

Consolidated Financial Highlights for the Year Ended March 31, 2023

[Based on J-GAAP]

May 15, 2023

Company Name: Mitsubishi HC Capital Inc.
Stock Exchange Listed on: Tokyo (Prime Market), Nagoya (Premier Market)
Company Code: 8593 **URL:** <https://www.mitsubishi-hc-capital.com/english/>
Representative: Taiju Hisai, Representative Director, President & CEO
For Inquiry: Haruhiko Sato, Director, Managing Executive Officer **TEL:** +81-3-6865-3002
Date of General Meeting of Shareholder: June 27, 2023
Scheduled Date of Submission of Securities Report: June 27, 2023
Scheduled Commencement of Dividend Payment: June 8, 2023
Supplemental Material for Financial Results: Available
Holding of Financial Results Meeting: Scheduled (for Institutional Investors and Analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Consolidated Operating Results (% represents the change from the same period in the previous fiscal year)

For the fiscal year ended	Revenues		Operating income		Recurring income		Net income attributable to owners of the parent	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
March 31, 2023	1,896,231	7.4	138,727	21.6	146,076	24.6	116,241	16.9
March 31, 2022	1,765,559	86.3	114,092	83.1	117,239	80.5	99,401	79.7

(Note) 1. Comprehensive income: For the year ended March 31, 2023: ¥265,136 million 51.9%
 For the year ended March 31, 2022: ¥174,586 million 229.0%

2. Mitsubishi HC Capital Inc. (the former Mitsubishi UFJ Lease & Finance Company Limited) executed the business integration with Hitachi Capital Corporation on April 1, 2021. The year-on-year percentage change for the year ended March 31, 2022 represents the comparison with the results of Mitsubishi UFJ Lease & Finance Company Limited.

For the fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity	Recurring income to total assets	Operating margin
	(Yen)	(Yen)	%	%	%
March 31, 2023	80.95	80.71	8.2	1.4	7.3
March 31, 2022	69.24	69.06	8.0	1.2	6.5

(Reference) Share of profit of entities accounted for using equity method: For the fiscal year ended March 31, 2023: ¥11,982 million
 For the fiscal year ended March 31, 2022: ¥4,818 million

(2) Consolidated Financial Position

As of	Total assets	Total equity	Equity ratio	Equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
March 31, 2023	10,726,196	1,551,029	14.3	1,064.46
March 31, 2022	10,328,872	1,333,467	12.7	912.19

(Reference) Shareholders' equity: As of March 31, 2023: ¥1,528,773 million
 As of March 31, 2022: ¥1,309,769 million

(3) Consolidated Cash Flows

For the fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
March 31, 2023	46,752	(127,322)	(8,948)	460,486
March 31, 2022	195,845	(107,879)	(192,157)	520,083

2. Dividends

For the fiscal year ended	Dividends per share					Total dividends (For the year)	Payout ratio (Consolidated)	Dividends to equity (consolidated)
	1st Quarter end	2nd Quarter end	3rd Quarter end	Fiscal year - end	Annual			
ended March 31, 2022	—	13.00	—	15.00	28.00	40,210	40.4	3.2
ended March 31, 2023	—	15.00	—	18.00	33.00	47,402	40.8	3.3
ending March 31, 2024 (Forecast)	—	18.00	—	19.00	37.00		44.3	

(Note) The fiscal year-end dividend for the fiscal year ending March 31, 2023 is scheduled to be resolved at the Board of Directors meeting to be held on May 23, 2023.

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Year-on-year change %)

	Net income attributable to owners of the parent		Earnings per share
	(Millions of yen)	%	(Yen)
Full year	120,000	3.2	83.55

* Notes

(1) Significant changes in subsidiaries during the period

(Change of specific subsidiaries accompanying the change of scope of consolidation) : Yes

Excluded: Diamond Asset Finance Company Limited

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

(i) Changes in accounting policies with revision of accounting standards, etc. : Yes

(ii) Changes in accounting policies other than (i) above : No

(iii) Changes in accounting estimates : No

(iv) Restatement of revisions : No

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury shares)	As of March 31, 2023	1,466,912,244 shares	As of March 31, 2022	1,466,912,244 shares
	As of March 31, 2022		As of March 31, 2023	
(ii) Number of treasury shares	As of March 31, 2023	30,718,231 shares	As of March 31, 2022	31,056,401 shares
	As of March 31, 2022		As of March 31, 2023	
(iii) Weighted average number of shares outstanding	For the year ended March 31, 2023	1,436,042,105 shares	For the year ended March 31, 2022	1,435,664,701 shares
	For the year ended March 31, 2022		For the year ended March 31, 2023	

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated Operating Results

(Year-on-year change %)

	Revenues		Operating income		Recurring income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
For the fiscal year ended								
March 31, 2023	764,506	(8.8)	31,560	74.6	79,910	135.0	82,204	59.4
March 31, 2022	838,475	70.4	18,071	(20.6)	34,008	(44.6)	51,584	(18.6)

	Earnings per share	Diluted earnings per share
	(Yen)	(Yen)
For the fiscal year ended		
March 31, 2023	57.24	57.08
March 31, 2022	35.93	35.84

(Note) The year-on-year percentage change for the Year ended March 31, 2022 represents the comparison with the results of Mitsubishi UFJ Lease & Finance Company Limited.

(2) Non-consolidated Financial Position

	Total assets	Total Equity	Equity ratio	Equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
As of				
March 31, 2023	5,317,966	881,212	16.5	612.09
March 31, 2022	5,700,025	880,601	15.4	612.00

(Reference) Shareholders' equity: As of March 31, 2023: ¥879,074 million
As of March 31, 2022: ¥878,739 million

* This "Consolidated Financial Highlights" is outside the scope of an audit by certified public accountants or an audit firm.

* Explanation regarding the appropriate use of the forecasts, etc.

(Remarks on forward-looking statements)

The forward-looking statements in this report, including financial forecast, have been prepared by using information available to Mitsubishi HC Capital Inc. ("Company" or "we") on the date of release and the certain assumptions deemed reasonable by the Company, and are not intended to assure that the Company will achieve such results. Actual earnings may differ significantly from the forecasts for various reasons.

* This "Consolidated Financial Highlights" is made in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the Fiscal Year Ended March 31, 2023

1) Overview of Financial Results, etc.

Net income attributable to owners of the parent for the fiscal year ended March 31, 2023 exceeded the financial forecast with a record-high ¥116.2 billion. Annual dividend per share is to increase by ¥2 from the forecast at the beginning of the fiscal year.

- Net income attributable to owners of the parent for the fiscal year ended March 31, 2023 increased by ¥16.8 billion, or 16.9% year on year, to a record-high ¥116.2 billion mainly thanks to 1) the profit contribution from CAI International, Inc., a marine container leasing company in the U.S.A. that became the Company's wholly-owned subsidiary in November 2021, 2) a decrease in credit costs, and 3) the business growth in the Americas in the Global Business segment.
- Net income attributable to owners of the parent for the fiscal year ended March 31, 2023 exceeded the financial forecast (net income attributable to owners of the parent of ¥110.0 billion) by ¥6.2 billion.
- As a result of exceeding the financial forecast, annual dividend per share is planned to be ¥33 (payout ratio: 40.8%), an increase by ¥2 from annual dividend forecast of ¥31 and by ¥5 from the annual dividend paid for the fiscal year ended March 31, 2022 of ¥28.

For the fiscal year ending March 31, 2024, net income attributable to owners of the parent is forecast to be ¥120.0 billion, and annual dividend per share is projected to be ¥37, an increase by ¥4 year on year.

- Net income attributable to owners of the parent for the fiscal year ending March 31, 2024 will see a limited year on year increase up to 120.0 billion yen, due to investments aiming to realize Our 10-year Vision and costs associated with restructuring and redefining existing businesses, in addition to the absence of a reduction effect in tax expenses recorded in the fiscal year ended March 31, 2023, while forecasting the growth of aviation business against the backdrop of the recovery of passenger demand.
- Annual dividend per share for the fiscal year ending March 31, 2024 is projected to be ¥37, an increase by ¥4 year on year (payout ratio of 44.3% on the premise of the financial forecast).

(Billions of yen)

	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Change (%)
Revenues	1,765.5	1,896.2	7.4
Gross profit	334.6	357.3	6.8
Operating income	114.0	138.7	21.6
Recurring income	117.2	146.0	24.6
Net income attributable to owners of the parent	99.4	116.2	16.9

2) Major topics

Formulation and announcement of the Medium-term Management Plan for FY2023 - FY2025 ("2025 MTMP")

The Company formulated the Medium-term Management Plan covering the three-year period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (the "2025 MTMP"), which was announced in May 2023. The 2025 MTMP is positioned as the "hop" plan of our three Medium-term Management Plans ("hop," "step," and "jump") toward Our 10-year Vision (Together we innovate, challenge and explore the frontiers of the future). We set the financial targets at FY2025 (the fiscal year ending March 31, 2026), the final fiscal year of the 2025 MTMP, as net income attributable to owners of the parent of ¥160.0 billion, ROA of approximately 1.5%, ROE of approximately 10%, and dividend payout ratio during the 2025 MTMP of 40% or higher. Net income attributable to owners of the parent is used in the calculations of ROA and ROE.

Please refer to "Medium-term Management Plan for FY2023 - FY2025 ("2025 MTMP")" posted on the Company's website for more details of the 2025 MTMP.

(URL of the Medium-term Management Plan on the Company's website)

<https://www.mitsubishi-hc-capital.com/english/investors/managementplan/index.html>

Establishment and announcement of the "Human Rights Policy"

In accordance with the United Nations "Guiding Principles on Business and Human Rights," we established the "Human Rights Policy" and announced it in October 2022. We will proactively and continuously conduct our business activities in consideration of internationally recognized standards related to human rights, in order to fulfill our responsibility to respect human rights as is expected of global companies, for achieving a society where human rights are respected.

Major business topics

- May 2022:
 - Announced the acquisition of partial stake of distributed solar power generation project in Massachusetts, U.S.A.
 - Completed an eco-friendly multi-tenants logistics facility "CPD Nagoya Minato".
- Jul. 2022:
 - Built a new solar power plant next to the Akita Tenbinno Wind Power Plant which was built in Akita city, Akita prefecture in September 2015 and started commercial operation as a wind and solar hybrid power plant.
 - Invested in a newly established subsidiary of Mitsubishi Corporation, which undertakes the warehouse DX operations that have been developed by Mitsubishi Corporation.
- Sep. 2022:
 - Completed an eco-friendly logistics facility "CPD Nishiyodogawa".
- Dec. 2022:
 - Announced to conclude a capital and business alliance agreement with Connected Robotics Inc., engaging in research and development of robotics services designed for the food industry.
 - Announced to transfer shares of Diamond Asset Finance Company Limited, a group company mainly operating the residential real estate-related finance, in order to concentrate resources on prioritized businesses in the Real Estate segment, and improve profitability in the segment (completed the transfer in March 2023).
- Jan. 2023:
 - Commenced the business operation under the new management structure following the completion of the merger of CAI International, Inc. and Beacon Intermodal Leasing, LLC, operating the marine container leasing business.
 - Announced to merge Mitsubishi HC Capital Energy Inc. and HGE Ltd., operating solar power generation business (completed the merger in April 2023).
- Feb. 2023:
 - Established an auto leasing joint venture in Thailand with ALD S.A., a global leading company in the auto leasing industry based in France.
 - Announced to absorb and merge Japan Infrastructure Initiative Company Limited ("JII"), a group company making investments and providing loans in overseas infrastructure sector, after making JII a wholly-owned subsidiary on the premise that MUFG Bank, Ltd. would assign all of JII shares it holds to the Company (completed the merger in April 2023).

- Announced the business integration of group companies in the U.S.A., Mitsubishi HC Capital America, Inc., Mitsubishi HC Capital (U.S.A.) Inc., and ENGS Commercial Finance Co. (completed the business integration in April 2023).
 - Concluded a merger agreement between Mitsubishi Auto Leasing Corporation and Mitsubishi HC Capital Auto Lease Corporation, operating the auto leasing business (completed the merger in April 2023).
- Mar. 2023:
- Originated a healthcare fund jointly with Development Bank of Japan Inc.
 - Concluded a lease agreement using a transition finance with Tokyo Gas Co., Ltd.
 - Universal Hydrogen Co., our investee in the U.S.A. engaging in development of hydrogen capsules and engines for hydrogen-powered aircrafts, successfully completed its first test flight of a 40-passenger propeller plane, the world's largest aircraft mainly using hydrogen fuel cell propulsion, making a progress toward its practical application.
- Apr. 2023:
- Announced the conclusion of a virtual PPA (an agreement to transfer non-fossil certificates related to renewable electricity) between Mitsubishi HC Capital Energy Inc., operating the renewable energy generation business, and Tokyo Metro Co., Ltd.,
 - Made CenterPoint Development Inc., a group company engaging in development of logistics facilities and asset management business specializing in logistics facilities, a wholly-owned subsidiary.

3) Operating results by reportable segments

Operating results by reportable segments were as follows.

Following the organizational changes effective April 1, 2022, the reportable segments were changed to the following seven segments.

(For details of new reportable segments, please refer to "3. Consolidated Financial Statements and Major Notes, (5) Notes to the Consolidated Financial Statements (Segment information)" on page 19.)

Figures for the fiscal year ended March 31, 2022 were converted into new reportable segments.

(Customer Solutions)

Segment profit increased by ¥ 5.4 billion, or 16.7% year on year, to ¥38.1 billion mainly thanks to the posting of large gains on sales related to real estate leasing, the absence of large credit costs recorded in the fiscal year ended March 31, 2022, and other factors.

(Global Business)

Segment profit decreased by ¥11.8 billion, or 29.0% year on year, to ¥29.0 billion due to the posting of a loss on revaluation of securities associated with a decline in market value of certain strategic shareholdings and an absence of large gains on sales of strategic shareholdings recorded in the fiscal year ended March 31, 2022 despite factors contributing to profit increase such as the business growth of the subsidiaries mainly in Americas, a decrease in credit costs, and gains on revaluation of securities recorded at a European subsidiary.

(Environment, Energy & Infrastructure)

Segment profit increased by ¥9.3 billion, or 411.6% year on year, to ¥11.6 billion mainly thanks to an increase in profits from overseas renewable energy-related equity-method investments, gains on sales of investments in certain projects in the infrastructure business, and an absence of credit costs recorded in the fiscal year ended March 31, 2022 for certain customers in the infrastructure project.

(Aviation)

Segment profit increased by ¥0.5 billion, or 9.3% year on year, to ¥6.2 billion mainly thanks to the recovery trend in the business that are shown by an increase in leasing revenue and gains on sales of owned assets, a decrease in credit costs and so on, despite an absence of gains on sales of certain receivables from bankrupt debtors recorded in the fiscal year ended March, 2022, an increase in exchange revaluation losses related to foreign currency-denominated borrowings in Japanese Operating Lease with Call Option (JOLCO) resulted from the weak yen, and an increase in impairment losses.

(Logistics)

Segment profit increased by ¥14.5 billion, or 1,787.4% year on year, to ¥15.3 billion mainly thanks to the full-year profit contribution from CAI International, Inc., a marine container leasing company in the U.S.A. that became the Company's wholly-owned subsidiary in November 2021 and steady performance of Beacon Intermodal Leasing, LLC, which also operates marine container leasing business.

These two companies, both operating marine container leasing business, were merged on January 1, 2023

(Real Estate)

Segment profit increased by ¥0.2 billion, or 2.0% year on year, to ¥12.6 billion mainly thanks to a decrease in tax expenses associated with the share transfer of our wholly owned subsidiary Diamond Asset Finance Company Limited despite the posting of credit costs for a certain project in the U.S.A. and other factors.

(Mobility)

Segment profit increased by ¥0.6 billion, or 21.2% year on year, to ¥3.7 billion mainly thanks to an increase in gains on sales of vehicles for which the leasing term matured, against a backdrop of strong used car market in Japan.

Segment profit or losses by reportable segments

(Billions of yen)

		Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Change (%)
Reportable segments	Customer Solutions	32.6	38.1	16.7
	Global Business	40.8	29.0	(29.0)
	Environment, Energy & Infrastructure	2.2	11.6	411.6
	Aviation	5.6	6.2	9.3
	Logistics	0.8	15.3	1,787.4
	Real Estate	12.3	12.6	2.0
	Mobility	3.1	3.7	21.2
Adjustments		1.5	(0.6)	—
Total		99.4	116.2	16.9

(Note) 1. Adjustments of segment profit (losses) consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reportable segments, and profit adjustments recorded by purchase method associated with the merger with Hitachi Capital Corporation.

2. Segment profit (losses) is consistent with net income attributable to owners of the parent on the consolidated statements of income.

Segment assets by reportable segments

(Billions of yen)

		As of March 31, 2022	As of March 31, 2023	Change (%)
Reportable segments	Customer Solutions	3,337.6	3,227.7	(3.3)
	Global Business	2,316.3	2,644.2	14.2
	Environment, Energy & Infrastructure	419.3	433.2	3.3
	Aviation	1,365.1	1,640.2	20.2
	Logistics	1,026.7	1,092.9	6.4
	Real Estate	712.7	447.2	(37.2)
	Mobility	129.4	41.4	(68.0)
Adjustments		37.9	105.8	179.2
Total		9,345.3	9,632.9	3.1

(Note) 1. Segment assets include operating assets, equity-method investments, goodwill and investment securities.

2. Adjustments of segment assets consist mostly of goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets such as company-wide investment securities, which are not attributable to any reportable segments, and offsets in transactions between segments.

3. Figures for the fiscal year ended March 31, 2022 are values which are converted into new reportable segments.

(2) Summary of Financial Position as of March 31, 2023

1) Assets, liabilities, and equity

Compared to the figures as of March 31, 2022, total assets as of March 31, 2023 increased by ¥397.3 billion to ¥10,726.1 billion, total equity increased by ¥217.5 billion to ¥1,551.0 billion, and interest-bearing debt (excluding lease obligations) increased by ¥170.0 billion to ¥8,236.1 billion year on year.

2) Cash flows

Cash and cash equivalents as of March 31, 2023 decreased by ¥59.5 billion, or 11.4% year on year, to ¥460.4 billion, due to cash outflows in investing activities of ¥127.3 billion and in financing activities of ¥8.9 billion despite cash inflows in operating activities of ¥46.7 billion.

Net cash inflows from operating activities was ¥46.7 billion (net cash inflows of ¥195.8 billion for the fiscal year ended March 31, 2022), mainly consisting of cash outflows from purchases of leased assets and other operating assets of ¥496.1 billion, an increase in loans receivable of ¥76.7 billion, and a decrease in trade payables of ¥22.6 billion, despite cash inflows from income before income taxes of ¥153.1 billion and depreciation, loss on disposal and sales of leased assets of ¥479.7 billion.

Net cash outflows from investing activities was ¥127.3 billion (net cash outflows of ¥107.8 billion for the fiscal year ended March 31, 2022), mainly consisting of cash outflows from payments into time deposits of ¥252.4 billion despite cash inflows from proceeds from withdrawal of time deposits of ¥139.0 billion.

Net cash outflows from financing activities was ¥8.9 billion (cash used of ¥192.1 billion for the fiscal year ended March 31, 2022), mainly consisting of net cash outflows from direct financing of ¥120.4 billion, indirect financing through bank borrowings of ¥154.6 billion, and dividends paid of ¥43.0 billion.

(3) Explanation on Future Forecast Information including Consolidated Financial Forecast

Net income attributable to the owners of the parent for the fiscal year ending March 31, 2024 is planned to be ¥120.0 billion, which is a limited year on year increase. This is because we expect to make the investments aiming to realize Our 10-year Vision and to post the costs associated with restructuring and redefining existing businesses in this fiscal year, in addition to the absence of reduction effect in tax expenses recorded in the fiscal year ended March 31, 2023, while forecasting the growth in Aviation segment against the backdrop of the recovery of passenger demand.

Annual dividend per share for the fiscal year ending March 31, 2024 is projected to be ¥37 (interim: ¥18, fiscal year-end: ¥19, payout ratio of 44.3% on the premise of the net income forecast of ¥120.0 billion), an increase of ¥4 year on year.

2. Basic Policy for Selection of Accounting Standards

The Group has adopted Japan GAAP considering the comparability of the consolidated financial statements between periods and companies. The Group has not yet decided whether to adopt IFRS but plans to take appropriate actions in consideration of both domestic and international situations.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	540,942	589,688
Installment receivables	255,143	231,280
Lease receivables and investments in leases	3,265,267	3,264,169
Operating loans receivables	1,662,226	1,691,579
Other operating loans receivable	183,749	219,632
Lease and other receivables	80,382	77,647
Securities	2,019	3,213
Merchandise	48,242	46,064
Other current assets	156,006	160,487
Allowance for doubtful accounts	(22,657)	(22,094)
Total current assets	6,171,321	6,261,670
Non-current assets		
Property, plant and equipment		
Leased assets		
Leased assets	3,086,149	3,332,834
Advances on purchases of leased assets	34,622	58,969
Total leased assets	3,120,771	3,391,803
Other operating assets	222,654	219,625
Own-used assets	13,782	17,478
Total property, plant and equipment	3,357,208	3,628,907
Intangible assets		
Leased assets		
Leased assets	39,495	23,197
Total leased assets	39,495	23,197
Other intangible assets		
Goodwill	90,326	91,497
Software	25,632	21,622
Telephone subscription right	35	33
Other	112,150	111,379
Total other intangible assets	228,145	224,532
Total intangible assets	267,641	247,730
Investments and other assets		
Investment securities	376,645	400,113
Distressed receivables	108,188	99,912
Deferred tax assets	38,137	33,224
Retirement benefit asset	1,593	3,389
Other investments	80,134	115,450
Allowance for doubtful accounts	(76,791)	(68,806)
Total investments and other assets	527,908	583,284
Total non-current assets	4,152,758	4,459,922
Deferred assets		
Bond issuance costs	4,791	4,603
Total deferred assets	4,791	4,603
Total assets	10,328,872	10,726,196

(Millions of yen)

	For the fiscal year ended March 31, 2022 (As of March 31, 2022)	For the fiscal year ended March 31, 2023 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	184,042	160,678
Short-term borrowings	591,431	633,099
Current portion of bonds payable	443,647	642,883
Current portion of long-term borrowings	810,475	959,951
Commercial papers	682,593	559,485
Current maturities of loans from the securitizations of the minimum future rentals on lease contracts	247,900	246,640
Lease obligations	21,676	19,794
Income taxes payable	24,818	9,381
Deferred profit on installment sales	11,110	9,648
Provision for bonuses	14,685	15,890
Provision for bonuses for directors (and other officers)	2,535	2,255
Other current liabilities	200,425	252,643
Total current liabilities	3,235,343	3,512,353
Non-current liabilities		
Bonds payable	1,820,244	1,582,848
Long-term borrowings	3,113,196	3,253,535
Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities	356,592	357,662
Lease obligations	53,331	43,089
Deferred tax liabilities	108,580	143,810
Provision for retirement benefits for directors (and other officers)	136	110
Retirement benefit liability	8,856	6,463
Asset retirement obligations	40,431	40,635
Reserve for contract of insurance	11,148	12,055
Other non-current liabilities	247,542	222,602
Total non-current liabilities	5,760,061	5,662,813
Total liabilities	8,995,404	9,175,166
Equity		
Shareholders' equity		
Share capital	33,196	33,196
Capital surplus	548,586	547,344
Retained earnings	638,043	710,989
Treasury shares	(19,369)	(19,158)
Total shareholders' equity	1,200,456	1,272,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,953	14,817
Deferred gains or losses on hedges	1,460	53,051
Foreign currency translation adjustment	92,776	186,545
Remeasurements of defined benefit plans	123	1,985
Total accumulated other comprehensive income	109,313	256,400
Share acquisition rights	1,861	2,138
Non-controlling interests	21,835	20,118
Total equity	1,333,467	1,551,029
Total liabilities and equity	10,328,872	10,726,196

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	For the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022) or the fiscal year ended	For the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Revenues	1,765,559	1,896,231
Cost of revenues	1,430,898	1,538,904
Gross profit	334,661	357,327
Selling, general and administrative expenses	220,569	218,600
Operating income	114,092	138,727
Non-operating income		
Interest income	540	2,467
Dividend income	2,447	1,907
Rental income	134	120
Share of profit of entities accounted for using equity method	4,818	11,982
Recoveries of written off receivables	2,218	3,152
Other non-operating income	5,469	4,998
Total non-operating income	15,629	24,628
Non-operating expenses		
Interest expenses	5,878	7,746
Foreign exchange losses	3,718	5,437
Other non-operating expenses	2,884	4,096
Total non-operating expenses	12,482	17,279
Recurring income	117,239	146,076
Extraordinary income		
Gain on sale of investment securities	29,967	2,996
Gain on valuation of investment securities	-	7,194
Gain on step acquisitions	-	1,159
Gain on bargain purchase	431	-
Total extraordinary income	30,399	11,350
Extraordinary losses		
Loss on sale of investment securities	114	407
Loss on valuation of investment securities	-	2,369
Loss on sale of shares of subsidiaries and associates	-	1,006
Impairment losses	-	479
Loss on step acquisitions	273	-
Total extraordinary losses	388	4,262
Income before income taxes	147,250	153,164
Income taxes- current	38,807	24,941
Income taxes - deferred	7,088	10,510
Total income taxes	45,896	35,451
Net income	101,354	117,712
Net income attributable to non-controlling interests	1,953	1,471
Net income attributable to owners of the parent	99,401	116,241

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
Net income	101,354	117,712
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,578)	(463)
Deferred gains or losses on hedges	15,001	39,631
Foreign currency translation adjustment	69,358	93,891
Remeasurements of defined benefit plans, net of tax	1,061	1,854
Share of other comprehensive income of entities accounted for using equity method	3,389	12,510
Total other comprehensive income	73,232	147,424
Comprehensive income	174,586	265,136
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	171,878	262,934
Comprehensive income attributable to non-controlling interests	2,708	2,202

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	33,196	167,280	568,335	(1,528)	767,283
Cumulative effects of changes in accounting policies					-
Restated balance	33,196	167,280	568,335	(1,528)	767,283
Changes during the period					
Increase by merger		381,480		(18,022)	363,457
Dividends of surplus			(29,693)		(29,693)
Net income attributable to owners of the parent			99,401		99,401
Changes due to a merger of a consolidated subsidiary and a non-consolidated subsidiary					-
Change in ownership interest of parent due to transactions with non-controlling interests		(113)			(113)
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(60)		184	123
Net changes in items other than shareholders' equity					
Total changes during the period	-	381,306	69,707	(17,840)	433,172
Balance at the end of the period	33,196	548,586	638,043	(19,369)	1,200,456

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	30,678	(15,519)	22,278	(925)	36,512	1,552	12,557	817,906
Cumulative effects of changes in accounting policies								-
Restated balance	30,678	(15,519)	22,278	(925)	36,512	1,552	12,557	817,906
Changes during the period								
Increase by merger								363,457
Dividends of surplus								(29,693)
Net income attributable to owners of the parent								99,401
Changes due to a merger of a consolidated subsidiary and a non-consolidated subsidiary								-
Change in ownership interest of parent due to transactions with non-controlling interests								(113)
Purchase of treasury shares								(3)
Disposal of treasury shares								123
Net changes in items other than shareholders' equity	(15,725)	16,979	70,497	1,049	72,800	308	9,278	82,387
Total changes during the period	(15,725)	16,979	70,497	1,049	72,800	308	9,278	515,560
Balance at the end of the period	14,953	1,460	92,776	123	109,313	1,861	21,835	1,333,467

For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	33,196	548,586	638,043	(19,369)	1,200,456
Cumulative effects of changes in accounting policies					-
Restated balance	33,196	548,586	638,043	(19,369)	1,200,456
Changes during the period					
Increase by merger					-
Dividends of surplus			(43,087)		(43,087)
Net income attributable to owners of the parent			116,241		116,241
Changes due to a merger of a consolidated subsidiary and a non-consolidated subsidiary			(206)		(206)
Change in ownership interest of parent due to transactions with non-controlling interests		(1,191)			(1,191)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(49)		211	161
Net changes in items other than shareholders' equity					
Total changes during the period	-	(1,241)	72,946	210	71,916
Balance at the end of the period	33,196	547,344	710,989	(19,158)	1,272,372

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	14,953	1,460	92,776	123	109,313	1,861	21,835	1,333,467
Cumulative effects of changes in accounting policies	394				394			394
Restated balance	15,347	1,460	92,776	123	109,707	1,861	21,835	1,333,861
Changes during the period								
Increase by merger								-
Dividends of surplus								(43,087)
Net income attributable to owners of the parent								116,241
Changes due to a merger of a consolidated subsidiary and a non-consolidated subsidiary								(206)
Change in ownership interest of parent due to transactions with non-controlling interests								(1,191)
Purchase of treasury shares								(0)
Disposal of treasury shares								161
Net changes in items other than shareholders' equity	(529)	51,591	93,769	1,861	146,693	276	(1,717)	145,252
Total changes during the period	(529)	51,591	93,769	1,861	146,693	276	(1,717)	217,168
Balance at the end of the period	14,817	53,051	186,545	1,985	256,400	2,138	20,118	1,551,029

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	For the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Cash flows from operating activities		
Income before income taxes	147,250	153,164
Depreciation of leased assets	295,793	313,992
Loss on disposal and sales of leased assets	148,205	165,768
Depreciation of other operating assets	13,050	12,588
Depreciation and loss on disposal of own-used assets	10,331	11,489
Other depreciation	3,378	3,436
Amortization of goodwill	6,135	8,601
Increase (decrease) in allowance for doubtful accounts	19,479	(13,265)
Interest and dividend income	(2,988)	(4,375)
Financial expenses and interest expenses	82,118	143,227
Share of loss (gain) of entities accounted for using equity method	(4,818)	(11,982)
Loss (gain) on valuation of investment securities	-	(4,825)
Loss (gain) on sale of investment securities	(29,853)	(2,588)
Loss (gain) on sale of shares of subsidiaries and associates	-	1,006
Loss (gain) on step acquisitions	273	(1,159)
Gain on bargain purchase	(431)	-
(Increase) decrease in rental income and other receivables	1,598	3,482
(Increase) decrease in installment receivables	8,225	11,942
(Increase) decrease in lease receivables and investments in leases	(29,406)	23,458
(Increase) decrease in loans receivable	(26,169)	(76,750)
(Increase) decrease in operating securities and investments in private equity securities	7,242	14,385
Purchases of leased assets	(397,205)	(479,501)
Purchases of other operating assets	(7,770)	(16,629)
Increase (decrease) in trade payables	3,885	(22,646)
Other	62,581	219
Subtotal	310,905	233,036
Interest and dividends received	4,522	6,557
Interest paid	(83,076)	(139,042)
Income taxes paid	(36,505)	(53,800)
Cash flows from operating activities	195,845	46,752
Cash flows from investing activities		
Purchase of own-used assets	(9,623)	(8,793)
Proceeds from sale of own-used assets	553	738
Purchase of investment securities	(13,663)	(9,981)
Proceeds from sale and redemption of investment securities	36,065	20,302
Payments for acquisition of newly consolidated subsidiaries	(124,592)	(4,677)
Payments for sale of consolidated subsidiaries	-	(14,157)
Proceeds from sales of consolidated subsidiaries	2,271	2,816
Payments into time deposits	(5,913)	(252,427)
Proceeds from withdrawal of time deposits	6,976	139,045
Other	45	(186)
Cash flows from investing activities	(107,879)	(127,322)

(Millions of yen)

	For the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	For the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	49,904	80,025
Net increase (decrease) in commercial papers	30,707	(130,161)
Proceeds from loans from the securitizations of the minimum future rentals on lease contracts	359,310	519,089
Repayments of loans from the securitization of the minimum future rentals on lease contracts	(423,974)	(407,007)
Proceeds from long-term borrowings	562,540	1,065,363
Repayments of long-term borrowings	(685,685)	(990,689)
Proceeds from issuance of bonds	498,011	361,330
Redemption of bonds	(532,561)	(463,710)
Dividends paid	(29,693)	(43,087)
Dividends paid to non-controlling interests	(3,140)	(2,552)
Proceeds from share issuance to non-controlling shareholders	-	7,282
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(12,346)	(3,553)
Other	(5,229)	(1,276)
Cash flows from financing activities	(192,157)	(8,948)
Effect of exchange rate change on cash and cash equivalents	21,066	29,816
Net increase (decrease) in cash and cash equivalents	(83,124)	(59,701)
Cash and cash equivalents at the beginning of the period	286,213	520,083
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	99	104
Increase in cash and cash equivalents resulting from merger	316,895	-
Cash and cash equivalents at the end of the period	520,083	460,486

(5) Notes to the Consolidated Financial Statements

(Notes concerning going concern assumption)

Not applicable

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

On April 1, 2022, the Company applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021, "Implementation Guidance on Accounting Standard for Fair Value Measurement"), and the new accounting policies stipulated in the Implementation Guidance on Accounting Standard for Fair Value Measurement are applied prospectively pursuant to the transitional treatment stipulated by Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement.

The impact of this change on the consolidated financial statements is insignificant.

(Application of Accounting Standards Update (ASU) 2016-02 "Leases")

Certain overseas consolidated subsidiaries applied ASU 2016-02 "Leases" on April 1, 2022. As a result, lease assets and lease liabilities are recognized in general on the consolidated balance sheet of these overseas consolidated subsidiaries for all lease transactions entered into as a lessee.

The impact of this change on the consolidated financial statements is insignificant.

(Segment information)

1. Overview of reportable segments

Effective April 1, 2022, the Group integrated business organizations having similar functions and roles in preparation for the 2025 MTMP. As a result, the Group has seven reportable segments of “Customer Solutions”, “Global Business”, “Environment, Energy & Infrastructure”, “Aviation,” “Logistics”, “Real Estate” and “Mobility” from April 1, 2022.

Details of new reportable segments are as follows.

Reportable segments	Main services and business description
Customer Solutions	Finance solutions for companies and government agencies, sales finance provided through collaboration with vendors, real estate leasing, and financial services
Global Business	Finance solutions, sales finance provided through collaboration with vendors in Europe, the Americas, China, and ASEAN region
Environment, Energy & Infrastructure	Renewable energy power generation business, energy-saving business, and overseas infrastructure investment business
Aviation	Aircraft leasing business, and aircraft engine leasing business
Logistics	Marine container leasing business, and railway freight car leasing business
Real Estate	Real estate securitization finance, real estate revitalization investment business, and real estate asset management business
Mobility	Auto leasing business and supplementary services

Figures in the segment information for the fiscal year ended March 31, 2022 were converted into new reportable segments.

Following the organizational changes, the segment name of “Environment, Energy & Infrastructure” will be changed to “Environment & Energy” since the fiscal year ending March 31, 2024.

2. Calculation of profit or loss and assets by reportable segments

The accounting treatments applied to reported business segments are consistent with those adopted in preparation of the consolidated financial statements.

Profit of reportable segments are based on net income attributable to owners of the parent.

Intersegment earnings and transfers are based on market prices.

3. Information on profit or loss and assets by reportable segments

For the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments							Adjustments (Note) 1	Amount recorded in consolidated financial statements (Note) 2
	Customer Solutions	Global Business	Environment, Energy & Infrastructure	Aviation	Logistics	Real Estate	Mobility		
Segment profit	32,692	40,856	2,278	5,682	815	12,395	3,134	1,546	99,401
Segment assets (Note) 3	3,337,672	2,316,383	419,399	1,365,126	1,026,757	712,700	129,429	1,021,402	10,328,872

(Note)1. Adjustments of segment profit consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reportable segments. It also includes a profit adjustment of ¥2,744 million related to the merger with Hitachi Capital Corporation under the purchase method.

Adjustments of segment assets include goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets not attributable to any reportable segments, such as investment securities related to Corporate, amounting to ¥37,907 million, and the sum of such amount and the segment assets of all reportable segments amounted to ¥9,345,376 million.

The remainder of the adjustments of segment assets of ¥983,495 million represents the difference between total segment assets including Corporate and total consolidated assets, which consists of assets other than segment assets such as cash and deposits and own-used assets.

2. Segment profit is consistent with net income attributable to owners of the parent on the consolidated statements of income.
3. Segment assets include operating assets, equity-method investments, goodwill and investment securities.

For the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments							Adjustments (Note) 1	Amount recorded in consolidated financial statements (Note) 2
	Customer Solutions	Global Business	Environment, Energy & Infrastructure	Aviation	Logistics	Real Estate	Mobility		
Segment profit	38,167	29,013	11,657	6,209	15,385	12,645	3,798	(636)	116,241
Segment assets (Note) 3	3,227,742	2,644,283	433,296	1,640,232	1,092,910	447,277	41,402	1,199,051	10,726,196

(Note)1. Adjustments of segment profit consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reportable segments. It also includes a profit adjustment of ¥2,775 million related to the merger with Hitachi Capital Corporation under the purchase method.

Adjustments of segment assets include goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets not attributable to any reportable segments, such as investment securities related to Corporate, amounting to ¥105,820 million, and the sum of such amount and the segment assets of all reportable segments amounted to ¥9,632,966 million. The remainder of the adjustments of segment assets of ¥1,093,230 million represents the difference between total segment assets including Corporate and total consolidated assets, which consists of assets other than segment assets such as cash and deposits and own-used assets.

2. Segment profit is consistent with net income attributable to owners of the parent on the consolidated statements of income.
3. Segment assets include operating assets, equity-method investments, goodwill and investment securities.

4. Information on impairment losses on non-current assets by reportable segments

For the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments							Corporate/ elimination	Total
	Customer Solutions	Global Business	Environment, Energy & Infrastructure	Aviation	Logistics	Real Estate	Mobility		
Impairment losses	-	-	-	3,550	-	-	-	-	3,550

(Note) The amount in "Aviation" is recorded in cost of revenues as impairment losses on leased assets.

For the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments							Corporate/ elimination	Total
	Customer Solutions	Global Business	Environment, Energy & Infrastructure	Aviation	Logistics	Real Estate	Mobility		
Impairment losses	-	479	-	5,946	2,473	-	-	-	8,899

(Note) The amount in "Global Business" is recorded in extraordinary losses as impairment loss on goodwill and intangible assets. The amounts in "Aviation" and "Logistics" is recorded in cost of revenues as impairment losses on leased assets.

5. Information on goodwill amortization and unamortized balance by reportable segments

For the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments							Corporate/ elimination (Note)	Total
	Customer Solutions	Global Business	Environment, Energy & Infrastructure	Aviation	Logistics	Real Estate	Mobility		
Amortization during the period	-	696	-	2,621	139	500	58	2,117	6,135
Balance at the end of the period	-	12,595	-	30,489	33,743	2,168	742	10,587	90,326

(Note) Corporate/elimination for amortization during the period and balance at the end of the period represent amortization and outstanding balance, respectively, of goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007.

For the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments							Corporate/ elimination (Note)	Total
	Customer Solutions	Global Business	Environment, Energy & Infrastructure	Aviation	Logistics	Real Estate	Mobility		
Amortization during the period	-	841	-	3,138	1,935	500	67	2,117	8,601
Balance at the end of the period	-	13,330	-	32,007	36,975	-	714	8,469	91,497

(Note) Corporate/elimination for amortization during the period and balance at the end of the period represent amortization and outstanding balance, respectively, of goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007.

(Per share information)

	For the fiscal year ended March 31,2022 (April 1, 2021 – March 31, 2022)	For the fiscal year ended March 31,2023 (April 1, 2022 – March 31, 2023)
Equity per share	¥912.19	¥1,064.46
Earnings per share	¥69.24	¥80.95
Diluted earnings per share	¥69.06	¥80.71

(Note) The basis for calculation of equity per share, earnings per share, and diluted earnings per share is as follows.

1. Equity per share

	For the fiscal year ended March 31,2022 (April 1, 2021 – March 31, 2022)	For the fiscal year ended March 31,2023 (April 1, 2022 – March 31, 2023)
Total equity (millions of yen)	1,333,467	1,551,029
Amount deducted from total equity (millions of yen)	23,697	22,256
(Of which, share acquisition rights (millions of yen))	(1,861)	(2,138)
(Of which, non-controlling interests (millions of yen))	(21,835)	(20,118)
Equity related to common shares at end of the period (millions of yen)	1,309,769	1,528,773
Number of common shares used for calculation of equity per share at the end of the period (thousand shares)	1,435,855	1,436,194

2. Earnings per share and diluted earnings per share

	For the fiscal year ended March 31,2022 (April 1, 2021 – March 31, 2022)	For the fiscal year ended March 31,2023 (April 1, 2022 – March 31, 2023)
Earnings per share		
Net income attributable to owners of the parent (millions of yen)	99,401	116,241
Amount not attributable to common shareholders (millions of yen)	-	-
Net income attributable to common shareholders of the parent (millions of yen)	99,401	116,241
Average number of shares during the period (thousand shares)	1,435,664	1,436,042
Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (millions of yen)	-	-
Increase in common shares (thousand shares)	3,736	4,209
(Of which, share acquisition rights (thousand shares))	(3,736)	(4,209)
Summary of potential dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

(Significant subsequent events)

(Transaction to make CenterPoint Development Inc. a wholly owned subsidiary)

On April 14, 2023, the Company has entered into a share transfer agreement to acquire all shares of CenterPoint Development Inc. ("CPD"), our equity method affiliate offering the investment advisory and asset management service for logistics real estate, and completed the share acquisition on April 21, 2023.

1. Outline of the business combination

(1) Name and business description of the acquiree

Name of the acquiree: CenterPoint Development Inc.

Business description: Investment advisory and asset management service specializing in the logistics real estate

(2) Primary reasons for the business combination

The logistics market has continued to grow on the back of the surging demand due to expansion of domestic e-commerce, and the logistics facility leasing market is also steadily growing. The expansion of e-commerce is expected to continue, and there is also a growing need for logistics facilities to meet demands such as for labor-saving and automation, integration or reconstruction due to aging or obsolescence, and the location in areas with traffic convenience.

Amid such environment, the Company has decided to make CPD its wholly owned subsidiary to enhance and expand the logistics facility-related business with the company as it engages in the development of logistics facilities meeting tenants' needs and the asset management business specializing in such facilities.

(3) Date of the business combination

April 21, 2023

(4) Legal form of the business combination

Acquisition of shares using cash as the form of consideration

(5) Company name after the business combination

There is no change of company name after the business combination.

(6) Voting rights acquired

Voting rights before the business combination: 33.4%

Voting rights after the business combination: 100.0%

(7) Main grounds for deciding the acquiree

As the Company acquired all voting rights of CPD with cash as consideration.

2. Details of acquisition cost and consideration by type

The information is not disclosed based on the agreement between the parties.

3. Details and amount of major acquisition-related cost

It is currently in the process of calculation.

4. Amount of goodwill to be recognized, factors that make up the goodwill, and amortization method and period

It is currently in the process of calculation, but goodwill and gain on step acquisition are expected to be recognized as a result of this transaction.

5. Amount of assets acquired and liabilities assumed on the date of the business combination and major components thereof

It is currently in the process of calculation.