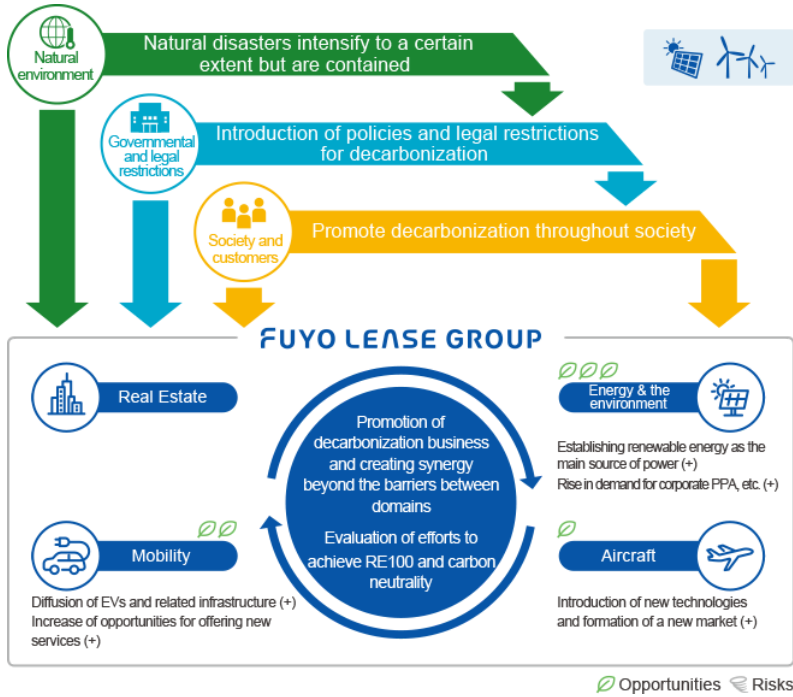
Counter Measures and Reflection in Strategies

To address climate change risks while maximizing opportunities, the analysis has been reflected in the key strategies of our Medium-term Management Plan [Fuyo Shared Value 2026](#), which started in fiscal 2022. The plan was written on the assumption that society will aim to limit global warming to 1.5°C. By concentrating our management resources on decarbonization, we intend to profit through, for example, the expansion of our renewable energy power generation business and greater financing for EV and FCV. We have also set the following non-financial targets for advancing our strategies.

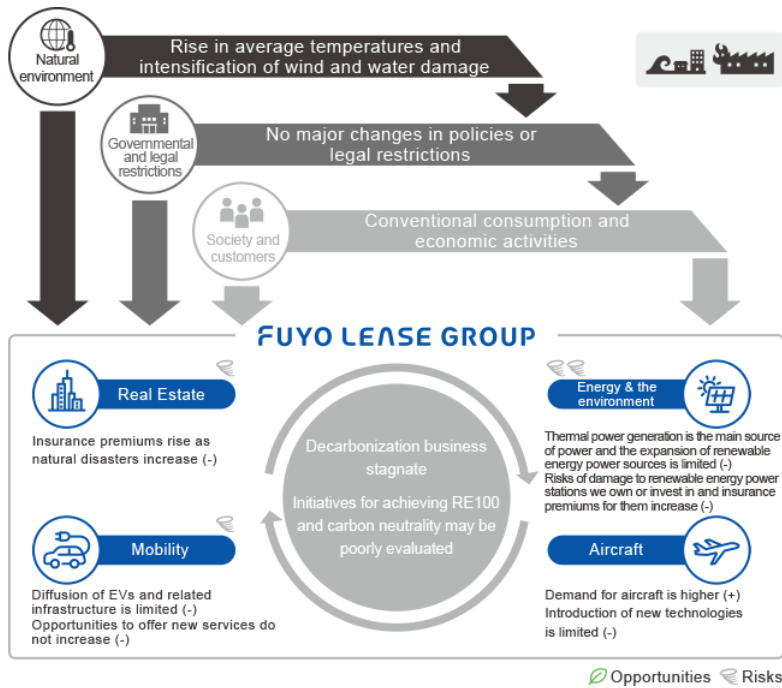
Non-financial goals (excerpt of climate change-related targets)

Category		Targets 2027/3	Remarks	
Environment	Decarbonized society	Contribution to CO ₂ emissions reduction	500,000 t-CO ₂	
		Amount invested in promoting decarbonization	¥ 300.0 billion	Sum total for five years
		Renewable energy generation capacity	1,000MW	Applicable to investments made in the Renewable Energy Generation Business, project financing, etc. (The power generation capacity is calculated based on the ownership ratio and share.)
		Percentage of Group vehicles that are EVs or FCVs	30%	Percentage held by Fuyo Auto Lease
		Amount of financing handled for the promotion of decarbonization	¥10.0 billion	Sum total over five years Applicable to the “Fuyo Zero Carbon City Support Program” and the “Fuyo 100% Renewable Electricity Declaration Support Program”

Perspective under 1.5°C scenario



Perspective under 4°C scenario



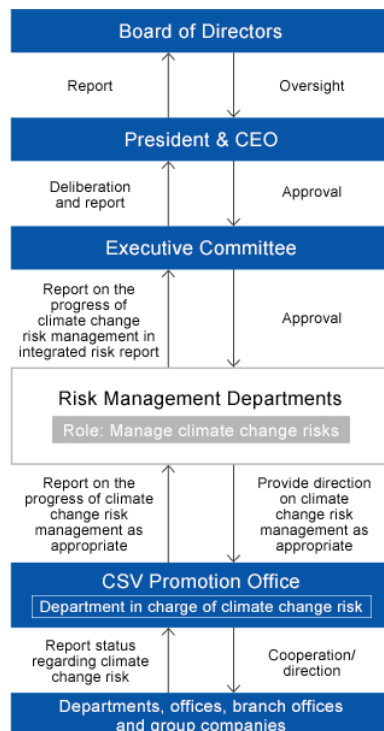
Main Reference Literature

- IEA: [World Energy Outlook 2021](#) (NZE, APS, SDS, STEPS), [Net Zero by 2050](#), [Energy Technology Perspectives 2017](#)
- IPCC: [Fifth Assessment Report](#) (RCP 2.6, RCP 8.5)
- NGFS: [Climate Scenarios for central banks and supervisors](#)
- [Climate impact explorer](#), a free tool by Climate Analytics (jointly developed with NGFS)
- WRI (World Resources Institute): [Aquatic Floods](#)
- Ministry of Economy, Trade and Industry of Japan: [6th Strategic Energy Plan](#)
- Ministry of Economy, Trade and Industry of Japan: [Green Growth Strategy Through Achieving Carbon Neutrality in 2050](#)
- Agency for Natural Resources and Energy: [Net Zero Energy Buildings](#)
- Ministry of the Environment of Japan: [Ministry of the Environment Initiative Policy for the Further Introduction of Energy Efficiency](#)
- Japan Meteorological Agency: [Climate Change in Japan – Report on Assessment of Observed/Projected Climate Change Relating to the Atmosphere, Land and Oceans \(December 2020\)](#)

Risk Management

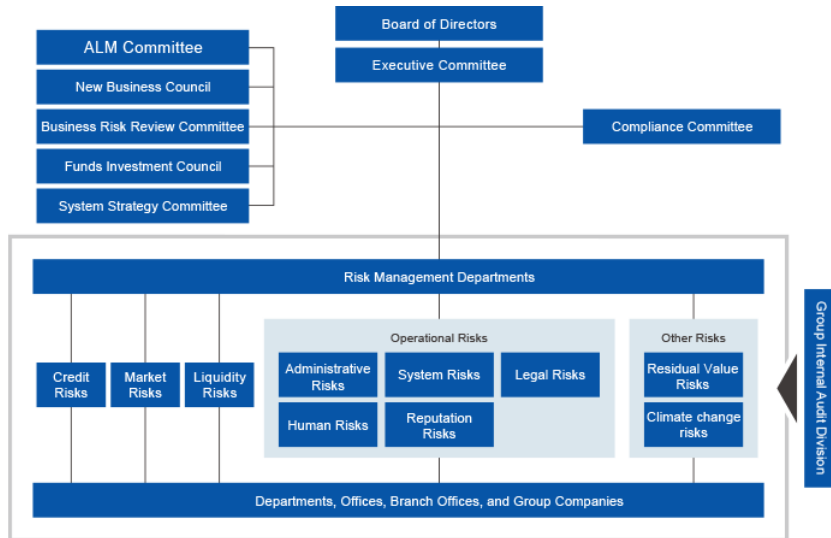
We believe that climate change risks are a category of managerial risks that should be managed, and we are managing these risks using an integrated risk management system. More specifically, the Corporate Planning Division is the risk management department that directs the Creating Shared Value Promotion Office, which is the department in charge of risks, regarding risk management whenever appropriate. The Creating Shared Value Promotion Office monitors major risks related to climate change that may affect the Fuyo Lease Group and reports any risks that have occurred immediately to the risk management department, receives guidance, and takes appropriate action.

Climate Change Risk Management System (repost)



Risk Management System

See the related pages on risk management and compliance for details.



Related Pages

[Risk Management/Compliance](#) >

Indicators and Targets

We joined RE100 in 2018 and set medium- and long-term environmental targets for the shift of all of the electric power we use in business operations to renewable energy and also the achievement of carbon neutrality (Scopes 1 and 2) by 2030. In order to achieve these targets, we also set short-term targets each year and are continuously working to improve environmental performance.

The Fuyo Lease Group's Medium-to Long-Term Environmental Targets

	2024	2030
RE100 target* ⁴	Percentage of energy used that is renewable energy 50%	Percentage of energy used that is renewable energy 100%
CO ₂ emissions* ^{4, *5} (Scope 1 and 2)	Compared to FY2020 30% reduction	Achievement of carbon neutrality

*⁴ Applicable to both Fuyo General Lease and its consolidated subsidiaries.

*⁵ Scope 1: direct emissions from the use of fuel in company vehicle, city gas, etc.; Scope 2: indirect emissions accompanying the use of purchased electric power, etc.

In our Medium-term Management Plan [Fuyo Shared Value 2026](#), we have set non-financial targets in conjunction with our financial targets, based on the risks and opportunities identified through scenario analysis. They have also been reflected in strategies. These targets have been positioned as extremely important in terms of implementing business strategy and CSV management, and the degree to which they have been achieved is one of the factors used to calculate officer remuneration. (See the [Strategy](#) section above for details).

Additionally, we are actively participating in major initiatives in Japan and overseas, such as the Japan Climate Leaders' Partnership (JCLP) and the Ellen MacArthur Foundation, to accumulate knowledge and expertise and to expand networks.

Environmental Data*

The Group's CO₂ emissions volumes and other important environmental data for the past 10 years are as follows.

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
CO ₂ emissions (t-CO ₂) ^{*7}	Scope1 (adjusted)	202	192	159	153	163	770	707	688	603	584 <input checked="" type="checkbox"/>
	Scope2 (adjusted)	1,065	956	1,110	1,045	1,089	1,273	1,197	1,283	1,414	872 <input checked="" type="checkbox"/>
	Scope1+2 (adjusted)	1,267	1,148	1,269	1,199	1,253	2,043	1,904	1,971	2,016	1,455 <input checked="" type="checkbox"/>
	Scope3 ^{*8}	-	1,246,345	1,243,298	1,420,896	1,639,334	1,768,197	2,789,556	2,866,387	2,372,283	2,471,642 <input checked="" type="checkbox"/>
CO ₂ emission intensity (Scope1, 2) (t-CO ₂ /100 millions of yen)		0.34	0.31	0.33	0.30	0.32	0.36	0.36	0.29	0.28	0.22
Renewable energy power generation capacity (MW) ^{*9}		8	23	48	77	86	111	149	229	283	318
CO ₂ reductions from renewable energy (estimated) (t-CO ₂)		472	8,910	22,236	39,636	54,115	48,258	69,514	85,577	147,574	153,442

*6 Figures marked with a have received third party assurance from KPMG AZSA Sustainability Co., Ltd.

*7 Adjusted CO₂ emissions volumes are calculated using the emission coefficient specified in the Ministerial Ordinance on Calculation of Greenhouse Gas Emissions Emitted by Specified Emitters. (Calculations concerning domestic electric power use the annual adjusted emission coefficients for general power transmission and distribution businesses that supply power in the regions where the offices to which the calculations apply operate. Calculations concerning overseas electric power use the emission coefficients of the specific country published by the International Energy Agency [IEA]). The statistics are collected from Fuyo General Lease Co., Ltd. and all consolidated subsidiaries. For overseas affiliates and subsidiaries and Group companies, figures from before figures began to be recorded are not included.

*8 Scope 3 emissions are calculated based on Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ministry of the Environment and Ministry of Economy, Trade and Industry Government of Japan). Up to fiscal 2017, the data was calculated using emissions unit values from the Database for Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 2.6). From fiscal 2018, the data was calculated using emissions unit values from the Database for Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 3.0) and LCI Database IDEAv2 (For Calculating Greenhouse Gas Emissions in the Supply Chain). From fiscal 2021, the data was calculated using emissions unit values from the Database for Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 3.2) and LCI Database IDEAv2 (For Calculating Greenhouse Gas Emissions in the Supply Chain). The statistics are collected from the Fuyo Lease Group and calculations cover all 15 categories.

*9 Covers investments made in the Renewable Energy Generation Business, project financing, etc. (power generation capacity is calculated based on ownership ratio or share). From fiscal 2021, figures have been adjusted to include projects still in development.

Related Pages

[Environmental Data >](#)

[Participation in Initiatives and Third-Party Evaluation >](#)

[Site Policy](#) [Privacy policy](#) [Customer-oriented Operational Policies](#) [Basic Policy for Prevention of Money Laundering, etc.](#)

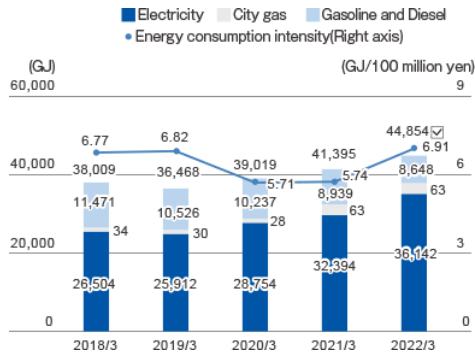
[Blocking Relationships with Antisocial Forces](#) [Site Map](#)

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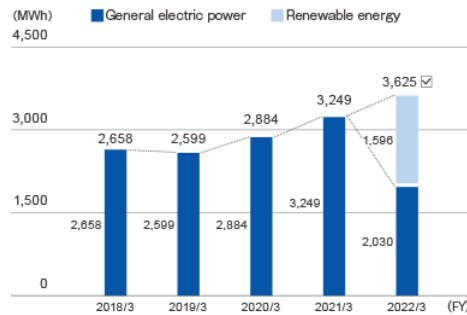
Environmental Data

Energy / CO₂^{*1}

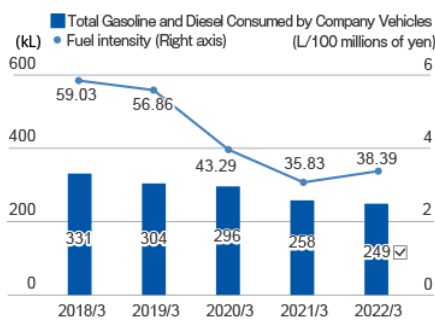
Total Energy Consumption^{*2}



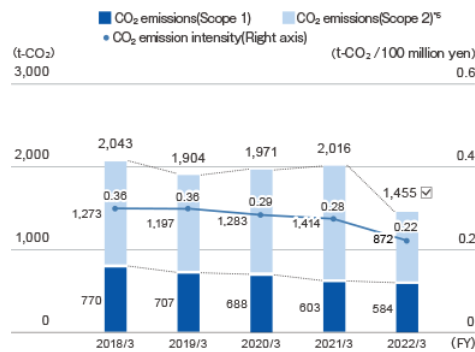
Electricity Consumption



Total Gasoline and Diesel Consumed by Company Vehicles^{*3}



Total CO₂ Emissions (Scope 1, 2)^{*4}



* A checkmark indicates that fiscal 2021 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

[Independent assurance](#) >

CO₂ emissions (Scope 1, 2, 3)^{*4}

	CO ₂ emissions (t-CO ₂)					Ratio of total CO ₂ emissions(2022/3)
	2018/3	2019/3	2020/3	2021/3	2022/3 <input checked="" type="checkbox"/>	
Scope 1	770	707	688	603	584	0.02%
Scope 2 ^{*5}	1,273	1,197	1,283	1,414	872	0.04%
Scope 3 ^{*6}	1,768,197	2,789,556	2,866,387	2,372,283	2,471,642	99.94%
Total CO ₂ emissions	1,770,240	2,791,460	2,868,358	2,374,300	2,473,098	100%

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CO₂ emissions(Components of Scope 3)*⁶

Category	CO ₂ emissions (t-CO ₂)					Composition ratios in total CO ₂ emissions (2022/3)	Calculation method/remarks
	2018/3	2019/3	2020/3	2021/3	2022/3		
1. Purchased products and services	-	2,120,559	2,166,659	1,837,264	1,939,951	78.49%	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 products	1,767,060	994	1,074	8,359	1,917	0.08%	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	207	347	362	366	385	0.02%	Calculated by multiplying the amount of electricity and fossil fuels used in the Scope 1 and 2 calculations by emission intensity.
4. Transportation and distribution (upstream)	-	413,244	436,416	303,049	330,273	13.36%	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	294	258	291	170	143	0.01%	Until 2020/3, 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. From 2021/3, calculated by multiplying the amount of industrial waste by the emission factors for each type of waste and disposal method.
6. Business travel	223	255	314	94*	152	0.01%	Calculated by multiplying the number of consolidated employees by the emission intensity per employee. *Because business travel was significantly reduced in 2021/3 due to the impact of the COVID-19, calculated by multiplying the number of consolidated employees by the emissions intensity and percentage of business travel expenses compared to previous year.

Category	CO ₂ emissions (t-CO ₂)					Composition ratios in total CO ₂ emissions (2022/3)	Calculation method/remarks
	2018/3	2019/3	2020/3	2021/3	2022/3		
7. Employee commuting	412	471	576	631	760	0.03%	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)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable (Energy usage for rented offices, etc., is included in Scope 1 and 2.)
9. Transportation and distribution (downstream)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable (There are no applicable emissions since the Company bears transportation costs in the entire logistics process.)
10. Processing of sold products	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable (There are no applicable emissions since the Company does not handle intermediate products.)
11. Use of sold products	-	247,227	254,848	213,255	193,851	7.84%	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. * We handle a wide range of products through leasing and installment sales making it difficult to measure the usage situation of each individual product. Therefore, the statistics have been standardized using IT and office equipment (laptop computers) as the representative product.
12. End-of-life treatment of sold products	-	16	17	15	11	0.00%	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.
13. Assets (downstream)	-	-	-	-	-	-	Emissions associated with use of leased products are recorded in Category 11.

Category	CO ₂ emissions (t-CO ₂)					Composition ratios in total CO ₂ emissions (2022/3)	Calculation method/remarks
	2018/3	2019/3	2020/3	2021/3	2022/3		
14. Franchises	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable (There are no applicable emissions since the Company has no franchise.)
15. Investments	-	6,185	5,830	9,080	4,200	0.17%	Calculated by multiplying the Scope 1 and 2 emissions of major investees in previous fiscal year by the shareholding ratio. (The emissions in 2022/3 is calculated by multiplying the Scope 1 and 2 emissions of major investees in FY2020 by the shareholding ratio.)
Total CO ₂ emissions	1,768,197	2,789,556	2,866,387	2,372,283	2,471,642 ☑	100%	The Ministry of the Environment's "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.2)" and the "LCI database IDEAv2 (for calculating greenhouse gas emissions in supply chains)" are applied to the above emission intensity.

*1 The statistics are collected from all domestic offices of Fuyo General Lease Co., Ltd., Fuyo Auto Lease Co., Ltd., FGL Group Business Service Co., Ltd., FGL Group Management Service Co., Ltd., FGL Circular Network Co., Ltd., FGL LeaseUp Business Service Co., Ltd., Aqua Art Co., Ltd., FGL Techno-Solutions Co., Ltd., Sharp Finance Co., Ltd., Accretive Co., Ltd., INVOICE INC., FUJITA Co., Ltd., NOC Outsourcing & Consulting Inc., YAMATO LEASE CO., LTD., and WorkVision Corporation, as well as overseas affiliates and subsidiaries including Fuyo General Lease (USA) Inc., Fuyo General Lease (China) Co., Ltd., Fuyo General Lease (HK) Limited, Fuyo General Lease (Asia) Pte. Ltd., Fuyo General Lease (Taiwan) Co., Ltd., Fuyo General Lease (Thailand) Co., Ltd. and FGL Aircraft Ireland Limited, and Aircraft Leasing and Management Limited. For group companies, figures prior to the start of data collection are not included.

*2 Energy consumption is calculated using unit heating values stipulated by the Act on Rationalizing Energy Use.

*3 In addition to values shown in the graph, 219 kg of hydrogen fuel was used.

*4 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 adjusted annual emission factors issued by power transmission and distribution business operators of where our regional operations and offices are located. Calculations concerning overseas electric power use the emission coefficients of the specific country published by the International Energy Agency [IEA]). However, Fuyo General Lease and the Group's companies are not considered to be specified emitters.

*5 Up to fiscal 2020, Scope 2 emissions were calculated based on standard emission factors, but from fiscal 2021 onward, they are calculated based on emissions factors after adjustment. Results of past years have been revised accordingly.

*6 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)."

The data up until fiscal 2017 was calculated using the emissions unit values from the "Database for Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 2.6)"

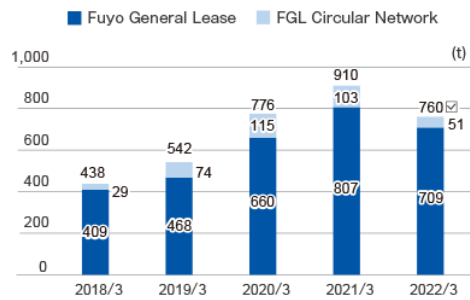
From fiscal 2018, the data was calculated using emissions unit values from the "Database for Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 3.0)" and "LCI Database IDEAv2 (For Calculating Greenhouse Gas Emissions in the Supply Chain)."

From fiscal 2021, the data was calculated using emissions unit values from the "Database for Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 3.2)" and "LCI Database IDEAv2 (For Calculating Greenhouse Gas Emissions in the Supply Chain)."

The scope of calculations is the Fuyo Lease Group.

Waste

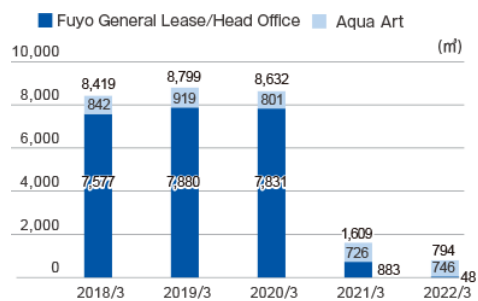
Volume of Industrial Waste Generated^{*7}



*7 Data coverage: all domestic locations of Fuyo General Lease and FGL Circular Network.

Water Consumption

Volume of water consumed^{*8}



*8 The scope of calculations is Fuyo General Lease / Head Office (including FGL Group Business Service) and Aqua Art. Due to the relocation of the head office, water consumption at Fuyo General Lease/Head Office has been significantly reduced since fiscal 2020, as water consumption on only some floors has been counted since June 2020.

Social Report

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[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

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Fuyo Lease Group Human Rights Policy

Fuyo Lease Group's mission is to contribute to the realization of a more prosperous society and its sustainable development by boldly taking on the challenge of creating new value through developing and expanding our business. We have established three visions (what we wish to achieve) to enable us to become a company group that is highly regarded by a multitude of stakeholders.

— Visions

- The group that anticipates social changes and takes on the challenge of yet unseen issues
- The group that is trusted by customers and works together to solve social issues
- The group that grows with employees by supporting the challenges and growth of each employee

Fuyo Lease Group positions CSV (Creating Shared Value) which simultaneously enables solutions to social issues and improvement of corporate value at the center of our management policy. We are promoting the medium-term management plan "Fuyo Shared Value 2026," and incorporate "Business and Human Rights" as one of our main CSV management measures.

Recognizing the possibility that the business activities we conduct could potentially have an adverse impact on human rights, Fuyo Lease Group has established this human rights policy (this "Policy") in order to clarify our stance as a company that respects human rights. Fuyo Lease Group will, in accordance with this Policy, contribute to the realization of a society that respects human rights through our business activities.

This Policy was approved by the Board of Directors after deliberation by the Executive Committee.

— 1.Scope of Application

This Policy applies to officers and employees of Fuyo Lease Group (including temporary employees and contract employees; collectively the "Employees"). We also expect that our customers, partner companies, and all other stakeholders of Fuyo Lease Group will respect this Policy.

— 2.Upholding International Standards

Fuyo Lease Group will uphold international standards on human rights, such as the "International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights)" and the "ILO Declaration on Fundamental Principles and Rights at Work," and will also fulfill our responsibility to respect human rights under the "Guiding Principles on Business and Human Rights" and "Children's Rights and Business Principles."

In addition, Fuyo Lease has endorsed and signed the "United Nations Global Compact (UNGC)." We also support the UNGC's 10 principles related to the 4 areas of "ensuring human rights," "eliminating unfair labor," "addressing environmental issues," and "preventing corruption" and will continue striving to realize the principals.

— 3.Compliance with Laws and Regulations

Fuyo Lease Group complies with the laws and regulations applicable in each country and region where we conduct business activities. If the laws and regulations in a country or region differ from the human rights standards recognized internationally, we pursue means to respect internationally recognized human rights standards.

— 4.Human Rights Issues in Business Activities

— (1) Forced Labor and Child Labor

Fuyo Lease Group does not tolerate forced labor or child labor or any form of modern slavery.

— (2) Discrimination

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Fuyo Lease Group respects the diversity of individuals and all basic human rights. We do not engage in any action that violates human rights, and we do not tolerate discrimination based on race, religion, gender, age, nationality, sexual orientation, disability, or other factors.

– (3) Labor

Fuyo Lease Group respects the freedom of association and the right to collective bargaining that Employees hold in labor-management relations. We will protect labor rights, reduce excessive working hours, and implement other necessary measures in accordance with applicable laws and regulations. We will establish a work environment where Employees can continue to work healthily, safely, and comfortably in an atmosphere of mutual respect without harassment or excessive work, and we will seek to create a corporate culture in which a diversity of personnel can thrive.

– 5.Human Rights Due Diligence

Fuyo Lease Group recognizes the possibility that the business activities we conduct and the services we provide could potentially cause or contribute to an adverse impact on human rights or become linked to such an impact. Fuyo Lease Group will conduct appropriate human rights due diligence to identify and assess any actual or potential adverse impact on human rights in relation to our business activities and to prevent and mitigate any such impact.

– 6.Grievance Mechanisms and Remedies

Fuyo Lease Group will strive to establish a mechanism for receiving requests for consultation and reports regarding human rights and for remediating and rectifying such pertinent issues in order to deal with human rights issues in our business activities. If it is found that our business activities could potentially cause or contribute to any adverse impact on human rights, or if it becomes evident that our business activities are linked to such an impact, we will promptly take remedial measures and strive to remedy the issues.

– 7.Dialogue with Stakeholders

Fuyo Lease Group recognizes the importance of understanding any adverse impacts on human rights from the perspective of the affected people and taking appropriate measures to correct them. We will seek to advance and improve measures for human rights through engagement and dialogue with stakeholders.

– 8.Education and Training

Fuyo Lease Group will distribute this Policy to all Employees and provide continued training to ensure that everyone understands this Policy and can act in accordance with this Policy in their own individual duties.

– 9.Information Disclosure

Fuyo Lease Group will disclose information on our website and via other appropriate means regarding the initiatives based on this Policy.

Established: May 18, 2022

Respect for Human Rights

Expectations toward respecting human rights for stakeholders

The Fuyo Lease Group respects the rights of all its stakeholders (including board members, and employees, customers, partner companies in all business areas, local communities, etc.) and is engaged in initiatives related to the promotion of human rights. We actively encourage our employees and business partners to have a better understanding of the Group's human rights policy.

Specifically, the Fuyo Lease Group's Human Resources Division provides instruction and support to all departments and offices as well as group companies on planning, proposal and promotion of basic human resource policies and procedures, including education and awareness raising regarding human rights, and also reports to the Executive Committee on the results of implementation.

Expectations for key stakeholders are as follows:

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.
Customers	Our management philosophy is to "maintain customers first philosophy, providing the best services." 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.
Partner Companies	We expect partner companies providing services with our Group to understand the Fuyo Lease Group Human Rights Policy, and respect human rights in the same way as Group employees.

[Fuyo Lease Group Human Rights Policy](#) >

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.

Fuyo Lease's Corporate Planning Division regularly assesses the Group's risk management status, including human rights issues, and reports it to the directors. If significant risks occur these are reported to the Risk Management Officer and to the Executive Committee.

Board Members and Employees

In the Group, the Audit Office and Human Resources Division conduct regular employee interviews in order to prevent violations of human rights. In the event any human rights issue arises, a team lead by the Human Resources Division will act in accordance with company policy to promptly resolve the issue.

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.

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In fiscal 2021, eleven 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.

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. In Fuyo Lease, the percentage of employees who belong to a labor union is 64.4%.

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. Each month, we report the company's overall status of working hours and any workers who are working long hours to the director in charge of the Human Resources Division and the President & CEO and deliberate on countermeasures when necessary. 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 2021, there were no infringements of labor-related laws and regulations.

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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 >](#)



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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.](#) >

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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.

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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.

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 2021, we conducted meetings with a total of 44 companies.

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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.

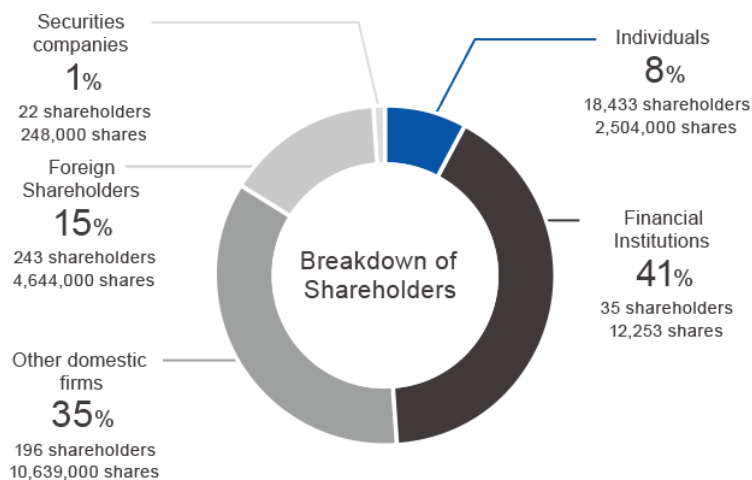
Our Management Philosophy is to support "corporate activities through our leasing business with view to contributing to development of the society". In order to contribute to development of the society together with shareholders, we annually donate an amount equivalent to 10% of shareholder benefits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

The contributions made to date can be viewed on the following page.

[Donation activities](#) >

Stock Information (As of March 31, 2022)

- Number of shareholders: 18,929
- Number of shares outstanding: 30,288 thousand shares



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Breakdown of Shareholders	Number of Shareholders	Number of Shares held (in thousands)
Individuals	18,433	2,504
Financial Institutions	35	12,253
Other domestic firms	196	10,639
Foreign Shareholders	243	4,644
Securities companies	22	248

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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 New Domains, which is in the Incubation Zone, and “environmental activities” that help accelerate activities in Energy & Environment, a business field in the Transformation Zone, which is a growth area, as defined in 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

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. The system was used by one employee in fiscal 2021.

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Community Engagement

Recognizing close ties with its neighbors, the Fuyo Lease Group hopes to grow together with them, while being a good corporate citizen who contributes to the development of local communities. The Group has formulated a Social Contribution Policy and is conducting social contribution activities that make best use of its knowhow, products, and services focusing on the environment, community engagement, academia and research, and assistance to disaster-affected areas.

Environmental and Community Engagement

Environmental Activities and Student Support by Aqua Art

Aqua Art, a group company, provides “AQUA ART” decorative interior aquariums containing tropical fish and aquatic plants for rent. The company also minimizes the impact on the environment and ecosystems by procuring fish and aquatic plants through aquaculture farms, and it is also working to breed fish itself, establishing its SDG-Related Project in 2020. In addition to platy, a kind of tropical fish, it also succeeded in breeding the Japanese rosy bitterling, a freshwater fish endemic to Japan that has been designated as an endangered species. Aqua Art’s initiatives and the aquariums have featured in a special edition of the Yomiuri SDGs Newspaper: Life and the SDGs (first issue published in July 2021). In Japanese, the article was titled “Learning about ecosystems from an aquarium.”

Aqua Art also donates (rents for free) products and services to maternal and child living support facilities based on the philosophy that “AQUA ART wants to make work and life better for the people who live and work in local areas.” It also holds regular visiting lectures at facilities to which aquariums have been donated, offering children an opportunity to learn about the environment and ecosystem.

Fuyo Lease and Aqua Art also hold an annual aquarium design contest jointly with TOKYO DOME HOTEL CORPORATION. Students majoring in art and design at Tokyo Metropolitan Kogei High School and Tokyo Designer Gakuin College, as well as students studying to become aquarists at TCA Tokyo College of ECO & Animals, design and decorate aquariums which are then exhibited at the entrance and lobby of the Tokyo Dome Hotel. During the exhibition period, a contest is held in which visitors to the hotel vote for their favorite.



Japanese rosy bitterling laying eggs



Children actively participating in a visiting lecture (fiscal 2022)

Participation in FIT Charity Run 2020

The Fuyo Lease Group has participated in the FIT Charity Run (Financial Industry in Tokyo For Charity Run) 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 16th FIT Charity Run 2020 was held online due to the impact of the COVID-19 pandemic. A total of 9 employees from the Group participated in the event through activities of running, walking or cycling.

Inviting the local community to Fukuoka PayPay Dome

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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.

With the purchased Philanthropy Seats, 20 seats reserved per year on the first base infield side, audience members can watch the full schedule of official games of Fukuoka Softbank Hawks.

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



Fukuoka PayPay Dome



The purchased Philanthropy Seats

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 12th internship program, held in fiscal 2021, was carried out over a period of eleven days in total between December and February, with the participation of 353 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.



Group work session for interns

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 2022.

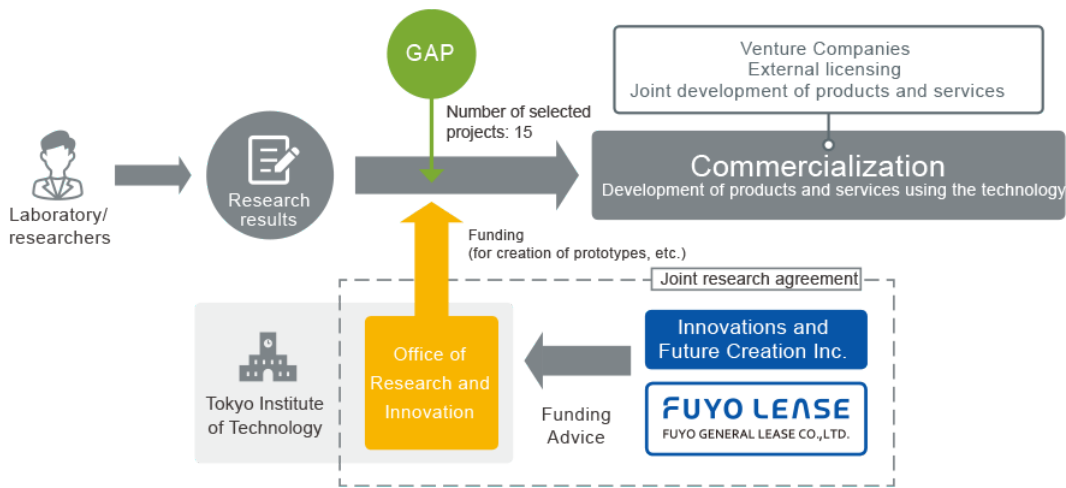
Contribution to academia and research

In October 2017, Fuyo Lease established Japan's first industry-academia collaborative GAP Fund in cooperation with the Tokyo Institute of Technology and Innovations and Future Creation Inc.

In general, commercializing the results of university research requires additional costs outside of research expenses, including the cost of additional testing, creation of prototypes and customer interviews. However, since the research expenses and subsidies contributed by universities are limited to academic purposes, there is a "GAP" in funding between basic research and commercialization. The GAP Fund is intended to fill this funding gap and support commercialization of research results. Fuyo Lease continues to provide funding for the GAP Fund, participate in the selection of eligible projects, and support the commercialization of advanced technology.

GAP Fund

A fund intended to fill the "GAP" to commercialization



Contributions to Culture and the Arts

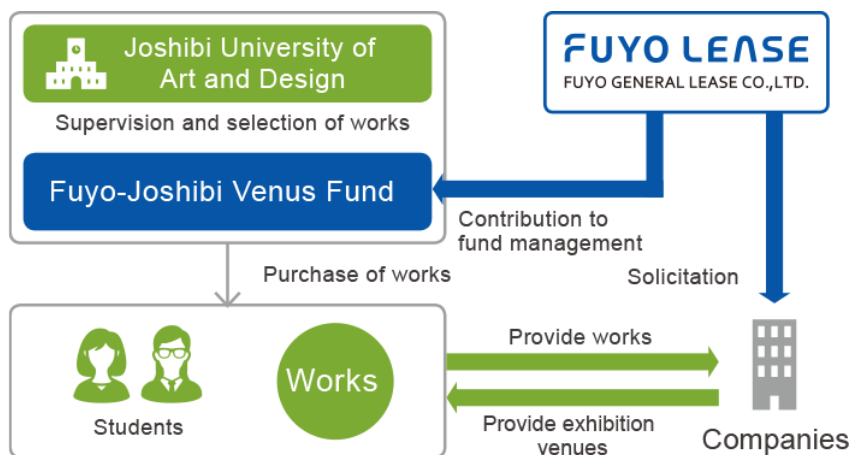
In June 2021, we established the Fuyo-Joshi University of Art and Design to support students aiming to become artists.

Students at art colleges who seek to enter society as artists, designers and creators need opportunities for more people to learn about their work. Through ongoing funding provided to this fund over a period of ten years, Fuyo Lease will purchase works created by students at Joshibi University of Art and Design, while also working to provide numerous venues for the works to be exhibited by leveraging our relationships with our customers and many other companies. By communicating these works to the wider world—works that until now had been held by individuals or limited to on-campus exhibits—we will support these students in moving a step closer to their dreams.

As part of efforts to showcase works by students from fiscal 2022 onward, we have established a foundation operation committee within the university. The committee will decide on how the fund should be managed and carry out preparatory work for exhibiting works.

Our goal is to contribute to the advancement of art and culture in Japan by actively supporting students seeking to become artists through promotion of this fund, and by giving new art back to society.

Fuyo-Joshi Venus Fund



Donation Activities

Actual donations (unit: ten thousand yen)

Fuyo Lease makes annual donations to organizations working in disaster-affected areas, humanitarian assistance, the environment, cultural arts and academic research. In fiscal 2021, we mainly provided donations to support areas affected by disasters related to torrential rains, to children affected by the COVID-19 pandemic, and to cultural arts.

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Disaster-affected area support and Humanitarian Assistance	563	1,127	1,040	575	562
Environment	50	50	50	50	272
Cultural Arts and Academic Research	125	625	1,275	230	600
Other	42	4	2	1	1
Other	780	1,806	2,367	856	1,435

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 2021, we donated a total of ¥800,000 as donations of ¥200,000 to 4 projects in Japan and overseas related to COVID-19 countermeasures and support for children with incurable diseases and their families.



Donation Activities by Shareholder Benefit Plan

Fuyo Lease annually donates an amount equivalent to 10% of shareholder benefits to organizations involved in social contribution activities.

In fiscal 2021, we donated ¥2.81 million each to a fund managed by Social Welfare Corporation Central Community Chest of Japan supporting disaster volunteer and NPO activities in response to torrential rains since early August 2021, and a program by Save the Children Japan providing support for COVID-19 countermeasures through food aid boxes for children.

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Actual donations

Fiscal year	Donation recipient (outline of donation)	Amount (yen)
Fiscal 2011	Japanese Red Cross Society (Great East Japan Earthquake/donation for disaster area)	2,594,500
Fiscal 2012	Central Community Chest of Japan (Great East Japan Earthquake/support for volunteer and NPO activities)	2,959,600
Fiscal 2013	Japan Association of Corporate Executives IPPO IPPO NIPPON Project Phase 5 (Great East Japan Earthquake/provision of learning equipment to affected senior high schools)	4,233,900
Fiscal 2014	Japan Association of Corporate Executives IPPO IPPO NIPPON Project Phase 7 (Great East Japan Earthquake/provision of learning equipment to affected senior high schools)	2,249,550
	Japanese Red Cross Society (2014 West Africa Ebola Relief Fund)	2,249,550
	Total	4,499,100
Fiscal 2015	Japan Association of Corporate Executives IPPO IPPO NIPPON Project Phase 9 (Great East Japan Earthquake/provision of learning equipment to affected senior high schools)	2,561,900
	Central Community Chest of Japan (Donations for disasters, including torrential rain due to Tropical Storm Etau in 2015)	2,561,900
	Total	5,123,800
Fiscal 2016	Kumamoto City (Kumamoto earthquake/Kumamoto Castle disaster recovery assistance fund)	2,615,800
	Japanese Red Cross Society (Middle East Humanitarian Crisis Relief Fund)	2,615,800
	Total	5,231,600
Fiscal 2017	Kumamoto City (Kumamoto earthquake/Kumamoto Castle disaster recovery assistance fund)	2,815,850
	Save the Children Japan (Save the Children Children's Fund)	2,815,850
	Total	5,631,700
Fiscal 2018	Central Community Chest of Japan (Donations for disasters due to Typhoon Jebi in 2018 and Hokkaido Eastern Iburi Earthquake/support fund for disaster volunteer and NPO activities)	2,535,700
	Save the Children Japan (Save the Children Children's Fund)	2,535,700
	Total	5,071,400

Fiscal year	Donation recipient (outline of donation)	Amount (yen)
Fiscal 2019	Central Community Chest of Japan (Donations for disasters due to Typhoon Hagibis in 2019/support fund for disaster volunteer and NPO activities)	2,176,200
	Save the Children Japan (Save the Children Children's Fund)	2,176,200
	Association of Para-Sports Promotion in Japan (APSPJ)	1,200,000
	Total	5,552,400
Fiscal 2020	Central Community Chest of Japan (Donations for disasters, including torrential rain from July 3, 2020/support fund for disaster volunteer and NPO activities)	2,850,450
	Save the Children Japan (New Coronavirus Emergency Assistance Activities)	2,850,450
	Total	5,700,900
Fiscal 2021	Central Community Chest of Japan (Donations supporting disaster volunteer and NPO activities in response to torrential rains since early August 2021)	2,810,200
	Save the Children Japan (Support for COVID-19 countermeasures through food aid boxes for children) Please see here (external site) for details	2,810,200
	Total	5,620,400

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Human Resource Development and Appointment

Basic Approach to Investment in Human Resource

The Fuyo Lease Group believes that people are its greatest asset and that it is important to respect each individual and their individuality and to enable them to feel satisfied and perceive the significance of work. We aspire to help our employees to grow through their work and to live an emotionally and physically fulfilling life.

We believe the Group will be able to achieve sustainable growth by facilitating the growth of each employee and enabling them to perform to the best of their talent and ability.

The Group expects its employees to each think individually and act proactively on their own, to be eager to grow and independent. We will actively invest in human resources to cultivate “high value-added” human resources who will focus on Creating Shared Value (CSV) and facilitate sustainable growth.

Investing in human resources, the Group will focus on developing an organization and systems that will underpin sustainable value creation, particularly the diversification of business domains, the strategic development of human resources in response to advances in technology, diversity and inclusion, and health and productivity management. The Group aims to be a corporate group that supports each employee’s endeavors and growth and that grows together with its employees.

Strategic Human Resource Development

We made changes to our human resources system in July 2019 to perform fair and impartial evaluations and expand business domains under our previous Medium-term Management Plan, Frontier Expansion 2021. The core concept of the current 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 had been served 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.

Moreover, under our new Medium-term Management Plan, Fuyo Shared Value 2026, we plan to increase human resource development expenses 300% during the period of the plan, believing that it is essential to cultivate human resources who can help address highly complex social issues, such as the realization of a carbon-free society, and to actively develop human resources with techniques that are very different from conventional approaches.

In addition to training for acquiring knowledge about accounting, tax practice, and legal affairs that are necessary for leasing and finance and acquiring common business skills, including communication and thinking skills, we are expanding training programs intended to increase added value in individual business areas, including languages, digital transformation, and progressive finance. For language acquisition, we started for young employees a training program where employees remotely cooperate with business persons overseas to do tasks.

To develop expertise in individual business areas, we have introduced a cafeteria plan in our self-development system. We annually grant self-development points equivalent to 300,000 yen maximum to mid-level employees, and they can choose from an extensive menu, including attending language school and computer school and participating in external seminars.

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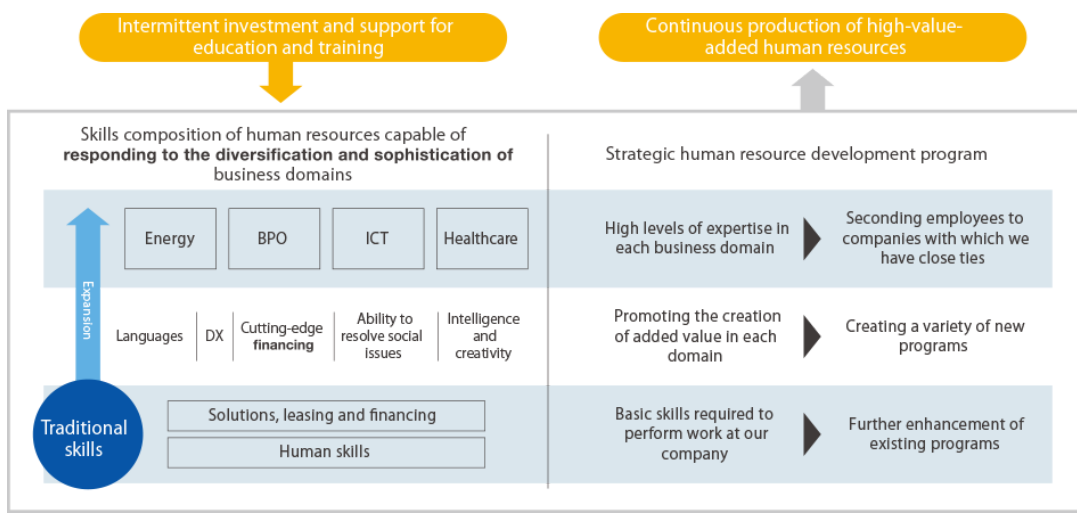
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Approach to Hiring and Promotions

In hiring and promoting human resources, we consider the knowledge and skills that will be required to promote business strategy and analyze the requirements of employees in their actual jobs. We define human resource requirements for the Group and work to continually hire people with high potential through networks with university career centers and other organizations.

Engagement

The Fuyo Lease Group defines engagement as “a relationship in which each employee links the growth of the company with his or her own growth, and contributes to their mutual growth.” Indicators of engagement are measured through employee opinion surveys.

In fiscal 2021, the surveys were administered to 2,182 employees in total at 12 companies in Japan, and the response rate was 94.0%. The questions were divided into several sections, including workplace and job satisfaction, perceiving the significance of work, and work-life balance, and evaluations were given on a scale of one to five. 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 opinion survey

	FY 2018	FY 2019	FY 2020	FY 2021
Number of employees who answered the survey	Domestic 8 group companies, 1,490 employees	Domestic 10 group companies, 1,714 employees	Domestic 12 group companies, 2,096 employees	Domestic 12 group companies, 2,051 employees
Job satisfaction*	87.3%	85.8%	85.4%	85.9%

* 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 Opinion Survey.

Human resource development policy and internal environment policy and status to ensure diversity

As the needs of our stakeholders are constantly changing, diversifying and becoming more sophisticated, we believe that each and every one of our diverse employees needs to be able to "think for themselves and make the right choices" in order to realize the mission assigned to them. In addition to on-the-job training (OJT), we provide group training in legal affairs, taxation/accounting, finance, financial analysis, product knowledge, and thinking business skills at a wide range of levels.

In addition, the basic idea of our evaluation system is to fairly and equitably evaluate the achievements of each of our diverse employees and their efforts to develop their abilities and realize their role tasks. In addition to clarifying

strengths and challenges through feedback from evaluators and setting new challenges, which leads to employee growth, we have also introduced a "Job Posting System" and a "Job FA System" to encourage autonomous growth and challenges, and to help employees realize their career plans.

Investment in Human Capital

The Company invests in human capital with a focus on the treatment and development of employees. With regard to the treatment of employees, we take into consideration a wide range of factors, including the environment surrounding the industry, the performance of the company at the time, and the treatment levels of the public and other companies in the same industry. With regards to the development of employees, in addition to on-the-job training (OJT) in the workplace, we provide training on a wide range of topics and encourage self-development in order to develop employees' ability to "think for themselves and make the right choices. At the same time, we focus on developing global human resources by dispatching trainees to overseas subsidiaries and supporting employees' initiative and motivation by supporting their attendance at language and business schools.

The Company's performance in terms of compensation and training (fiscal2021) is as follows.

1. Results in terms of treatment
 - Average employee salary: 8.77 million yen
2. Results in terms of development
 - Human resource development expenses: 74 million yen
 - Dispatch of trainee to overseas subsidiary: 6 people
 - Dispatch of employees for training in Japan for educational purposes (including secondment): 12 people

Policies related to human resources development

Developing autonomous human resources

We emphasize each employee's efforts to pursue professionalism and take the initiative to develop their own abilities. A cafeteria plan has been introduced in fiscal 2022 that allows employees to freely choose from an extensive menu of offerings, including correspondence courses, e-learning, language learning and certification classes, and attendance at business school, with support provided for tuition fees. Our "+ Friday Seminars*," established in fiscal 2021, cover a wide range of topics, including the latest business information, general education and health, and aim to promote a habit among employees, regardless of age or position, of using their free time to learn for themselves. In addition, in cases where the COVID-19 pandemic makes it difficult to hold group training, we have created an environment where employees can continue to enjoy opportunities to learn via online training and on-demand viewing of training videos. In fiscal 2021, the average number of hours of education and training spent on each employee was 29.8 hours.

* "+Friday Seminars," which are seminars held at irregular intervals on Friday afternoons, provide opportunities to learn during the time created by "+Friday," in which employees select one Friday at random each month to work only for the morning and then go home early.

[Click here for a more detailed explanation of our educational system >](#)

Since fiscal 2017, the Fuyo Lease Group has been jointly conducting business skill training, focused on training for new recruits, career training, and management. As a foundation for pursuing synergies, this training serves as an opportunity to help share understanding of each company's business and culture.

A total of 300 group company employees took part in 13 training programs in fiscal 2021.



Young employees working on tasks given by the training program.
(During group training, they wear masks and keep their distance to participate in the training.)

Initiatives to strengthen guidance and development

Management training is held every year primarily for newly appointed assistant managers and section chiefs. With change accelerating in the business environment, the training involves lively discussions facilitated by outside instructors on how to face this change, in terms of both job achievement and human resources development, based in part on the results of surveys of upper-level managers and workplace members. Through the training, participants work to further improve their management skills.

In the second half of fiscal 2019, we also introduced coaching training for management-level employees, designed to strengthen guidance and development in cultivating the ability to "think, judge and act on one's own," and, as an organization, to pass on human resource development practices to the next generation. Those who have completed a six-month cycle of training and practice are granted our internal coaching qualification. In addition to teaching, we encourage the growth and leadership of each employee through coaching and development, as we aim to create an organization that maximizes diverse talents and capabilities.

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, 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, we introduced and launched the Job Posting System in fiscal 2018, and the Job FA System in fiscal 2021 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 environment and energy businesses in collaboration with our business partners 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.

The "Job FA System" basically allows employees who meet certain conditions to transfer to the department of their choice. This system was introduced with a view to maintain high levels of motivation.

Certification promotion program

This program covers around 150 certifications related to specialized expertise in legal affairs, accounting, finance, languages, IT, real estate, healthcare, and other fields and provides support at successful completion in the form of tuition grants and incentive payments. The program is used every year by numerous employees.

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 April 2022, 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 2022, a total of 13 contract employees had been hired as full-time employees, and are working in the field of administration or sales administration.

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Diversity & Inclusion

Promoting Diversity and Inclusion

We believe that diversity is a key growth driver and bringing together different strengths, viewpoints and values generates the innovation that creates new value, and leads to sustainable growth for the Group. Therefore, we are working to promote diversity and inclusion with the goal of creating workplaces that are comfortable for everyone, where every Group employee can maximize their full potential and enhance their expertise, regardless of age, sex, nationality, sexual orientation, gender identity, race, ethnicity, disability, or the way they were recruited. Given a background of responding to diversifying market needs, we consider empowering women in the workplace to be a particularly important management priority. To secure talented human resources, we are working on measures to promote roles for women aimed at creating an environment in which women can demonstrate their abilities and play an active role.

The current status (as of the end of March 2022) and targets for women, non-Japanese, and mid-career hires in our company are as follows.

	Current	Goal
①Ratio of female employees in management positions	29.5%	35% or more (by end of FY 2026)
②Appointment of non-Japanese managers	0	About 2 (by the end of FY2030)
③Appointment of mid-career hire managers	99	Current status

Empowering female employees in the workplace



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

Sustainability

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

Given a background of a shrinking productive workforce and the need to respond to diversifying market needs, the Group considers empowering women in the workplace to be a particularly important management priority. To secure talented human resources, we are advancing initiatives to promote the workplace participation of women aimed at creating an environment in which, more than ever, women can demonstrate their abilities and play an active role. Under our general employer action plan launched in fiscal 2020, based on the Women's Advancement Promotion Law, we have set targets for the ratio of female employees hired and ratio of female employees in management positions, and we have begun a variety of measures aimed at achieving them. Specifically, we are moving forward with initiatives that strongly support women's advancement, including strengthening recruitment by expanding seminars at women's colleges and promoting follow-up with women in managerial career track positions. To encourage women to elevate their careers, we are also providing more opportunities for them to interact with a diversity of role models, including by holding informal exchanges with executives and division heads, as well as career lectures and dialogues with female business leaders. In this way, we are working to increase motivation and nurture a suitable culture. As a result of our efforts, we received Platinum Kurumin certification in fiscal 2017 and two-star Eruboshi certification (the second highest level) in fiscal 2021 from the Minister of Health, Labour and Welfare.

At the start of our new medium-term management plan in April 2022, we set new numerical targets to create a workplace where every employee can work comfortably and feel job satisfaction. These targets include a ratio of women in new graduate hires of 40% and a ratio of female employees in management positions of 35%.

Accordingly, we have also updated the targets in our general employer action plan, which covers the period from April 1, 2022, to March 31, 2027. To achieve these targets, we will focus on further promoting the workplace participation of women by enhancing and strengthening the various measures we have taken to date.

Outline of Our General Employers Action Plan Based on the Women's Advancement Promotion Law

Plan period: April 1, 2022, to March 31, 2027 (five years)

Target	Details of Initiatives
Ratio of women in new graduate hires of 40%	<ul style="list-style-type: none"> Provide internships for female university students and continue enhancing seminar content
Ratio of female employees in management positions of 35%	<ul style="list-style-type: none"> Continue to provide female employees with individual interviews and skill development opportunities, and consider level-based training Continue to provide opportunities for cross-sectoral interactions with diverse role models
Ratio of annual paid leave taken of 90%	<ul style="list-style-type: none"> Continue to foster awareness of taking annual paid leave in a planned manner Raise awareness and implement training regarding increasing productivity
Ratio of paternity leave taken of 100%	<ul style="list-style-type: none"> Revise rules regarding childcare leave and keep employees informed Collect and share examples of male employees taking paternity leave Implement measures to foster an appropriate culture

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

In the course of fiscal 2020 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 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 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. From fiscal 2020, we have been holding career seminars by female executives and providing opportunities to encounter a variety of careers and work values.

* 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
5th Lecture	February 2021	1st Seminars by female executives
6th Lecture	September 2021	2nd Seminars by female executives
7th Lecture	March 2022	3rd Seminars by female executives
8th Lecture	September 2022	4th Seminars by female executives

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

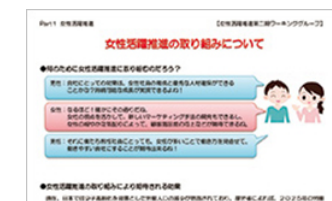


Since January 2015, we are continuously running a working group for employees with the aim of creating a workplace that is more welcoming for employees to get actively involved in, and allows them to envision their careers over the medium and long term. In fact, several programs have been established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

For example, a program called +Friday (Plus Friday) introduced in February 2017 is one of them, which allows employees to choose one Friday each month when they work just a half day. Flexible 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	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
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 Flexible 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.



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 Group also provides e-learning about disabilities to all Group employees and group training to heads of departments and branch offices to promote understanding about this issue.

As of the end of fiscal 2021, the percentage of people with disabilities employed by Fuyo Lease was 2.2 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 2021, there were 57 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

The Fuyo Lease Group believes that creating a work environment in which employees can be healthy, safe and can work with energy and enthusiasm leads to a more vital, productive organization. We are striving to build a better working environment where all employees can find their own optimal work-life balance and enhance the quality of both life and work by maintaining and improving their health, gaining new knowledge and experiences and attaining personal growth. In addition, we believe that investing in the health of our employees—efforts to maintain and improve their health—is an investment in human capital on par with investing in education.

In addition to providing support for childcare and nursing care, since fiscal 2014 we have been implementing work-style reforms across our corporate group and in fiscal 2020, we introduced hourly-based annual leave and established rules for telecommuting to allow for even more flexible work styles. We will continue to adapt our operations in line with the requirements of the times.

In fiscal 2017, we formulated Next-Generation Training Support Action Plan: Stage 7 (April 2017-March 2022) with the aim of enabling 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 spirit of taking on challenges. Now that this action plan has finished, we will further advance its initiatives with the aim of achieving our numerical targets and promoting a variety of work-styles to employees through the active use of 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

Numerical targets(Fuyo Lease non-consolidated)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2026 target
Rate of taking annual paid leave	68.0%	68.4%	66.3%	72.0%	82.3%	90% or more
Rate of male employees who take childcare leave etc.	90.0%	90.5%	85.7%	78.6%	110%	100% or more

Main Programs and Benefits

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

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Name	Program contents
Maternity leave	A program that allows female employees to take paid leave of six weeks before childbirth and eight weeks after childbirth. (In relevant legislation, companies are not required to provide pay during maternity leave, so this initiative goes beyond legal stipulations.)
Spousal childbirth leave	A program that allows male employees to take three days of paid leave when their spouses give birth. (In relevant legislation, companies are not required to provide spousal childbirth leave, so this initiative goes beyond legal stipulations.)
Parental leave	A program that allows employees raising children to take five days of paid leave (however, a maximum of ten days of leave can be taken if it is taken in conjunction with childbirth 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
Flexible hours program	A program that allows employees to choose from five different working-hour schedules to match their lifestyles
Return-to-work program	A program that assists people who want to return to work after leaving due to reasons such as marriage, pregnancy, childbirth, childcare, transfer of spouse, or nursing a family member
Telework program	A program that allows employees who want to use teleworking may work from home or a location equivalent to home if they receive permission from their supervisor
Employee stock ownership program	A program that enables full employees of Fuyo General Lease Co., Ltd. to purchase and hold shares in the company and receive benefits including incentives and dividends

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.

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.



Platinum Kurumin mark

In fiscal 2018, we worked to transform mindsets by holding an Ikuboss Seminar, having management-level staff take part in the Ikuboss Declaration, and participating in the Ikuboss Corporate Alliance. 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 made it mandatory for male employees to take childcare leave (in fiscal 2021, the rate of paid paternity leave was 110%). Going forward, we will continue to make efforts to actively promote the participation of male employees in childcare while also aiming to further increase the rate of paid paternity leave.

Employee's comment: Mitsuhiro Uekusa, DX and Marketing Strategy Division



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

"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. 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 products 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 flexible 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 2021, 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 each individual employee to review their workstyle, from February 2017 we introduced the +Friday program, where employees can select one Friday of each month to work only for the morning then go home early. A total of 84.8 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: Yuko Hoshino, ICT Solution Business Division



I'm using the afternoon to refresh myself.

"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 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.

Flexible Hours Program

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.

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



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

"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 nursery school. Because my wife is also working, I hope to share housekeeping and childcare 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 flexible 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.

Employee's comment: Yuki Nukui, Corporate Business Division II



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

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

With the Flexible 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 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.

Telework Program

In April 2021, we introduced a telework program with the aim of enabling autonomous and active work styles. Employees who want to use teleworking may do so if they receive permission from their supervisor, enabling them to work autonomously and actively in a way that can be expected to raise productivity and make operations more efficient.

Increased paid leave take-up rate

We have been working to improve the paid leave take-up rate through measures such as establishing a system in fiscal 2011 that encourages taking consecutive days of leave in summer and winter and introducing the Five-day Consecutive Annual Leave system in fiscal 2016 with the aim of improving the rate at which career-track employees take leave. Furthermore, in fiscal 2021, we started promoting “bridge holidays” by encouraging employees to use a day of leave in situations where one or two working days are bracketed by a weekend and a national holiday, increasing opportunities for taking four- or five-day breaks in order to achieve a balanced approach to work and time off.

As a result, we achieved a paid leave take-up rate of 82.3% in fiscal 2021 (Fuyo General Lease non-consolidated), thereby surpassing the annual leave taking rate of 70% or more that was 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, as well as the rate of 80% that was the target for the final year of our previous Medium-Term Management Plan (fiscal 2021).

As a new objective, in our new Medium-Term Management Plan Fuyo Shared Value 2026, we have raised our target to a paid leave take-up rate of at least 90% (Fuyo General Lease non-consolidated) by fiscal 2026. We will work to achieve this target by continuing to raise awareness of taking annual paid leave in a planned manner.

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Employee Health Management

Health Declaration

The Fuyo Lease Group believes that the mental and physical health of employees and their families is the source of their fulfillment and wellbeing. We believe that it leads to their growth as responsible resolvers of social issues.

Based on this thinking, we have presented our Health Declaration, stating that we will strongly promote activities to maintain and increase the health of employees and their families, and the Group is working together as one to engage in health and productivity management.

1. The Fuyo Lease Group recognizes that employees are its greatest asset, and that their health and that of their families is important.
2. Employees also recognize that their health and that of their families is irreplaceable and will proactively work to maintain and increase their own health.
3. The Company will continuously support these initiatives by employees and provide comfortable work environments.
4. With the participation of employees who are healthy and work with energy and enthusiasm, the Group will aim to resolve social issues and realize a better society.

The Fuyo Lease Group's Health and Productivity Management System



Health Committee

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 occupational 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.

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Health examination

Health examinations for employees are held once a year. The general periodic health examination take rate for fiscal 2021 was 100%.

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 six affiliated companies since 2021.

Employees receive stress checks on the Web and, after about a month, they can check the results of evaluations given by occupational 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 occupational 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.


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Employee Data

Employee Data

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Fuyo Lease Group consolidated data

Number of employees (persons)

	End of FY 2015	End of FY 2016	End of FY 2017	End of FY 2018	End of FY 2019	End of FY 2020	End of FY 2021
Number of employees	1,559	1,703	1,715	1,960	2,416	2,637	3,189

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Fuyo Lease non-consolidated data

Number of employees (persons)

	End of FY 2017			End of FY 2018			End of FY 2019			End of FY 2020			End of FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Generalist track	458	53	511	459	63	522	456	85	541	469	104	573	473	122	595
Administrative track	0	149	149	1	155	156	1	138	139	2	137	139	2	142	144
Temporary employees	24	5	29	20	6	26	28	7	35	38	9	47	46	13	59
Total	482	207	689	480	224	704	485	230	715	509	250	759	521	277	798

Number of new graduates employed (persons)

FY of joining Fuyo Lease	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total	26	28	31	35	29	45	38	43
Male	19	20	18	20	18	27	18	20
Female	7	8	13	15	11	18	20	23

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

FY of joining Fuyo Lease	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Generalist track	16	16	26	22	29	27	27
Administrative track	0	3	0	6	2	6	2
Total	16	19	26	28	31	33	29
Retention rate of employees 3 years after joining Fuyo Lease	87.5	94.7	100	85.7	100	94.3	89.7

Rate of mid-career hires (%)

FY of joining Fuyo Lease	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Rate of mid-career hires	17.6	18.4	14.6	21.6	6.3	22.4

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Generalist track	5	6	11	13	10	12	15
Administrative track	1	1	3	2	4	2	1
Total	6	7	14	15	14	14	16
Voluntary resignation	3	6	9	14	11	11	11
Mandatory retirement	2	1	2	1	2	1	1
Other	1	0	3	0	1	2	4
Turnover rate	0.8	1.0	1.9	1.9	1.8	1.7	1.9 <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 2015	End of FY 2016	End of FY 2017	End of FY 2018	End of FY 2019	End of FY 2020	End of FY 2021
Average Age	41.7	41.5	41.4	41.2	41.3	41.4	41.4
Length of service	16.6	16.4	14.7	14.6	14.8	14.5	14.2
Annual salary	8,366	8,410	8,454	8,669	8,833	8,675	8,771
Rate of paid leave taken	61.9	68.9	68.0	68.4	66.3*	72.0	82.3 <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 2015	End of FY 2016	End of FY 2017	End of FY 2018	End of FY 2019 ^{1,2}	End of FY 2020 ²	End of FY 2021
Female managers	27	29	32	36	79	113	130 <input checked="" type="checkbox"/>
Percentage of female managers	9.0%	9.1%	9.9%	11.5%	21.1%	27.5%	29.5% <input checked="" type="checkbox"/>

¹ Our human resources system was revised in July 2019 to classify senior leaders (a position equivalent to the position of section chief) as managers, and, as a result, the number of female managers and the ratio of female managers at the end of fiscal 2019 increased year on year.

² Figures for the end of fiscal 2019 and fiscal 2020 were changed to exclude employees who are rehired, so they differ from the figures published on the website and in the Integrated Report, etc. the previous fiscal year and prior.

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

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total employee training hours (hours)	13,921	16,109	18,093	19,118	19,937	19,809	20,175

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Average training hours per employee (hours)	25.6	29.2	31.2	31.9	32.6	30.3	29.8

Number of trainees sent overseas (persons)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Number of employees sent overseas	5	5	8	8	9	3	6

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

	Apr. 2016	Apr. 2017	Apr. 2018	Apr. 2019	Apr. 2020	Apr. 2021	Apr. 2022
Number of users	1	1	1	0	2	6	0

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

	Apr. 2016	Apr. 2017	Apr. 2018	Apr. 2019	Apr. 2020	Apr. 2021	Apr. 2022
Number of users	1	0	3	1	0	3	1

Other employee data

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Number of female employees who take childcare leave (persons)	8	9	10	4	3	6	1	7
Percentage of female employees who take childcare leave (%)	100	100	100	100	100	100	100	100
Number of male employees who take childcare leave (persons)	0	11	11	7	19	12	11	22
Percentage of male employees who take childcare leave (%)	0.0	47.8	52.4	43.8	90.5	85.7	78.6	110.0
Rate of employees receiving regular medical check-ups (%) ^{*1}	99.8	97.5	99.0	97.5	98.4	98.4	100	100
Employment rate of the disabled (%)	2.0	1.8	2.2	2.3	2.3	2.1	2.4	2.2

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Number of industrial accidents (number of cases)*2	2	2	1	1	2	4	2	3

*1 Regularly provided medical check-ups are categorized into general medical examinations for employees of less than 35 years of age and comprehensive medical examinations for employees of 35 years of age or above.

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

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Corporate Governance

Basic Idea and Structure

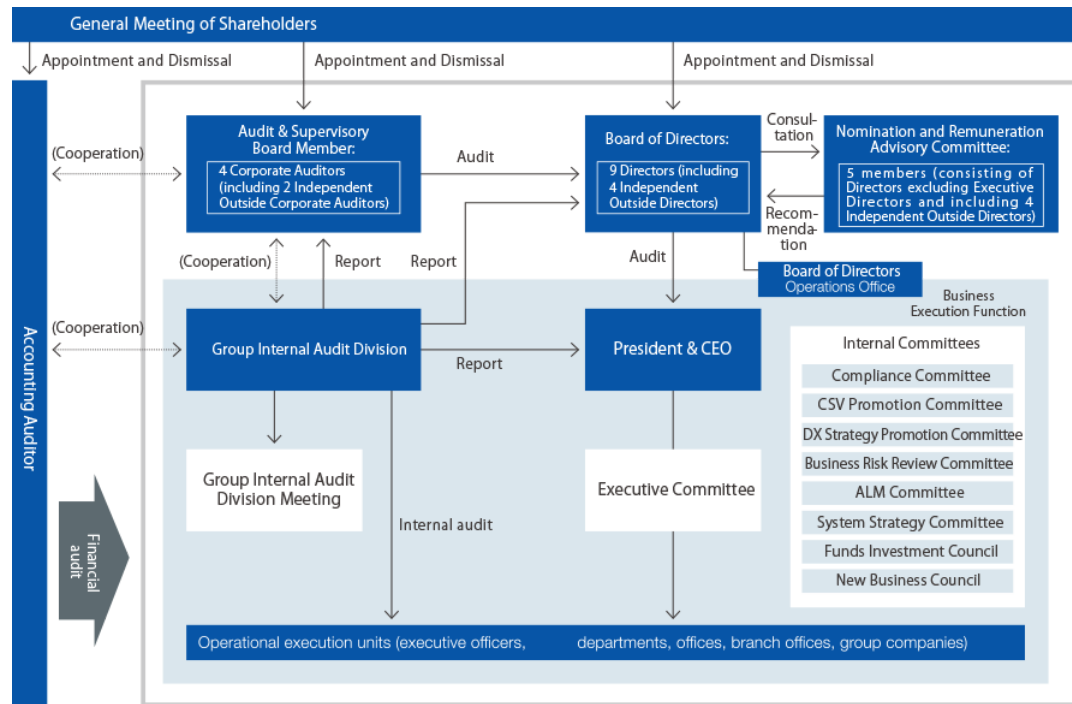
The Fuyo Lease Group places strong emphasis on creating and maintaining relationships with various stakeholders, including shareholders, customers, employees, and local communities. We believe that the fundamental and most important objective of corporate governance is to perform business activities with sincerity and fairness in line with the Group's mission, vision and value and to achieve the management targets laid out in our Medium-Term Management Plan.

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 an Audit & Supervisory Board Member and appointed 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 four independent outside directors, who provide oversight and advice on the execution of business operations from an external perspective.

Corporate Governance Structure



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](#) (179KB)

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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
	Introduced a stock compensation plan (Board Benefit Trust, BBT)	To strengthen links among the directors' remuneration, shareholder value, and achievement status of the Medium-term Management Plan
	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	To comply with the revised Japan's Corporate Governance Code
2019	Released an English version of the Corporate Governance Report	To enhance external disclosure related to corporate governance
	Began reporting annual internal audit results and annual plans and policies to the Board of Directors	To expand reporting lines for internal audits
2021	Increased the number of independent outside directors from three to four	To strengthen the management oversight structure
	Revised Corporate Governance Guidelines	To comply with Japan's revised Corporate Governance Code
2022	Regarding indicators used for the calculation of performance-linked compensation based on the new medium-term management plan, changes were made to financial items and non-financial items were added.	To ensure the achievement of financial and non-financial targets in the new medium-term management plan

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](#) (56KB)

Board of Directors

The Board of Directors consists of nine directors, including five internal directors and four 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 2021, the Board of Directors met 12 times.

Nomination and Remuneration Advisory Committee

Fuyo Lease has set up the Nomination and Remuneration Advisory Committee as an advisory body of the Board of Directors to ensure objectivity and independence in the process for determining nomination of officers, remuneration, etc. The committee consists of five members, including four independent outside directors and an internal 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 2021, the Nomination and Remuneration Advisory Committee met 6 times.

Audit & Supervisory Board Member

Our Audit & Supervisory Board Member 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 Audit & Supervisory Board Member, 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 Group Internal Audit Division) has been appointed to assist them.

In fiscal 2021, the Audit & Supervisory Board Member met 12 times.

Attendance at Board and Committee meetings (attendance in FY 2021 by board members, as of June 23, 2022)

Name	Position	Attendance at Board meetings
Yasunori Tsujita	Director and Chairman, Chairman of the Nomination and Remuneration Advisory Committee	Board of Directors: 12/12 Nomination and Remuneration Advisory Committee: 6/6
Hiroaki Oda	President and Chief Executive Officer (Representative Director)	Board of Directors: 10/10 -(Elected in June 23, 2021)
Soichi Hosoi	Director and Deputy President (Representative Director)	Board of Directors: 12/12
Keiji Takada	Director and Deputy President	Board of Directors: 12/12

Name	Position	Attendance at Board meetings
	(Representative Director)	
Yusuke Kishida	Senior Managing Director	-(Elected in June 23,2022)
Seiichi Isshiki	Director (Independent Outside Director), Member of the Nomination and Remuneration Advisory Committee	Board of Directors: 12/12 Nomination and Remuneration Advisory Committee: 6/6
Hideo Ichikawa	Director (Independent Outside Director), Member of the Nomination and Remuneration Advisory Committee	Board of Directors: 12/12 Nomination and Remuneration Advisory Committee: 6/6
Masayuki Yamamura	Director (Independent Outside Director), Member of the Nomination and Remuneration Advisory Committee	Board of Directors: 12/12 Nomination and Remuneration Advisory Committee: 6/6
Hiroko Matsumoto	Director (Independent Outside Director), Member of the Nomination and Remuneration Advisory Committee	Board of Directors:10/10 Nomination and Remuneration Advisory Committee:4/4 (Elected in June 23,2021)
Yoshito Tsuruta	Full-time Audit & Supervisory Board Member	Board of Directors: 12/12 Board of Corporate Auditors: 12/12
Masaharu Nakamura	Full-time Audit & Supervisory Board Member	-(Elected in June 23,2022)
Takashi Yonekawa	Outside Audit & Supervisory Board Member (Independent Director)	Board of Directors:10/10 Nomination and Compensation Advisory Committee:9/9 (Elected in June 23,2021)
Hiroshi Imoto	Outside Audit & Supervisory Board Member (Independent Director)	Board of Directors:10/10 Nomination and Compensation Advisory Committee:9/9 (Elected in June 23,2021)

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 2021, 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 Group 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.

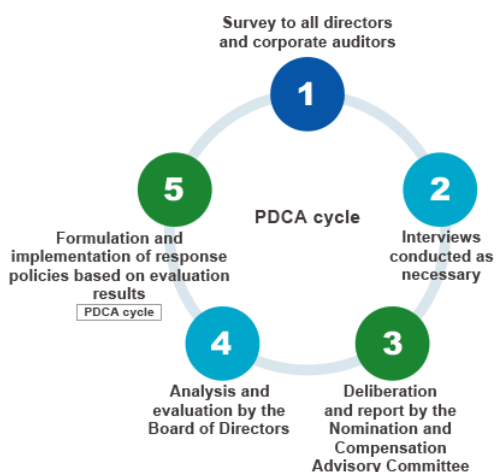
Internal Audit

The internal audit function is administered by the Group Internal Audit Division (staffed by twelve employees). The Group 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.

Initiatives to Improve the Effectiveness of the Board of Directors

Fuyo Lease is engaged in a number of initiatives to ensure active and substantial discussions at its Board of Directors' meetings. Regarding the analysis and evaluation of the overall effectiveness of the Board of Directors, a questionnaire was administered to all directors and corporate auditors and interviews were held as necessary. After deliberations and reporting by the Nomination and Remuneration Advisory Committee (with the committee's secretariat being assisted by our corporate lawyers), of which independent outside directors comprise the majority, the results of the analysis and evaluation were resolved by the Board of Directors.

Evaluation process (corporate lawyer assists the secretariat)



Assessment Criteria

1. Composition, etc. of the Board of Directors
2. Roles of the Board of Directors
3. Operation of the Board of Directors
4. Frameworks for supporting Outside Officers
5. Summary

FY2021 Evaluation 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 it is still necessary to 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 in response to internal and external environment changes.

Progress on Issues identified last fiscal year

– (i) Further improvement of the Board of Directors' functions

FY2021 Initiatives

- One female director was appointed at the Annual General Meeting of Shareholders in June 2021
- Skill matrix of the Board of Directors was developed
- In the process of establishing the current Medium-Term Management Plan, a forum for discussion with outside directors was set up (four times in total), in addition to discussions at the Board of Directors' meetings
- Reviewed the criteria for items to be submitted for discussion at the Board of Directors' meetings, focusing on strategic importance and expanding the scope of delegation to the Executive Committee

– (ii) Further deepening of CSV management

FY2021 Initiatives

- Set CSV practice as the management theme in the current Medium-Term Management Plan
- Development, examination and formulation of strategies for each business segment, incorporating CSV perspectives

– (iii) Further enhancement of information provision to outside officers

FY2021 Initiatives

- Provision of opportunities to attend meetings of managers of departments and offices, etc. in addition to the provision of materials and minutes of Executive Committee, which was already being implemented

Future Issues and Initiatives

We recognize the need to further improve the function of the Board of Directors by having a director other than an executive director chair the Board of Directors' meetings, as a general rule. We further recognize the need to enhance deliberations and reporting by the Board of Directors to steadily promote the Medium-Term Management Plan and further deepen CSV management, and to further 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.

The Board of Directors Skills Matrix

Name	Position, etc. and status of execution of duties	Nomination and Remuneration Advisory Committee	Term of office	Areas of Particular Interest					
				Corporate management (Industry)	Finance and accounting	Global business	IT and technology	Human resources development	Internal control and management
Yasunori Tsujita	Director and Chairman Chair of the Board of Directors	Chair	7 years	● Finance (bank/leasing)			●	●	●
Hiroaki Oda	President and Chief Executive Officer (Representative Director) President and Executive Officer		1 years	● Finance (bank/leasing)		●			
Soichi Hosoi	Director and Deputy President (Representative Director) Vice President and Executive Officer		8 years	● Finance (bank/leasing)	●	●			●
Keiji Takada	Director and Deputy President (Representative Director) Vice President and Executive Officer		2 years	● Finance (leasing)		●			
Yusuke Kishida	Senior Managing Director Senior Managing Executive Officer		(Newly appointed)	● Finance (leasing)	●				●
Seiichi Isshiki	Directors Outside Independent	Members	7 years	● Resources and energy	●		●		●
Hideo Ichikawa	Directors Outside Independent	Members	4 years	● Chemical manufacturing		●		●	●
Masayuki Yamamura	Directors Outside Independent	Members	3 years	● Telecommunications/technology	●		●		●
Hiroko Matsumoto	Directors Outside Independent	Members	1 years	● University education/industry-government-academia partnership/product design				●	
Yoshito Tsuruta	Full-time Audit & Supervisory Board Member		2 years	● Finance (leasing)	●				
Masaharu Nakamura	Full-time Audit & Supervisory Board Member		(Newly appointed)	● Finance (leasing)	●				●
Takashi Yonekawa	Corporate Auditors Outside Independent		1 years	● Finance (insurance)	●	●		●	
Hiroshi Imoto	Corporate Auditors Outside Independent		1 years	● Finance (international finance)		●		●	●

Board Remuneration

The Board of Directors of Fuyo Lease has passed a resolution on the Company's policy regarding how to determine individual remuneration, etc. for directors. 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. In addition, indicators for performance-based compensation are established by categorizing them into financial items, which are key performance indicators for the Medium-Term Management Plan, and nonfinancial items, which include the environment and investment in human capital. Financial items are ordinary profit, ROA, shareholders' equity ratio, and ROE on a consolidated basis. Non-financial items are amounts of capital invested in expenses related to decarbonization and human resources related on a non-consolidated basis. As resolved by the Board of Directors, the President & Chief Executive Officer is delegated to determine details regarding the amounts and timing of performance-based compensation.

– Method for calculating performance-based compensation

Performance-based compensation = base salary for each position x 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 consolidated operating assets, consolidated ordinary profit, and consolidated ROA, and is decided within a range of 0 to 200% by resolution of the Board of Directors after deliberations and reporting by the Nomination and Remuneration Advisory Committee. Compensation for directors at the level of senior managing director and below incorporates an individual evaluation made by the President & CEO that considers business performance in the director's area of responsibility and a qualitative assessment.

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 0.7 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 Remuneration 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 performance-based compensation 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.

Board Remunerations (Fiscal 2021)

Director classification	Total amount (millions of yen)	Breakdown of remunerations (millions of yen)			Number of directors
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors	393	247	68	78	10
(Outside Directors)	45	45	(-)	(-)	4

Director classification	Total amount (millions of yen)	Breakdown of remunerations (millions of yen)			Number of directors
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Board of Corporate Auditors members	66	66	-	-	6
(Outside Auditors)	(21)	(21)	(-)	(-)	4

* The above performance-linked remuneration comprises the amount, which shall be recorded in fiscal 2021.

* Non-monetary remuneration is a stock benefit trust (BBT). The amount of the 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.

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.

[Site Policy](#) [Privacy policy](#) [Customer-oriented Operational Policies](#) [Basic Policy for Prevention of Money Laundering, etc.](#)

[Blocking Relationships with Antisocial Forces](#) [Site Map](#)

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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 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.

Sustainability

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

[Solving Social Issues through Business](#) >

[Environmental Report](#) >

[Social Report](#) >

[Governance and Management](#) >

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

[Fundprocurement through ESG finance](#) >

[Participation in Initiatives and Third-Party Evaluation](#) >

[Editorial Policy](#) >

[Independent assurance](#) >

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

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 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 fulfillment 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 products 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 products 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 products, 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, products, 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.

Products

Company products (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 products, 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.

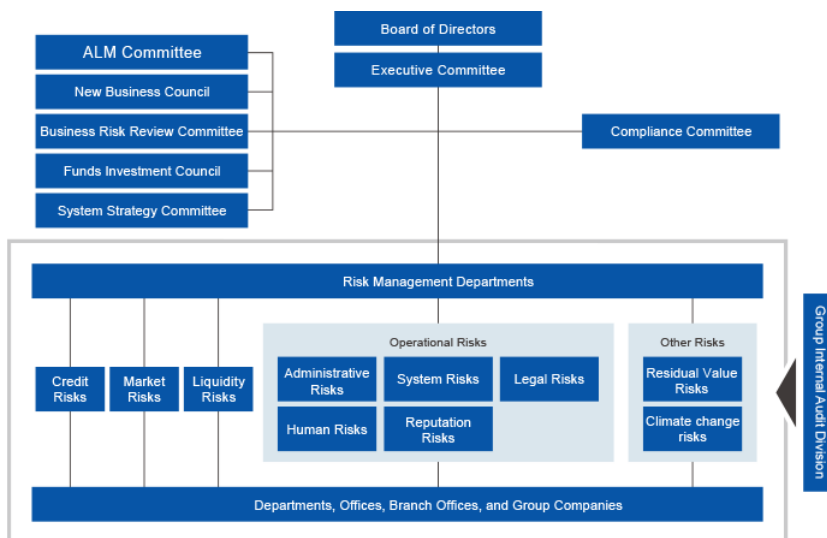
The Board of Directors and the Executive Committee receive updates on risk management, discuss risk management policies according to the characteristics and importance of each risk, and evaluate the effectiveness of risk management. The Asset and Liability Management (ALM) Committee meets on a regular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

For risk events that may affect the Group's business, the Group has sought to comprehensively identify risks facing each Group business considering the scale and characteristics of the identified risks while making sure to include risks in each business domain, such as economic downturns, market fluctuations, and downturns in individual markets.

In addition, as a risk governance system for the entire group, we have established a "Three-Line Defense System" based on risk management by each business unit (first line), risk management by the risk control department and the department in charge of risk (second line), and verification by the internal audit department (third line).

The designated risk management division formulates a basic policy for managing risks identified as targets, and conducts an appropriate analysis, evaluation and measurement of risks according to the size and characteristics of the relevant business and risk profiles. In addition, the designated risk management division monitors the status of risks held from an independent perspective, reports the results of monitoring to the Executive Committee, etc., and implements supervision of sales and marketing divisions with an approach geared to the situation.

Moreover, the risk control division has established integrated risk management systems to promote risk management by comprehensively identifying and evaluating risks by risk category, and to control risks within the scope of management capabilities.



Risk Management Training

Sustainability

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

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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

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 core of group compliance system is the Compliance Committee chaired by the Chief Compliance Officer and vice chaired by the Group 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. 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. In addition, audits are conducted on compliance and related risk management once a year by the internal audit department, and the findings are used to consider improvements and other measures to further strengthen the compliance system.

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 all 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 whistleblower hotlines.

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 guidance to these services is always posted 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 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 Group 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 2021, 11 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 2021, 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 2021, 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 2021)

Group training and workplace training

Participant	Subject	# of session
New recruit	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)	Response to accidents and troubles	1

Participant	Subject	# of session
track)		
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	Information management and prevention of wrong emails	1
Directors and head of department/office/branch office	Importance of the whistleblower system that directors and head of branch/department should understand	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

With unauthorized access to information via the Internet as well as cyber-attacks increasing daily and becoming more sophisticated, the Fuyo Lease Group recognizes that information security risks are an important management issue. The Group has established an information management system based on work content, and strictly manages customer information.

In order to establish a strict information management system for the entire Group, data is strictly controlled by our information security manager in accordance with detailed rules, including the Confidential Information Management Rule. Additionally, each employee is thoroughly informed of the Appropriate Information Management section included in the Code of Corporate Conduct as well as the Privacy Policy, and we have implemented level-specific information security training programs.

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 2021, we focused on information security through workplace training for all employees, and we provided training on the confidential information management and personal information protection for first year employees (generalist track).

In fiscal 2021, there were minor issues, such as wrong 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.

In response to each customer segment and the work being handled, the following group companies have acquired [the Privacy Mark](#) [Glossary](#) 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

Sustainability

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

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- 登録番号 第10790009(09)号
- 事業所の名称及び所在地
シャープファイナンス株式会社
東京都千代田区麹町5丁目1番地1
- プライバシーマーク付与の有効期間
2022年3月31日～2024年3月30日

一般財団法人日本情報経済社会推進協会



JIPDEC

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

ISO/IEC 27001
マネジメントシステム登録証

登録証番号：JQA-IM1162

登録事業者：
アクリーティブ株式会社
東京都千代田区麹町5-1-1

当機関は、上記事業者の情報セキュリティマネジメントシステムを審査した結果、付属書に記載する範囲において、下記規格の要求事項に適合していることを証します。

ISO/IEC 27001:2013 / JIS Q 27001:2014

登録日：2013年 3月 1日
登録更新日：2021年 3月 16日
有効期限：2024年 3月 15日

一般財団法人日本情報保証機構
東京都千代田区麹町5-1-1
理事長 小林 憲明

1707 0700110

ISO/IEC 27001
付属書

登録証番号：JQA-IM1162

登録事業者：
アクリーティブ株式会社

登録活動範囲：
①アウトソーシングサービス（経理業務、社内メール便付業務）
②貸付金専拠支払いサービス
③本道徳部等の業務費に関する保険請求事務のアウトソーシング及び早期支払いサービス
④診療報酬債権等に関する早期支払いサービス

適用宣言書：
適用宣言書（Ver. 9）

関連事業所：
・アクリーティブ株式会社 大塚支店
大塚府大塚市中央区久次郎町1-4-8
【活動範囲：③、④】
・アクリーティブ株式会社 本八幡BPOセンター（西）
千葉県市川市南八幡4-9-1
・アクリーティブ株式会社 本八幡BPOセンター（東）
千葉県市川市南八幡4-ア-12
【活動範囲：③】
・アクリーティブ・メディカルサービス株式会社
東京都千代田区麹町5-1-1
【活動範囲：④】

移管：他審査登録機関より移管（初回登録日：2006年3月16日）

登録日：2013年 3月 1日
登録更新日：2021年 3月 16日
有効期限：2024年 3月 15日

一般財団法人日本情報保証機構
東京都千代田区麹町5-1-1
理事長 小林 憲明

1407 0700108

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

プライバシーマーク
登録証



- 登録番号 第21000215(08)号
 - 事業所の名称及び所在地
株式会社インボイス
東京都港区高輪一丁目3番13号
 - プライバシーマーク付与の有効期間
2022年8月11日～2024年8月10日
 - プライバシーマーク付与適合性について審査を行ったプライバシーマーク指定審査機関
一般財団法人日本データ通信協会
- 一般財団法人日本情報経済社会推進協会



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 1998, 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*

プライバシーマーク
登録証



- 登録番号 第10820002(12)号
- 事業所の名称及び所在地
NOCアウトソーシング&コンサルティング株式会社
東京都千代田区麹町5丁目1番地1
- プライバシーマーク付与の有効期間
2020年9月14日～2022年9月13日

一般財団法人日本情報経済社会推進協会



ISO27001 Management System Registration Certificate



* The newest registration certificates will be posted as soon as issuance procedures have been completed.

WorkVision

WorkVision provides a full range of IT solutions centered on cloud services and package services that cover planning, development and sales to operation, maintenance and other services.

In 2005, it was granted the Privacy Mark by JIPDEC and in 2007, it acquired ISO 27001 certification for the entire company.

Privacy Mark Registration Certificate*

プライバシーマーク
登録証



■ 登録番号 第10590004(09)号


■ 事業所の名称及び所在地
株式会社WorkVision
東京都品川区東品川二丁目2番4号

■ プライバシーマーク付与の有効期間
2021年4月6日～2023年4月5日

一般財団法人日本情報経済社会推進協会



ISO 27001 Management System Registration Certificate



登録証番号: JQA-IM0446


登録事業者:
株式会社 WorkVision
東京都品川区東品川2-2-4 天王洲ファーストタワー


登録日: 2007年 3月 23日
登録更新日: 2022年 3月 23日
有効期限: 2025年 3月 22日

当機構は、上記事業者の情報セキュリティマネジメントシステムを審査した結果、付属書に記載する範囲において、下記規格の要求事項に適合していることを証します。

ISO/IEC 27001:2013 / JIS Q 27001:2014

一般財団法人日本情報保証機構
東京都千代田区有明2-5
理事長 小林 聡明





登録証番号: JQA-IM0446 1 / 1

登録事業者:
株式会社 WorkVision

登録活動範囲:
ITをベースとしたトータルソリューション(企画・コンサルティング、設計・開発、構築、保守)の提供

適用宣言書:
ISMS適用宣言書(V.E.R. 2)


関連事業所: [活動範囲: 同上]

- 北海道支店 北海道札幌市中央区大通西9-1-1 キタコー大通公園ビル
- 東北支店 宮城県仙台市青葉区国分町2-2-2 東芝仙台ビル
- 北東北営業所 岩手県盛岡市中央通3-15-17 岩手県森林組合会館
- 本社事業所 東京都品川区東品川2-2-4 天王洲ファーストタワー
- 中部支店 愛知県名古屋市東区錦1-5-11 名古屋伊藤忠ビル
- 関西支店 大阪府大阪市北区大淀中1-1-30 梅田スカイビルタワーウエスト
- 中国支店 広島県広島市東区光町2-7-17 第2京谷ビル
- 四国支店 香川県高松市福同町4-5-1
- 九州支店 福岡県福岡市中央区舞鶴3-7-15 舞鶴ジーエルビル

登録日: 2007年 3月 23日
登録更新日: 2022年 3月 23日
有効期限: 2025年 3月 22日

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一般財団法人日本情報保証機構
東京都千代田区有明2-5
理事長 小林 聡明



FGL Techno-Solutions

FGL Techno-Solutions provides equipment sales, outsourcing helpdesk services, kitting, construction, and other technical services in ICT-related fields. In June 2022 it received ISO 20000 and ISO 27001 certification for its departments that provide systems and operations management services for customers. Other registration certificates will be posted once organizational restructuring has been completed.

ISO 20000 and ISO27001 Management System Registration Certificates

Certificate of Registration

情報セキュリティマネジメントシステム

株式会社FGLテクノソリューションズ
テクノロジー推進部 ICTアウトソーシングG
〒135-0061 東京都江東区豊洲5-6-36 豊洲プライムスクエア

上記組織が認証登録番号 IS 764568 を保有し、また下記認証登録範囲の情報セキュリティマネジメントシステムについて ISO/IEC 27001:2019 / JIS Q 27001:2014 の要求事項に適合していることをここに証します。

認証登録範囲:

顧客向けシステム運用管理サービスの提供
適用宣言書: 2022年4月1日付 第2版

上記の所在地が含まれる認証登録番号: **IS 764568**
BSI ロケーション番号: 0047845748-000

For and on behalf of BSI:

M. Umshikawa

代表取締役社長 漆原 行樹

初期認証登録日: 2022-06-09
最新更新日: 2022-06-09

発効日: 2022-06-09
有効期限日: 2025-06-08



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(Tel: 049-69-8022) にご確認ください。
BSIグループジャパン株式会社 〒220-0012 神奈川県横浜市西区みなとみらい1-1-1 055th GATE WINDY BIRAI 3 階

Certificate of Registration

IT サービスマネジメントシステム

株式会社FGLテクノソリューションズ
テクノロジー推進部 ICTアウトソーシングG
〒135-0061 東京都江東区豊洲5-6-36 豊洲プライムスクエア

上記組織が認証登録番号 ITMS 764569 を保有し、また下記認証登録範囲について ISO/IEC 20000-1:2018 / JIS Q 20000-1:2020 の要求事項に適合したITサービスマネジメントを実施していることをここに証します。

認証登録範囲:

顧客向けシステム運用管理サービスの提供をサポートするサービスマネジメントシステム

上記の所在地が含まれる認証登録番号: **ITMS 764569**
BSI ロケーション番号: 0047845748-000

For and on behalf of BSI:

M. Umshikawa

代表取締役社長 漆原 行樹

初期認証登録日: 2022-06-09
最新更新日: 2022-06-09

発効日: 2022-06-09
有効期限日: 2025-06-08



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BSIグループジャパン株式会社 〒220-0012 神奈川県横浜市西区みなとみらい1-1-1 055th GATE WINDY BIRAI 3 階

FGL Circular Network

Organizational restructuring is currently underway, so registration certificates will be posted once this has been completed.

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.

– ISO20000

ISO 20000 is a global standard for the specification of IT service management systems established by the International Organization for Standardization.

Investment in intellectual property

Investment in intellectual property

Fuyo Lease Group manages our business portfolio based on a zone management approach, and in the "incubation zone", which is set as one of the portfolios, we are promoting investments in new ventures and capital and business alliances, as well as expanding our business domain through collaboration with ventures in which we have already invested in order to foster new businesses through investments in R&D-oriented ventures.

In addition, as a measure to contribute to academia and research, as well as to culture and the arts, we invest in funds that support the commercialization of university research results, and in funds that support students who aspire to become artists.

[Community Engagement](#) >

Sustainability

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

[Solving Social Issues through Business](#) >

[Environmental Report](#) >

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— Each Group Company's Environmental and Social initiatives

Fuyo Auto Lease >	Sharp Finance >	Sustainability
Accretive >	INVOICE >	Fuyo Lease Group's CSV >
NOC Outsourcing & Consulting >	YAMATO LEASE >	Solving Social Issues through Business >
WorkVision >	FUJITA >	Environmental Report >
Aqua Art >	FGL Techno-Solutions >	Social Report >
FGL Circular Network, FGL LeaseUp Business Service >		Governance and Management >
		Each Group Company's Environmental and Social initiatives >
		Fundprocurement through ESG finance >
		Participation in Initiatives and Third-Party 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.

Environmental activities in the auto leasing business



Initiatives to contribute to customer safety

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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 2021, we held 31 seminars for major companies, medium-sized companies, and small to mid-sized companies, which were attended by a total of 1,208 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 2021, continuing from the previous year, we donated funds to support children orphaned by traffic accidents.

Results of support provided from FY 2014 to 2021

	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

	Details of Activities	Donation
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
FY 2020	Donated funds from the company to the Scholarship Foundation for Traffic Accident Orphans	200,000 yen
FY 2021	Donated funds from the company to the Scholarship Foundation for Traffic Accident Orphans	200,000 yen

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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.

Development of community-based healthcare through support to establish clinics and initiatives to improve the health and welfare of residents

As the average age of doctors at clinics supporting community-based healthcare continues to increase*, "cycles" in which young doctors offer additional support will be essential to maintain healthcare systems. One of those cycles will be the establishment of new clinics, which is actively supported by Sharp Finance. In this way, we aim to make social contributions toward maintaining community-based healthcare systems.

Through leasing initiatives implemented in the course of our main business, which is medical equipment sales to vendors, we have amassed a business network of many customers that includes a large number of medical institutions, medical equipment manufacturers, pharmaceutical wholesalers, and accounting firms. In addition to being a finance company providing financial support for business launches, we also provide one-stop support for starting a business in cooperation with our business partners by fully utilizing our network in each specialized field, such as accounting firms that handle various notifications necessary for starting a business.

We supported the opening of a clinic for the Toyochō Hagukumi Family Clinic, a pediatric clinic in Koto-ku, Tokyo which opened in October 2021, as a result of an inquiry to our company's specialized website for business launch support. The area around Toyochō Station is being redeveloped, with construction of condominiums underway and the number of new families on the rise. We feel that we have contributed to community-based healthcare in this neighborhood by helping hospital directors actualize their desire to build clinics that support the growth of children and the health of their families, while fulfilling the demand for pediatric healthcare that has been continually increasing in this region.

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* The percentage of doctors over the age of 60 assigned to clinics was 51.5% in 2020; from the Statistics of Physicians, Dentists and Pharmacists 2020 published by the Ministry of Health, Labour and Welfare



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Accretive

Overview of Accretive

Profile

Accretive purchases receivable accounts that arise from the delivery of products 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 (73.68%) Pan Pacific International Holdings Corporation (26.32%)
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 elementary schools in Takeo province, Cambodia.

Local staff and employees participating 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.

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

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Playing together using a donated long rope



Commemorative photograph

Approach to Positive Off Motion

POSITIVE OFF

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.



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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 (100%)
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 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.

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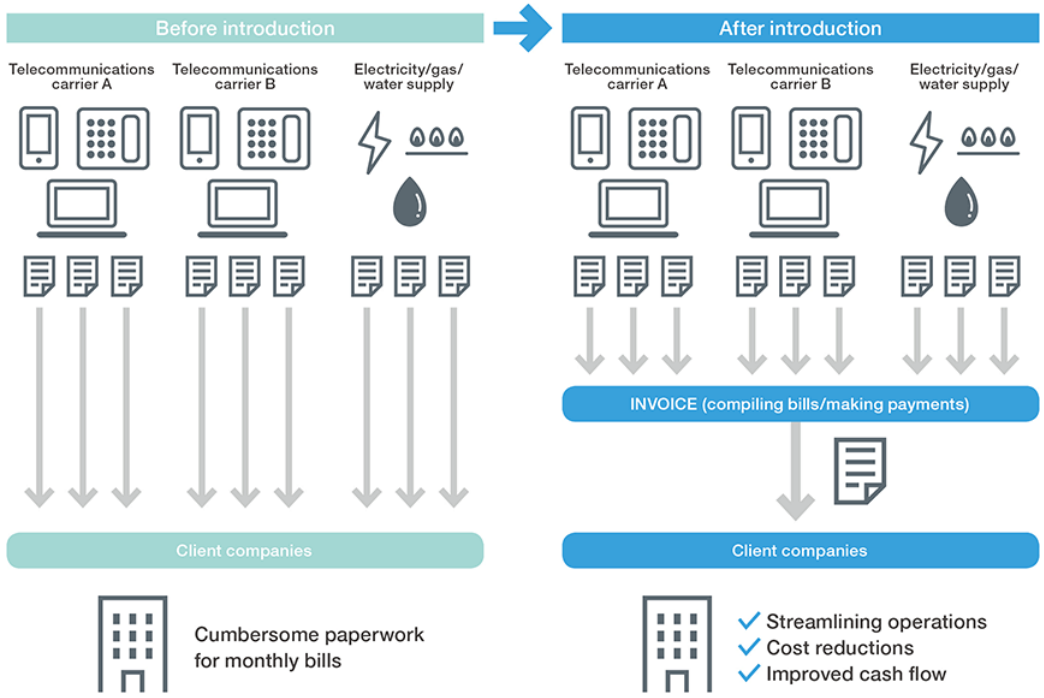
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Workflow of integrated billing service



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.

NOC Outsourcing & Consulting

Outline of NOC Outsourcing & Consulting

Profile

NOC Outsourcing & Consulting provides "total outsourcing" targeting administrative departments such as general affairs, accounting, human resources, and sales administration.

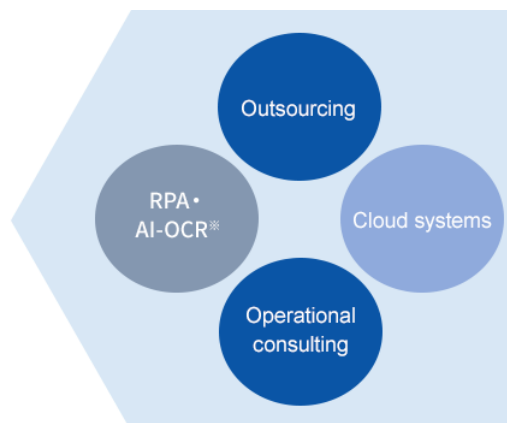
Company profile

Established	November 1988
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, human resources, and sales administration. In addition to its robust consignment and operational functions, it is contributing to operational efficiency and cost reductions at approximately 1,000 companies. It is doing this by providing "total outsourcing" which combines the visualization and standardization of operations through the use of its own consulting functions, automation and reduction of employee numbers through the use of system development functions such as RPA and AI-OCR, and cloud systems.



* RPA: The automation of routine tasks using software robots.
AI-OCR: Optical character recognition. An AI reads images of text and converts it into text data.

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.

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As a result, there is a growing need to develop telecommuting environments and BPO services as part of BCP measures. 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.

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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, 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 CASE¹ technological innovations and the progress of MaaS² that connects vehicles and other means of 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' and social 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.

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欲しい車両の
最新情報も
お届けします!

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 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. In fiscal 2021, YAMATO LEASE supported 474 companies in obtaining certification. We aim 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.

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WorkVision

Outline of WorkVision

Profile

WorkVision provides a full range of IT solutions centered on cloud services and package services that cover planning, development and sales to operation, maintenance and other services.

Company profile

Established	October 2012
Capital	100 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Development, sales, operation, maintenance, and other services related to IT solutions centered on cloud services and package services

["WorkVision" website](#)

Providing cloud solutions to help customers transform their operations

Corporate management is being called on to increase operational productivity by overhauling non-core operations and undertaking the DX of tasks against a backdrop of enterprises encountering the need to address intensifying labor shortages and implement work-style reforms. WorkVision is utilizing its ICT technologies to contribute to the realization of a sustainable society by advancing the digital transformation of both companies and society.



WorkVision is a DX-certified operator* that develops new IT solutions for both customers and society based on its in-house experience developing DX initiatives. It is advancing innovation through the development of a wide range of solutions, from high profile public systems to systems for supporting operational efficiency efforts at private enterprises.

* A DX-certified operator is an enterprise that has received certification under the DX Certification system established based on the Act on Partial Revision of the Act on Facilitation of Information Processing enacted in May 2020. Only enterprises that are recognized as "DX-ready," meaning that they are ready to transform their business using digital technology based on the Digital Governance Code formulated by the Japanese government, may receive certification.

WorkVision is advancing sustainability activities, primarily through its SDGs Promotion Working team, an organization that answers directly to the company's president. Please see the link below for details.

[SDGs Initiative \(WorkVision official website\)](#)

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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 Disposal of leftover office items

[“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 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 items^{*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

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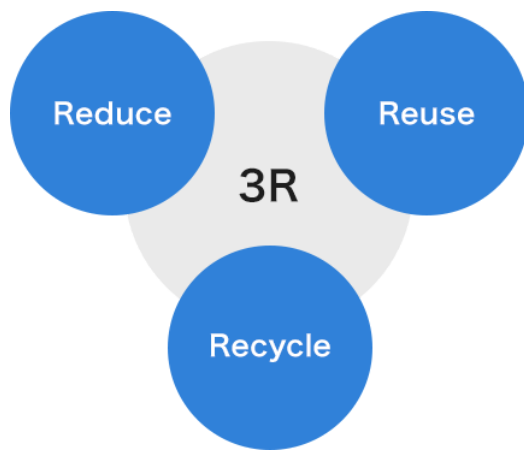
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Cost reduction through reusing and recycling

— 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.

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 reproduces the structure of the natural world in an aquarium using real creatures.

Specialist staff create each aquarium using detailed work and skills in a production process of around 50 steps. These include cleaning the sand laid in the bottom of the aquarium, circulating water to disperse bacteria through the tank, individually planting each aquatic plant and positioning each rock and piece of driftwood to create the layout inside the aquarium to incorporate and adjust each of the materials. AQUA ART is unique, individually crafted rental aquarium.

(1) Drawing people together to foster communication

AQUA ART provides spaces for people to share meaningful connections through conversation. It provides places for people to congregate naturally, and a pocket of relaxation in places where people visit for the first time, releasing tension and starting conversations.

(2) Raising awareness about preserving the natural environment and educating the next generation

AQUA ART recreates environments for living creatures inside an aquarium, offering a chance to learn about how the natural world works. We provide an opportunity to think about nature in terms of familiar living creatures, the food chain, and biodiversity.

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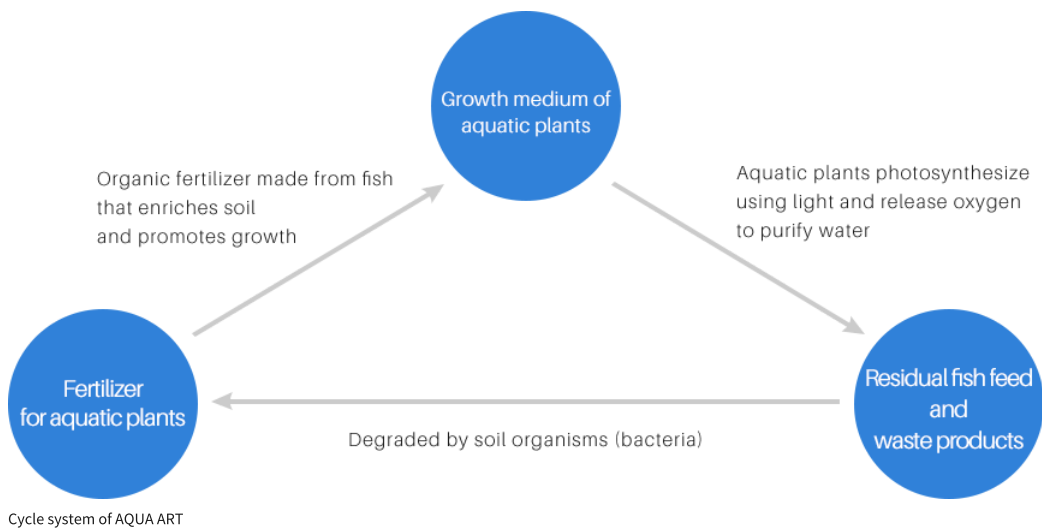
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Contributing to the environment through products

Our AQUA ART rental aquariums are tended by specialist staff, who recreate natural eco systems inside them. The connection between aquatic plants and tropical fish promotes purification of the water, helping to maintain water quality. This helps to minimize the amount of water used for replacement, and maintains the condition of the fish and plants, helping to protect water resources and living creatures.

Tropical fish and aquatic plants are procured through nurseries to maintain and protect the natural environment. At the same time, the Company is also working to breed its own. We also strive to actively reuse and recycle old aquariums and apparatus.

Contributing to society through products

Aqua Art is also collaborating with Fuyo General Lease in the "Aqua de Smile" social contribution activity using AQUA ART aquariums.

As part of this activity, we provide AQUA ART free of charge to nine maternal and child living support facilities and facilities supporting employment for people with disabilities in Tokyo and neighboring prefectures. Moreover, as part of environmental education activities undertaken by our staff, during the summer holidays they hold visiting lessons for the children at the facilities. The lessons are filled with full of happy faces and joyful cheering, using a quiz format to teach children about the habits and characteristics of tropical fish in a fun way, and helping them to learn about ecosystems.

We also hold the AQUA ART Design Contest. Students of the Tokyo Metropolitan Kogei High School, Tokyo Designer Gakuin College, and TCA Tokyo College of Eco & Animals, which have relationships with Fuyo General Lease and AQUA ART, compete to create special design and decoration for an aquarium interior, with the best entries displayed at the entrance and lobby of the Tokyo Dome Hotel. During the exhibition period, the hotel visitors vote for their favorite entry, enabling a large number of people to enjoy the competition.



Children actively participating during a visiting lecture (fiscal 2022)



Students in the production group from Tokyo Metropolitan Kogei High School at a screening for the AQUA ART Design Contest (Summer 2022)

FGL Techno-Solutions

Outline of FGL Techno-Solutions

Profile

FGL Techno-Solutions conducts equipment sales, outsourcing helpdesk services, and kitting, construction and other technical services in ICT-related fields.

Company profile

Established	May 1984
Capital	50 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	ICT equipment and software sales business, ICT outsourcing business, staffing and referral business for ICT business areas

[FGL Techno-Solutions website](#) 

HR development to help solve corporate ICT issues

Many companies face management issues connected with a shortage of IT personnel and directly face not only the difficulty of hiring IT professionals but also a problematic lack of resources for training new people internally from scratch. At the same time, with ICT equipment becoming more diverse and complex, there are increasing cases of companies having to perform work with a high level of technical difficulty or intricate work in large amounts over a short period of time, and the barriers to solutions in the ICT field are getting higher by the day.

FGL Techno-Solutions provides outsourcing and staffing services in ICT-related fields. In outsourcing services, the company flexibly meets the changing needs of customers from the perspectives of where services are rendered, whether onsite or inhouse, and when they are rendered, from short-term/spot to long-term. In staffing services, personnel capable of being put to use immediately are provided in a timely manner.

It is IT professionals who support the provision of such services and the transformation of company businesses. FGL Techno-Solutions focuses on training IT personnel, primarily young programmers and field engineers. By supporting skill enhancement based on career plans while utilizing internal and external training programs and other resources, the company develops highly specialized engineers and technical personnel and others who are experts in ICT operations. These professionals are helping to solve the issues of companies with various concerns in ICT fields in such areas as general corporate administration and information systems for clients that include system integrators, major communications carriers, and mobile phone sales companies.

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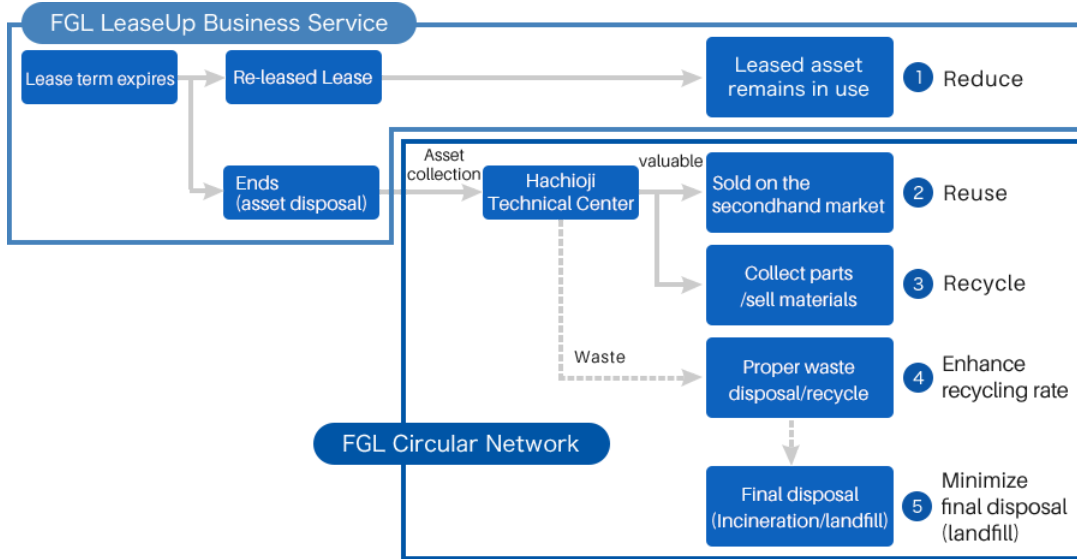
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FGL Circular Network & FGL LeaseUp Business Service

Collaborating to save resources and reduce waste

FGL Circular Network and FGL LeaseUp Business Service are involved in processing the leased properties of Fuyo Lease whose lease agreements are up. FGL Circular Network reuses and recycles properties at the end of their leases when they still have value and otherwise recycles and appropriately processes them as waste products. FGL LeaseUp Business Service conducts administration for the continued use of properties for which re-leasing is possible. In this way, the two companies work collectively in “contributing to the development of a circular society,” a goal stated in the Environmental Policy of the Fuyo Lease Group.



Outline of FGL Circular Network

Profile

FGL Circular Network purchases and sells properties of Fuyo Lease whose leases are up and used properties owned by customers, thereby helping to establish resource circularity.

Company profile

Established	April 1996
Capital	10 million yen
Shareholders	Fuyo General Lease (100%)
Business Activities	Buying and selling of machinery and equipment, installment sales and import/export, and buying and selling of used goods

[FGL Circular Network website >](#)

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Outline of FGL LeaseUp Business Service

Profile

FGL LeaseUp Business Service conducts administrative processing on a contract basis for the leased properties of Fuyo Lease when their leases are up.

Company profile

Established	April 2022
Shareholders	Fuyo General Lease (100%)
Business Activities	Processing of properties with expired leases

Contributing to a circular society by promoting the reuse of used PCs

The Hachioji Technical Center of FGL Circular Network takes in several thousand computers each month for reuse, computers previously used in the PC Rental, PC Eco & Value Lease, and PC-LCM (lifecycle management) services provided by Fuyo Lease.

Computers transferred to another party for reuse are first subject to appropriate processing that includes destroying all data and checking for proper functioning. The company has established a system for reselling used computers that had been leased or rented, and by promoting reuse, it contributes to the development of a circular society.

For devices that cannot be reused, efforts are made to limit the occurrence of waste and reduce it through a recycling system established at the Seki Factory of Matsuda Sangyo Co., Ltd.

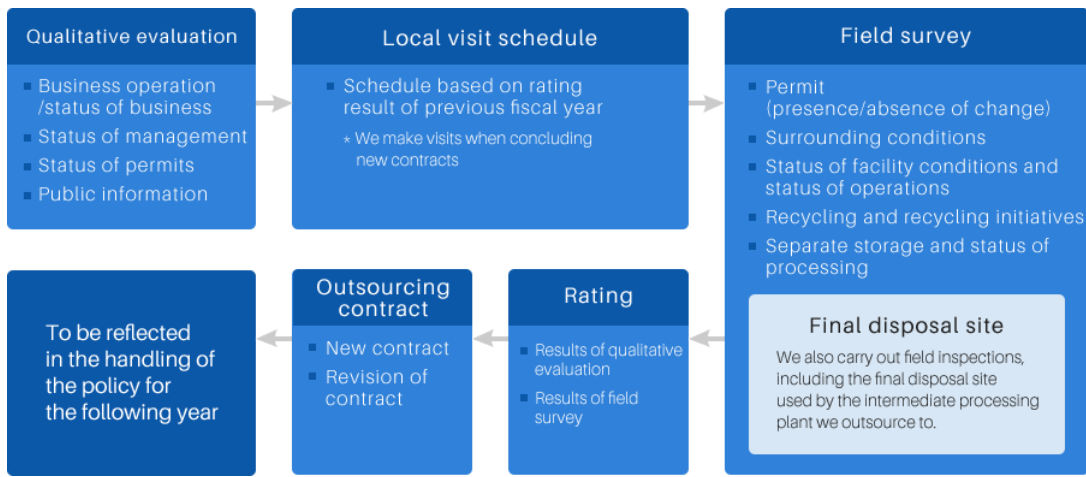


The Seki Factory, Matsuda Sangyo Co., Ltd

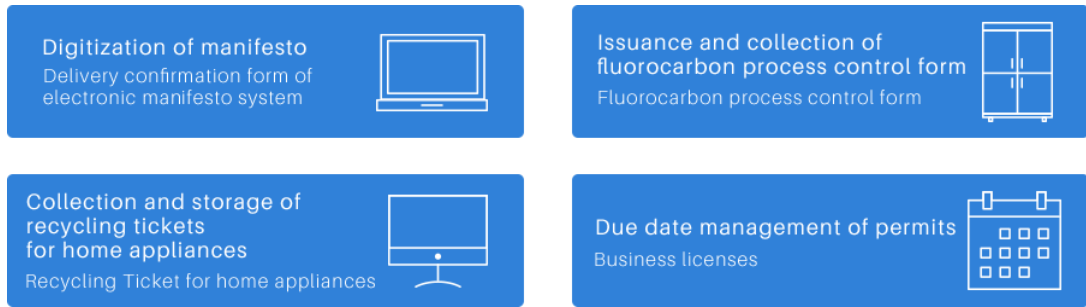
[Hachioji Technical Center website >](#)

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.



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 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

[Site Policy](#) [Privacy policy](#) [Customer-oriented Operational Policies](#) [Basic Policy for Prevention of Money Laundering, etc.](#)

[Blocking Relationships with Antisocial Forces](#) [Site Map](#)

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Fund procurement through ESG finance

The Fuyo Lease Group is promoting business strategies based on the CSV approach, and proactively advancing ESG financing initiatives in its fund procurement.

We will continue to diversify our methods of fund procurement and further promote our response to the problem of climate change and to social issues, aiming to contribute to the realization of a sustainable society.

Issuance of Green Bonds

Green bonds are bonds whose proceeds may only be used for green projects (projects that are expected to improve the environment), such as renewable energy projects, construction and upgrade of energy-saving buildings, and the prevention and management of environmental pollutants.

[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 \(limited to corporate bonds with a special agreement on the same priority\) \(Green Bond\)](#) >

Issuance of Sustainability-Linked Bonds

Sustainability-linked bonds are bonds whose conditions vary depending on the achievement of set sustainability performance targets (SPTs), which are based on sustainability targets that have been set out in the issuers comprehensive social responsibility strategy.

[Fuyo General Lease Co., Ltd. No.27 unsecured corporate bonds \(limited to corporate bonds with a special agreement on the same priority\) \(Sustainability-linked Bond\)](#) >

Issuance of Sustainability Bonds

Sustainability bonds are bonds whose proceeds may only be used for projects that contribute to environmental and social sustainability.

[Fuyo General Lease Co., Ltd. No.31 unsecured corporate bonds \(limited to corporate bonds with a special agreement on the same priority\) \(Sustainability Bond\) \(Fuyo CSV Bond\)](#) >

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Outline of Sustainability-Linked Bond

Name	Fuyo General Lease Co., Ltd. No.27 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Sustainability-Linked Bond)
Issue duration	7 years
Issuance amount	10 billion yen
Issuing Conditions and Related Sustainability Performance Targets (SPTs)	<ol style="list-style-type: none"> Renewable energy usage rate for group electricity consumption 50% or more (Maturity: July 2024) Cumulative amount of the Fuyo 100% Renewable Electricity Declaration Support Program, and the Fuyo Zero Carbon City Support Program 5 billion yen or higher (Maturity: July 2024)
Coupon rate	<p>0.380% per annum from the day following December 24, 2020 to December 24, 2024.</p> <p>From the day following December 24, 2024, a coupon step-up of 0.10% will be generated if any of the SPTs linked to the issue conditions have not been met on July 31, 2024.</p>
Condition decision date	December 18, 2020
Issue date	December 24, 2020
Redemption date	December 24, 2027
Ratings	Japan Credit Rating Agency, Ltd. (JCR): A+ Rating and Investment Information, Inc. (R&I): A

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Third-party Assessment of Eligibility

Ministry of the Environment's Model Case for Issuance

The Fuyo Lease Group's Sustainability-Linked Bond was selected as a model case for the fiscal 2020 Sustainability Linked Loans, etc. Issuance by the Ministry of the Environment, and on November 27th, 2020 it was announced that the Ministry of the Environment and certification bodies (Japan Credit Rating Agency, Ltd. and E&E Solutions Inc.) had verified the conformity of the framework for issuing of the Sustainability Linked Bond with the Ministry of the Environment's Green Loan and Sustainability Linked Loan Guidelines 2020 and the International Capital Markets Association's (ICMA) Sustainability-Linked Bond Principles.

[Conformity results for the Guideline of a model case for fiscal 2020 Sustainability Linked Loan, etc.](#) ↗

[Pre-issuance Report](#) ↗

Announcement of Investment in the Sustainability-Linked Bond

These are the investors who have announced that they will invest in the Sustainability-Linked Bond

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

(As of December 18, 2020)

- IO Shinkin Bank
- AICHI CHITA AGRICULTURAL COOPERATIVE ASSOCIATION
- Asset Management One Co., Ltd.
- Awaji Shinkin Bank
- Ishinomaki Shinkin Bank
- Ibaraki Prefectural Credit Federation of Agricultural Cooperatives
- Okayama Shinkin Bank
- THE KANAGAWA BANK, LTD.
- Kanonji Shinkin Bank
- Gifu Prefectural Credit Federation of Agricultural Cooperatives
- Kuwanamie Shinkin Bank
- The 77 Bank, Ltd.
- Shinonome Shinkin Bank
- Shibata Shinkin Bank
- Suwa Shinkin Bank
- Seishin Shinkin Bank
- Saison Automobile and Fire Insurance Co., Ltd.
- Takanabe Shinkin Bank
- Tajima Shinkin Bank
- Danyo Shinyo Kumiai Bank
- Choshi Shinkin Bank
- Tokyo City Shinkin Bank
- Tokyo Higashi Shinkin Bank
- The Tono Shinkin Bank
- The Toa Reinsurance Company, Limited
- The Toyota Shinkin Bank
- Nagano Shinkin Bank
- Nagano Labour Bank
- Nagoya Broadcasting Network Co., Ltd.
- Nishihyogo Shinkin Bank
- Nishimikawa Agricultural Cooperative
- Nissay Asset Management Corporation
- Hagi Yamaguchi Shinkin Bank
- [Hamamatsu Iwata Shinkin Bank](#) [↗](#)
- Handa Shinkin Bank
- Hanno-Shinkin Bank
- Hyogo Shinkin Bank
- Hiratsuka Shinkin Bank
- [Fukoku Mutual Life Insurance Company](#) [↗](#)
- BlackRock Japan Co., Ltd.
- The Hekikai Shinkin Bank
- Mie Prefectural Credit Federation of Agricultural Cooperatives
- [Sumitomo Mitsui Trust Asset Management Co., Ltd.](#) [↗](#)
- The Miyazaki Taiyo Bank, Ltd.
- Moka Credit Union
- The Yuki Shinkin Bank
- Yokohama Agricultural Cooperative
- Lifenet Insurance Company
- Wakayama Prefectural Credit Federation of Agricultural Cooperatives

Reporting

SPTs and Status of Progress on Targets

SPT 1 Renewable energy usage rate for group electricity consumption 50% or more (Maturity: July 2024)

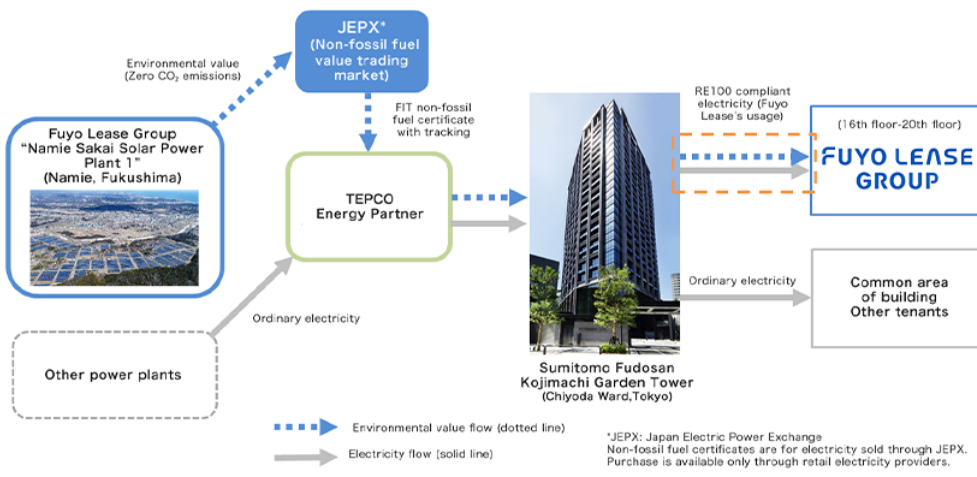
In participating in RE100, Fuyo General Lease has set a target of 50% renewable energy use for the Group by 2030 and 100% by 2050. However, under SPT (1) for this sustainability linked bond, we have brought forward the medium-term target achievement timing to renewable energy use of 50% by July 2024. ^{*1} Most of the Fuyo Lease Group's electricity consumption takes place among tenants of its office buildings. However, the Company is cooperating with the building owner of its head office building and with retail electricity providers to develop a new method for realizing effective transition to renewable energy for tenants. ^{*2} In fiscal 2021, addition to switching all of the electric power used at the Group's head office building to RE100-compliant electricity, overseas affiliates were also encouraged to use renewable energy. Going forward, we will work to achieve medium-term targets by switching to renewable energy at all business sites.

Status of Progress

Renewable energy usage rate for group electricity consumption: 44% (as of March 31, 2022)

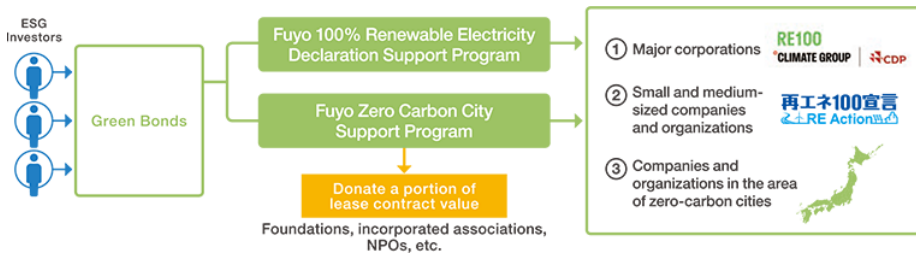
*1 In July 2021, we brought the target forward again, so that the current target is "50% by 2024, 100% by 2030."

*2 Relevant press release: "Individual Office Building Tenants Switch to RE100 Compliant Electricity from Solar Power Station at Namie, Fukushima Prefecture, which is Working to Recover from the Great East Japan Earthquake" (In Japanese only)



SPT 2 Cumulative amount of the Fuyo 100% Renewable Electricity Declaration Support Program, and the Fuyo Zero Carbon City Support Program 5 billion yen or higher (Maturity: July 2024)

The second SPT is a target for the cumulative handling amount of the [Fuyo 100% Renewable Electricity Declaration Support Program](#), and the [Fuyo Zero Carbon City Support Program](#) of 5 billion yen or higher by 2024. The Fuyo Zero Carbon City Support Program uses green bonds and other sources of funds raised by the Company to provide financial support to customers who are introducing properties that contribute to renewable energy and energy conservation. To date, it has been used by customers representing more than 250 organizations located in 31 prefectures throughout Japan. As of March 2022, the two programs have delivered a cumulative combined total of over five billion yen. We will continue to advance both programs to actively support companies and local governments that are engaged in decarbonization.



Status of Progress

Cumulative amount: 6.46 billion yen (as of March 31, 2022)

Outline of Sustainability Bond (“Fuyo CSV Bond”)

Name	Fuyo General Lease Co., Ltd. No.31 unsecured corporate bonds (limited to corporate bonds with a special agreement on the same priority) (Sustainability Bond) (known as “Fuyo CSV Bond”)
Issue duration	5 years
Issuance amount	10 billion yen
Coupon rate	0.120%
Condition decision date	September 10, 2021
Issue date	September 17, 2021
Redemption date	September 17, 2026
Use of proceeds	Refinance of the following in Use of Proceeds for this Sustainability Bond
Ratings	Japan Credit Rating Agency, Ltd. (JCR): A+ Rating and Investment Information, Inc. (R&I): A

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Third-party Assessment of Eligibility

JCR Sustainability Bond Rating

This sustainability bond has been externally evaluated by the Japan Credit Rating Agency (JCR) regarding its conformance with the Green Bond Principles 2021, the Social Bond Principles 2021, and the Sustainability Bond Guidelines 2021 of the International Capital Market Association (ICMA) and the Green Bond Guidelines 2020 of the Ministry of the Environment.

[JCR Sustainability Bond Rating](#) 📄 (1945KB)

Use of Proceeds for this Sustainability Bond

This sustainability bond (“Fuyo CSV Bond”) is intended to refinance the following green projects and social projects among the important initiatives related to the Group’s CSV.

Fuyo Lease Group CSV							
Material Issues (Materiality)		Relevant SDGs	Themes of Target	Specific initiatives	Properties (projects)	Location	
Environment	Responding to climate change issues and renewable energy	7	○	Expand supply of renewable energy	Solar power plants	Samegawa Aono Solar Power Plant	Samegawa, Higashi Shirakawa-gun, Fukushima
		13		Supplying of environmentally friendly real estate (green building)	Office building (green building)	Ochanomizu Sola City	Chiyoda-ku, Tokyo
Social Value	Contributing to the creation of a circular society	12					
Society and People	Promoting health and wellbeing	3	○	Expand access of medical, elderly nursing care, and welfare services	Facilities for the elderly	Medical rehabilitation home Granda Takarazuka Sakasegawa	Takarazuka, Hyogo
	Developing safe and livable cities and providing transportation	11	○	Supplying of real estate with nursing care for the elderly		Granda Yukigaya	Ota-ku, Tokyo
	Achieving economic growth and fulfilling work	8			Rehabilitation home Granda Issha	Nagoya, Aichi	
System that Support Sustainable Value Creation	Diversity and work-style reform	5, 8					

(News release as of August 20, 2021: Issued Sustainability Bond (Fuyo CSV Bond)) 📄

Announcement of Investment in the Sustainability Bond

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

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

(As of September 10, 2021)

- Asset Management One Co., Ltd.
- Izawa Metal Co., Ltd.
- The 77 Bank, Ltd.
- Jodo Shu
- Tokio Marine Asset Management Co., Ltd.
- The Toa Reinsurance Company, Limited
- Nissay Asset Management Corporation
- Higashi-Nippon Bank, Ltd.
- Mitsui Sumitomo Insurance Company, Limited
- Sumitomo Mitsui DS Asset Management Company, Limited
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation

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Scheduled to be updated after fund allocation

Site Policy Privacy policy Customer-oriented Operational Policies Basic Policy for Prevention of Money Laundering, etc.

Blocking Relationships with Antisocial Forces Site Map

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Fuyo General Lease Co., Ltd. No.17 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.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-

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Third-party assessment of green bond eligibility

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](#) (605KB)

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.

[Financial Support Programme for Green Bond Issuance \(Ministry of the Environment\)](#)

[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](#)  (201KB)

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-

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Third-party assessment of green bond eligibility

Ministry of the Environment Financial Support Programme for Green Bond Issuance

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.

[Conformity results for the Guideline of a model case for fiscal 2019 Green Bond Issuance. \(Ministry of the Environment\)](#)
[☞](#)

[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 2021)
“Fuyo 100% Renewable Electricity Declaration Support Program” Program A (Green Bond)	5 billion yen	2.71 billion 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

Property type	Total amount spent on Program A (Oct. 2019 to July 2020)	Expected positive environmental impacts
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)

Participation in Initiatives and Third-Party Evaluation

Participation in Initiatives

– UNGC: United Nations Global Compact

The United Nations Global Compact (UNGC) is a voluntary initiative in which companies and organizations act as good members of society and participate in the creation of a global framework for sustainable growth by demonstrating responsible and creative leadership. We became a signatory in January 2018. We support the 10 principles of the UNGC in four categories (human rights, labor, environment, and anti-corruption) and work toward making them happen.



– TCFD: Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD), which was set up by the Financial Stability Board (FSB), an international organization of major countries' central banks and financial regulators, presents a framework for disclosures relating to climate change. In May 2019, Fuyo Lease expressed its support for the recommendations set out in the final report of the TCFD and is preparing to make the required disclosures.



– RE100 : Renewable Electricity 100

RE100 is a global initiative run by the Climate Group, an international NGO in partnership with CDP. Member companies commit to, and publish, a target of 100% renewable energy use in their businesses by 2050. Fuyo Lease became a member in September 2018, announced targets of 50% renewable energy use by 2024 and 100% by 2030, and is taking action to make them happen.



– JCLP: Japan Climate Leaders' Partnership

In February 2018, we became a supporting member of JCLP, a coalition of companies working toward a sustainable, zero-carbon society, and an executive member in December 2018. As well as engaging in our own zero-carbon initiatives, we are involved in a broad range of activities that address climate change, such as developing and providing solutions that will help the transition to a zero-carbon society, collaborating with global networks, and making policy recommendations.



– EMF: Ellen MacArthur Foundation

The Ellen MacArthur Foundation (EMF) is an international initiative whose purpose is to accelerate the transition to the circular economy. We became a member of the foundation in November 2020 to acquire knowledge of the circular economy and collaborate with other companies and research organizations.



– Japan Circular Economy Partnership (J-CEP)

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J-CEP is a new business co-creation partnership in which companies aiming to realize a sustainable society work to promote a circular economy in collaboration with residents, governments, universities and other organizations.

We have been a member of J-CEP since its inception in October 2021.



– Financial Behavior Principles for the Formation of a Sustainable Society: Principles for Financial Action for the 21st Century

The Principles for Financial Action for the 21st Century were formulated as the policy recommendation for financial institutions seeking to fulfill their roles and responsibilities in forming a sustainable society. Fuyo Lease signed the principles in June 2016.



– Leading Tenant Action Policy

The Ministry of the Environment launched this program in October 2021 to promote decarbonization of tenant buildings, etc. In November of the same year, we endorsed the program. The program aims to promote the decarbonization of tenant buildings by communicating the needs of tenant companies to building owners through the formulation of the "Leading Tenant Action Policy," which outlines the decarbonization initiatives of tenant companies, etc., and by soliciting and publicizing companies, municipalities, etc., that support the policy.

Third-Party 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 ESG-Related Stock Indices

– 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

– FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index, created by global index provider FTSE Russell, reflects the relative environmental, social and governance (ESG) performance of Japanese companies in each sector. The index is designed to be sector neutral. In order to facilitate the transition to a low-carbon economy, only those companies with particularly high greenhouse gas emissions that are recognized for their improvement efforts by the TPI Management Quality Score are included.



FTSE Blossom Japan Sector Relative Index

– 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.

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

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– MSCI Japan Empowering Women Index (WIN)

MSCI Japan Empowering Women Index (WIN) is a stock index operated by MSCI Inc. to target Japanese companies in various industries that are promoting and maintaining gender diversity. The GPIF also manages its ESG investment by tracking this index.

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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– 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.



– DBJ Environmental Rating

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. In fiscal 2021, the Company obtained the highest-level ranking in the DBJ Environmental Rating for the tenth consecutive year for its exceptionally advanced environmentally conscious approach.



Evaluation of Our Initiatives

– ESG Finance Awards Japan

In fiscal 2019, in the bond category of the first ESG Finance Awards Japan, 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. In addition, the Fuyo Zero Carbon City Support Program received a Special Award (Selection Committee Chairman Award) in the indirect finance category at the third annual ESG Finance Awards Japan in fiscal 2021 for its uniqueness and novelty.



– Nikkei SDGs Management Survey

It is a survey conducted by Nikkei Inc. from 2019 that evaluates initiatives that contribute to the SDGs through business and lead to improved corporate value on a 10-point scale from 0.5 to 5 stars.

In the 3rd Nikkei SDGs Management Survey in 2021, our company was recognized as a 4-star company (a deviation between 60 and 65) in the overall evaluation.



– Environmental Communication Awards

The Fuyo Lease Group Integrated Report 2020 received the Excellence Award in the Environmental Reporting category of the 24th Environmental Communication Awards hosted by the Ministry of the Environment and Global Environmental Forum.



– 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.



– Eruboshi

Eruboshi is a system launched by the Minister of Health, Labour, and Welfare for certifying companies that are advancing excellent initiatives to promote the advancement of women in the workplace, based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. We received Eruboshi certification in fiscal 2021 after meeting specific criteria (recruitment, continuous employment, ways of working including working hours, percentage of female managers, diverse career paths) for certification as an excellent company promoting the advancement of women in the workplace.



– PRIDE Index

This index was created in 2016 for the first time in Japan by the voluntary association "work with Pride" to assess organizations' efforts to make workplaces welcoming to LGBTQ+ and other sexual minorities. We were certified as "Bronze" in the "PRIDE Index 2022."



– Health and Productivity Management Organization

Health and productivity management means to regard and strategically implement employee health management from a business point of view. Fuyo Lease was recognized as one of the enterprises under the 2022 Certified Health and Productivity Management Organization Recognition Program, a scheme run by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi.



Editorial Policy

About this website

On this website, we report on Fuyo Lease Group's approach to sustainability and on the main activities carried out by the Group in fiscal 2021 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](#) >

The Group would like to receive opinions and impressions from a wide range of stakeholders which we would like to refer to in future activities and 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 2021 (April 1, 2021 to March 31, 2022)

* Some reports include reports from outside the reporting period.

Update time

November 2022 (previous information was updated in September 2021)

* The English version was updated in December 2022.

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.

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For inquiries and comments regarding the Sustainability activities of Fuyo Lease Group, please contact:

Fuyo General Lease Co., Ltd. Creating Shared Value Promotion Office

TEL +81-3-5275-8809

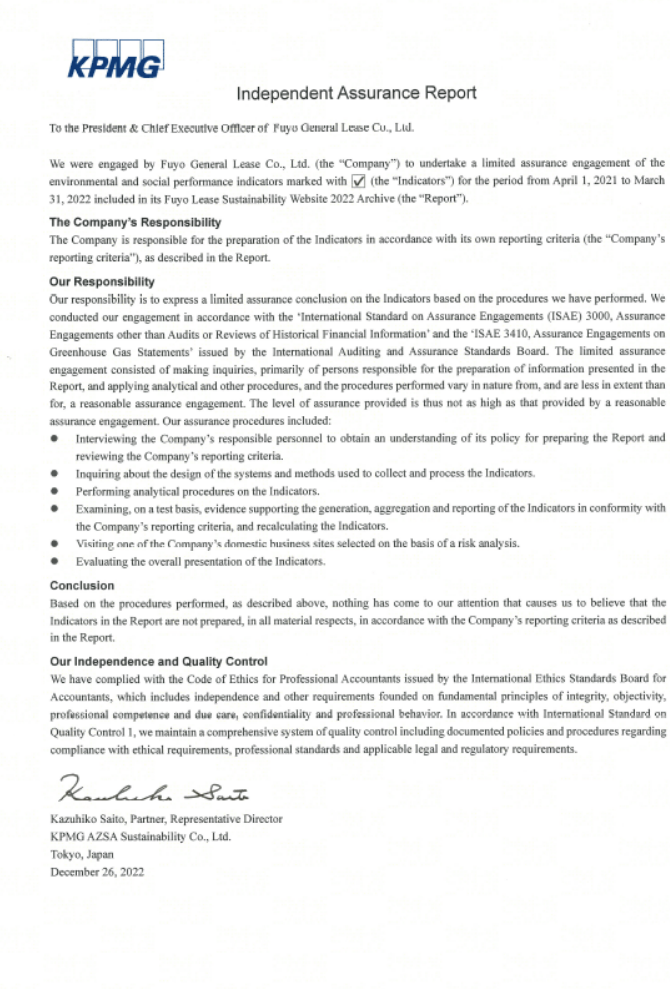
We welcome any questions, comments, impressions, and other feedback you might have.

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