

Medium-Term Management Plan

“Real Change 2025”



Real Change by connecting into the future

Advocating “Real Challenge, Real Change” as our management philosophy, JA Mitsui Leasing continues to work towards “the future business envisioned by our customers”.

Medium-Term Management Plan “Real Change 2025” starting from April 2020 connects our internal and external resources through five Changes to maximize the strength of the organization.



Five Changes

Change 01 **Change Mindset**

Business model shift

We will accelerate the shift where everyone understands the profitability of the different departments and accelerates changes to a business model to pursue more profits.

Expansion of consolidated profit

We will expand consolidated profits for the entire group by going beyond existing concepts and boundaries between groups, creating a drive and great outlook for the business.



Change 02 **Change how we work together**

Sharing information between groups

We can quickly understand customer management issues and social trends through sharing and collaborating with the group.

Improving productivity through constant review of operations and business

By continuously reviewing operations and business, we aim to improve productivity, increasing the amount of business we can do with the same manpower.

Change 03 Change the Target

Identify what to protect and what to attack

Looking ahead to the future, we will identify what we will protect and what we will attack, selecting the fields in which we will focus.

Provide solutions to customers' management challenges

We resolve management issues as quickly as possible by enhancing communication with customer management.



Change 04 Change the field

Focus on new business domains

We will focus on initiatives on new business areas that capture social trends and the characteristics of the fields and regions in which the sales department is responsible.

Expansion of overseas business

We will expand overseas business by developing “business model based on products, businesses and finance” cultivated through the previous medium-term management plan as a group.



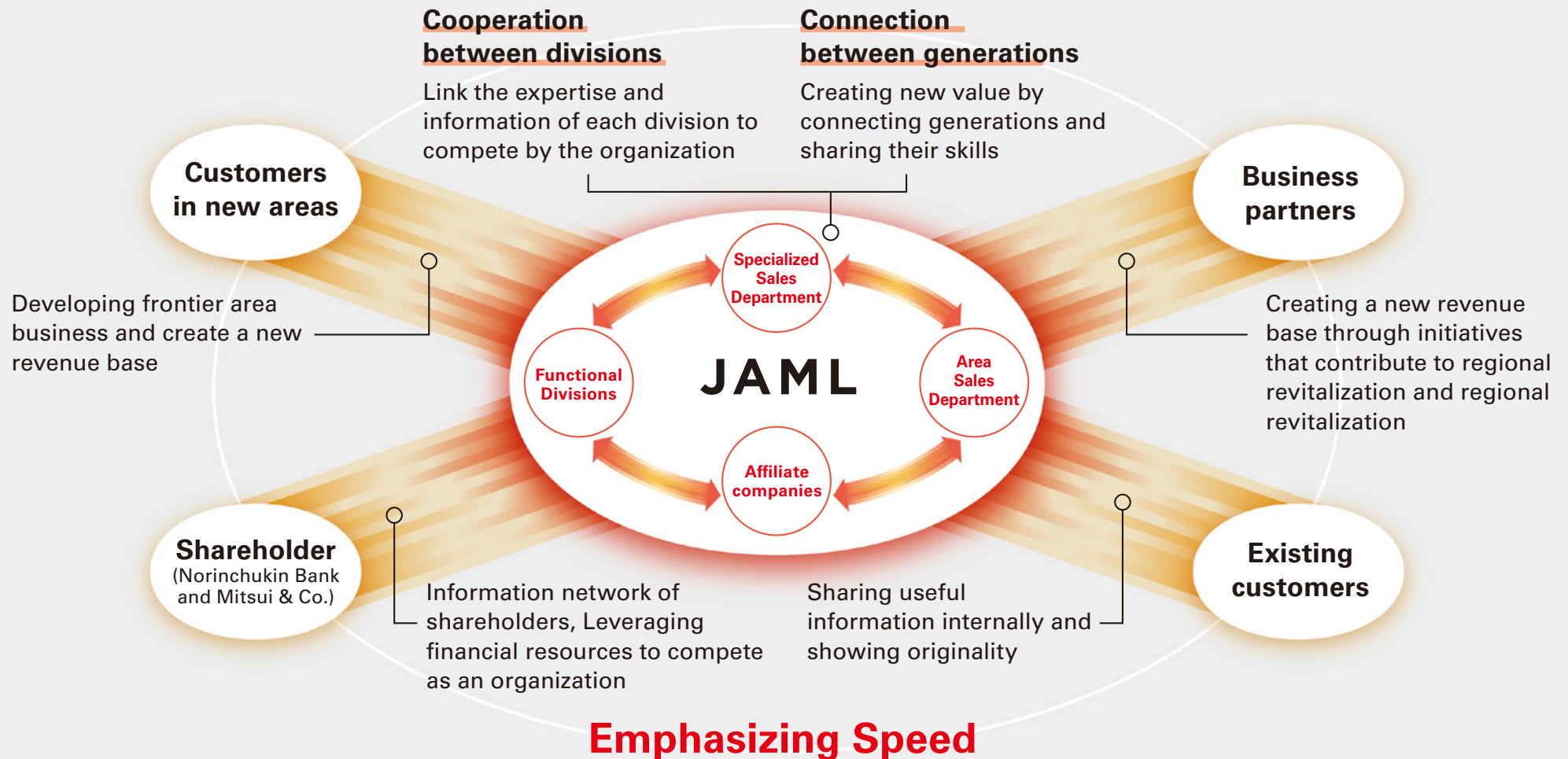
**Change 05 Compete as a Team /
aiming connected
organization**

Demonstrate the JAML Group's commitment and originality maximize organizational strength

By "connecting/cooperation" information, know-how, networks, and human resources within the Group in all fields, we will maximize the commitment and uniqueness of the JAML group and maximize our organizational strength.

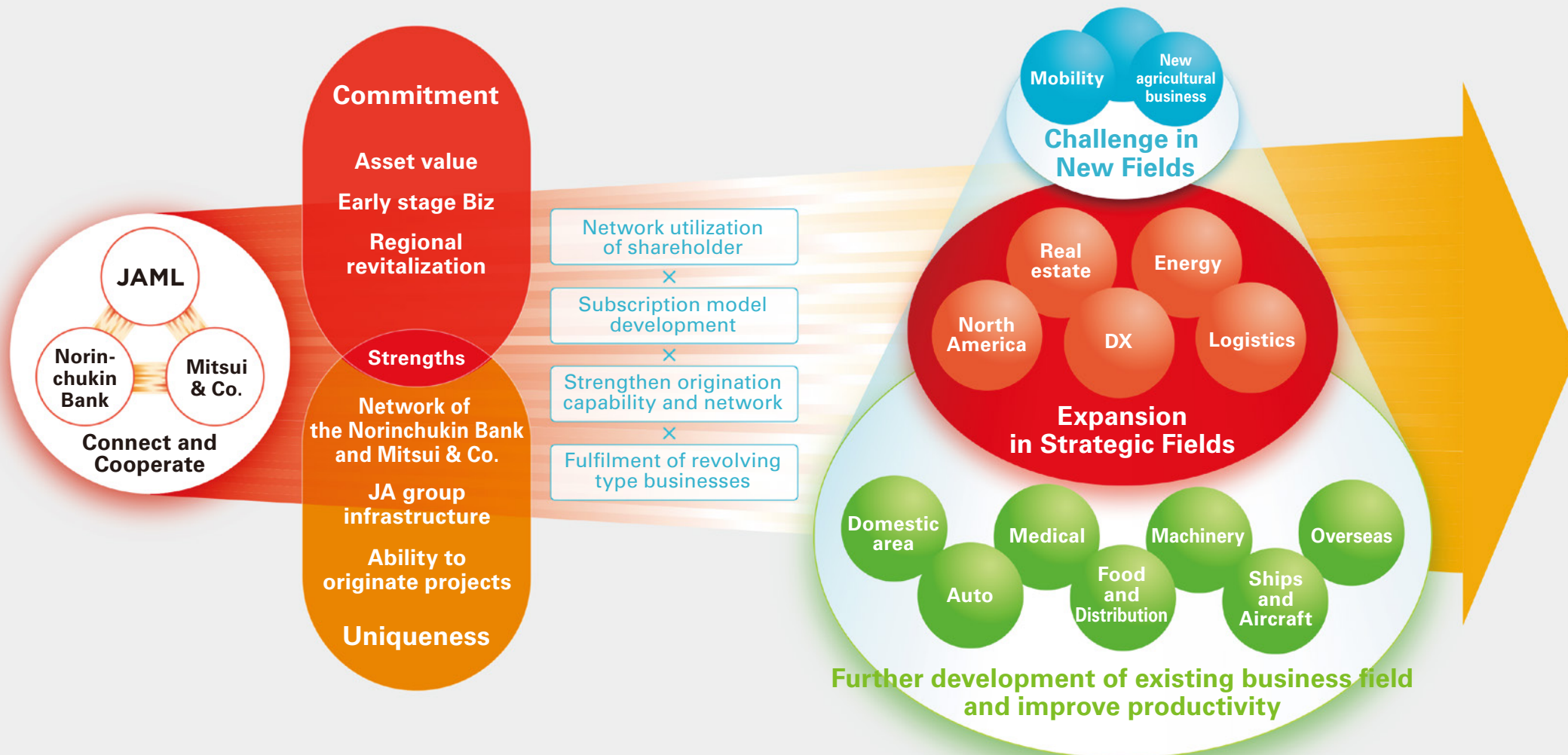
Connect and Cooperate

All JAML executives and employees are keen to "connect and cooperate" with speed in order to maximize the group's "commitment and uniqueness".



Change the business model

Promote transformation of business model and establish new revenue base by maximizing use of competitive resources in organization.



Lead into the future

Real Change 2025

Contribute to the Society
through the strength of Connect and Cooperate

Results of major Initiatives

- ① **Diversified earnings by establishing unique and specialized sales force.**
 - ▶ Growth of revolving business model in Real Estate related market.
 - ▶ Expansion of targeted products, such as the environmental field, to earn exit management revenue.
- ② **Strengthening Business Promotion Capabilities through Strategic Alliances and Acquisitions.**
 - ▶ Expansion of new business areas utilizing overseas platforms.
 - ▶ Accelerate investments in startup companies in ICT related areas.
- ③ **Strategically allocating management resources and strengthening the diversity of human resources to support growth.**
 - ▶ Reorganization of domestic affiliates to improve management efficiency.
 - ▶ Strengthen sales and business management by dispatching executives to overseas affiliates.
- ④ **Establishing a disciplined management system that forms the basis of corporate growth.**
 - ▶ Development of operational risk management systems.
 - ▶ Enhancement of business plan progress management organization.(Establishment of profit and loss by division)

⑤ Profit and ROA

(@JPY108/USD)

	March 2018	March 2019	March 2020
Profit before Tax	JPY 24.4B USD 226 MM	JPY 24.0B USD 222 MM	JPY 23.4B USD 217 MM
ROA (exclude credit cost)	1.48%	1.56%	1.51%

Current challenges

- ① **Transforming our business model and creating a new revenue base.**
 - ▶ Due to intensified competition with banks and firms in other industries and “super” monetary easing, we are unable to expect sustainable growth simply by extending the pursuit of volume.

➡ **Basic Policies I, II and III**
- ② **Strategically allocating management resources and strengthening the diversity of human resources to support growth.**
 - ▶ It is necessary to thoroughly implement the strategic allocation of group management resources (human, material and capital) and to improve labor productivity by promoting work style reform.

➡ **Basic Policy IV**
- ③ **Optimization and sophistication of the business foundation and management structure that support corporate growth.**
 - ▶ In order to improve productivity by optimizing business processes and eliminating ineffectual things , it is necessary to make constant efforts, such as actively utilizing the latest IT technology.

➡ **Basic Policy V**

Direction

- We will grow as a distinctive and unique enterprise that is one of the leading companies in the industry.
- Improve external evaluations and increase the sense of well-being of executives and employees while pursuing profitability and growth.

Five Key Policies

Key Policy I	Responding to a society that is becoming borderless
Key Policy II	Initiatives that contribute to regional revitalization and regional activation
Key Policy III	Expand business in specialized fields by changing business models
Key Policy IV	Strategically allocating management resources and strengthening the diversity of human resources to support growth
Key Policy V	Optimization and sophistication of the business foundation and management structure that support corporate growth

Quantitative Target



**Key Strategy****Strengthen overseas business development centered on North America****Business development / expansion as a general leasing company in the United States**

- Vendor Financing initiatives lead by FFCSI as a platform.
- Expand business by entering into new regions / countries.
- Develop business by fully utilizing shareholder relations. (network of the Norinchukin Bank and Mitsui & Co.)
- Develop leasing business of equipment that is widely traded at secondary market, and accumulate know-how related to pricing of residual value, then transfer know-how to other markets.

Key Strategy**Initiatives in the DX related business field****Accelerate DX-related projects**

- Expansion of partnerships with players in the industry and establishment of alliance structure.
- Expanding investment in start-up companies.

Entering into Mobility related business

- Promotion of MaaS, CASE related financing.
- Create new business by fully utilizing JAML group's comprehensive strengths.

**Key Strategy****Strengthening businesses to solve
local social challenges****Accelerate renewable energy and self-consumption energy
related businesses**

- Entering into regional production / consumption electric power supply business.
- Contribution to regional revitalization and employment promotion through initiatives such as biomass power generation.
- Development and promotion of regional revitalization business with leading partners including Japanese farmers and their agricultural co-operative organizations ("JA Group").
- Promotion of initiatives that contribute to SDGs.

**Accelerating businesses that contribute to the growth of
local agriculture, forestry, and fishery industries**

- Providing solutions to JA Group organizations and management challenges.
- Develop regional agriculture network such as producers and production areas.



Key Strategy

Expansion of asset business leveraging origination functions

Secure stable real estate revenues and develop new revenue base

- Stabilize earnings through revolving type businesses based on asset value.
- Business Development in cooperation with JA Group.

Expansion of business through logistics innovation and restructuring

- Through the possession of logistics facilities and alliances with other companies, create new businesses.
- Increase presence in the distribution value chain.

Key Strategy

Further activation of existing business base and improve productivity

- Activate existing business base and improve productivity by utilizing expertise and knowledge in specialized fields.
- Promoting Partner Strategy as a source of competitive advantage.



Key Policy IV

Strategically allocating management resources and strengthening the diversity of human resources to support growth

Key Strategy

Strategic allocation of management resources, promotion of measures to raise human resources and motivate employees

- Strategic allocation of group management resources.
- Promote personnel policies and work-life balance to motivate employees.
- Improving productivity by promoting work style reform.

Key Policy V

Optimization and sophistication of the business foundation and management structure that support corporate growth

Key Strategy

Improving productivity through business process reforms, optimizing overall operations, and improving management system to respond to changes in the environment.

- Enhancing group governance.
- Optimize business processes, use IT to upgrade management and improve productivity by strengthening sales support structure.
- Enhancement of compliance and risk management structure in response to expansion of business domains and changes.
- Establishment of a management structure that contributes to the realization of a sustainable society.



JA MITSUI LEASING