

INTEGRATED REPORT

2026

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* In this report, "MHC" designates Mitsubishi HC Capital.

Editorial Policy

The Mitsubishi HC Capital Group (hereinafter "the Group") is working to solve social issues and create new value by operating global and advanced asset businesses.

This report combines both financial and non-financial information, including an overview of medium- to long-term value creation, management strategies, financial results, and ESG information, so that our shareholders, investors, and all other stakeholders may become better acquainted with the efforts of the Group to sustainably improve our corporate value.

Please note that in editing this report, we referenced the International Integrated Reporting Framework recommended by the International Integrated Reporting Council and the Guidance for Collaborative Value Creation advocated by the Ministry of Economy, Trade and Industry.

Guidelines referenced

International Integrated Reporting Framework issued by the International Integrated Reporting Council
Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry



Reporting period

Fiscal year ended March 31, 2026 (April 2025 to March 2026)
(Some descriptions include information on activities before and after the reporting period.)

Reporting scope

Mitsubishi HC Capital (hereinafter "the Company") and its subsidiaries and affiliates

Forward-looking statements

The strategies, plans, results, and other information presented in this report contain future projections and forecasts. Such forward-looking statements reflect assessments made by the Group based on the information available when this report was prepared. Please note that actual results are influenced by a wide range of significant factors and may therefore differ considerably from the content of these statements.

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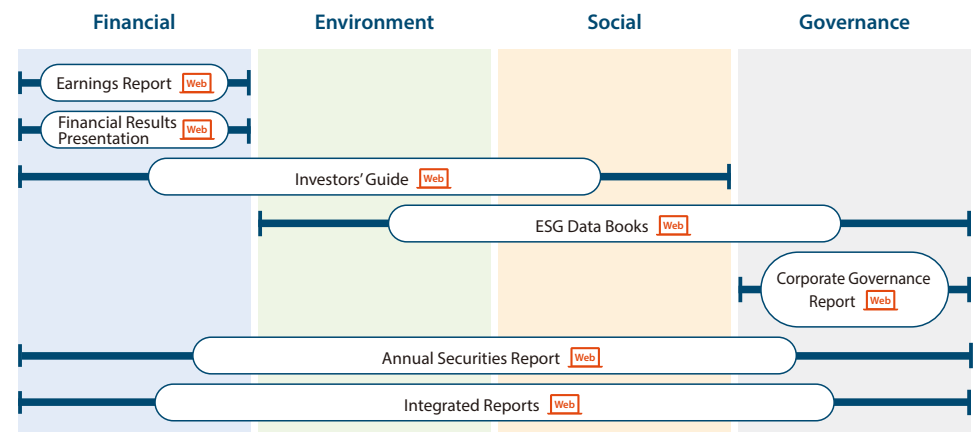
Corporate website

<https://www.mitsubishi-hc-capital.com/english/>



Information disclosure

This report combines and discloses important financial and non-financial information to help readers better understand the Group.



[Web](#) Please visit our website for details.

Key Messages of This Report

Among the elements that constitute corporate value, Mitsubishi HC Capital and its consolidated subsidiaries (hereafter “Group”) positions ROE, which measures our ability to generate returns exceeding the cost of equity, as its top priority KPI.

We will improve ROE by improving ROA through the *evolution and layering of business models 2.0* and bold business portfolio restructuring, and by optimizing financial leverage through optimized capital allocation, including shareholder returns, and the realization of an optimal capital structure. We will also work to foster growth expectations and reduce the cost of equity through active dialogue with the market and other initiatives, aiming to raise our P/E ratio. Through this report, we communicate this value creation story for enhancing corporate value.

POINT 1

Overall picture of corporate value enhancement

Message from the CEO
P.5 [➡](#)

Toward the realization of Our FY2031 Vision, this section explains the Group's approach to enhancing corporate value from both components of P/B—ROE and P/E—and the positioning of the 2028 MTMP.



POINT 2

Business portfolio transformation to improve ROA

Direction of the *Evolution and Layering of Business Models 2.0*
P.23 [➡](#)

Business Portfolio Restructuring P.24 [➡](#)

Through the *evolution and layering of business models 2.0* and business portfolio restructuring, we will improve profitability by leveraging the strengths of each business, thereby contributing to ROA improvement.

POINT 3

Financial strategy to enhance capital efficiency

Message from the CFO P.25 [➡](#)

We will seek to optimize capital allocation and realize an optimal capital structure by balancing growth investments, asset replacement, shareholder returns, and financial soundness.



POINT 4

Growth strategy and digital strategy toward Our FY2031 Vision

Overview of the Medium-term Management Plan for FY2026-FY2028 (“2028 MTMP”) P.21 [➡](#)

Digital Strategy P.38 [➡](#)

In addition to the key strategies of the 2028 MTMP, through our newly established digital strategy, we will enhance existing businesses, create new business opportunities, and speed up management decision-making.

POINT 5

Our strengths and the history that nurtured them

Problem-solving Capabilities Built Through Our History P.82 [➡](#)

Power to Support Society with Diverse Assets P.83 [➡](#)

By looking back on the history cultivated by the two companies before the business integration, this section shows the background behind the strengths we possess today, including asset expertise, customer bases, specialist capabilities, and global business development capabilities.

POINT 6

Strengthening execution capabilities and trust through talent, transformation culture, and governance

Top Gun Project Employee Roundtable Discussion P.15 [➡](#)

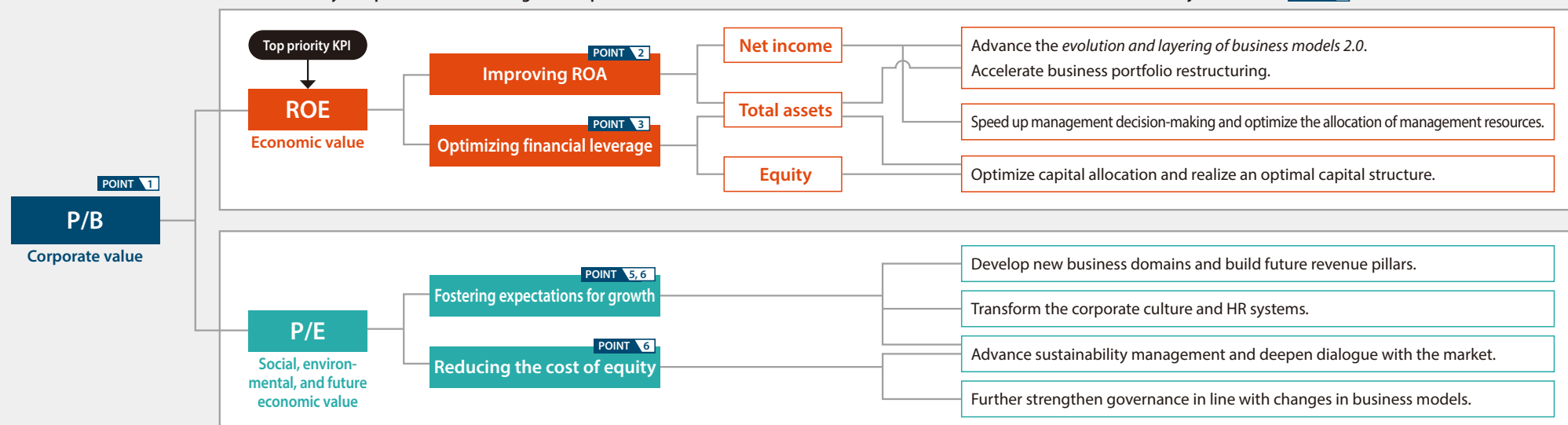
Specific Initiatives Related to Talent P.33 [➡](#)

Corporate Governance P.72 [➡](#)

Through our human capital strategy, employee roundtable discussion, and employee messages, this section conveys how a culture of transformation is taking root, while showing how we enhance trust through risk response, sustainability, and governance.

Key components and challenges in corporate value enhancement

Major initiatives [POINT 4](#)



Basic Management Policy

The Group has established the Basic Management Policy consisting of Our Mission, which is the ideal image that the Group aims to achieve over the long term, and Our Vision and Action Principles to realize that mission.

Our Mission

—Our long-term goal—

Contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets.

Our Vision

—Objectives to achieve our long-term goal—

- Solve social issues by developing unique and progressive businesses with consideration for the global environment.
- Aim for sustainable growth through value co-creation with diverse stakeholders across the globe.
- Enhance corporate value by evolving our business model through utilizing digital technology and data.
- Foster an “open, creative and engaging” corporate culture that shapes each and every employee’s motivation and pride.
- Aim to be a trusted company by complying with laws and regulations, as well as implementing ethical corporate management.

Action Principles

—Values and mindset to be held and actions to be taken by each and every employee—

Challenge	Challenge ourselves to look forward to the future with a sense of responsibility and commitment.
Digital	Drive digital innovation and expertise.
Communication	Communicate openly and honestly to build mutual understanding and trust.
Diversity	Embrace diversity and respect each other.
Sustainability	Act in harmony with people, society and the earth to create a sustainable world.
Integrity	Maintain the highest standards of ethics and integrity.

Our Group’s Materiality (Priority Key Challenges)

STEP 1

Examination of important ESG issues from the Company’s perspective

We made an exhaustive list of ESG issues based on ISO 26000, the Sustainable Development Goals (SDGs), and other relevant international guidelines and principles. Subsequently, the Group conducted a survey of employees and internal interviews to identify candidates based on their importance in terms of both opportunities and risks related to our business.

STEP 2

Consideration of important ESG issues from the perspective of external stakeholders

We confirmed the expectations and requests for the Group based on expertise and opinions obtained from interviews with external stakeholders, such as major customers and shareholders, and narrowed down the list of candidates.

STEP 3

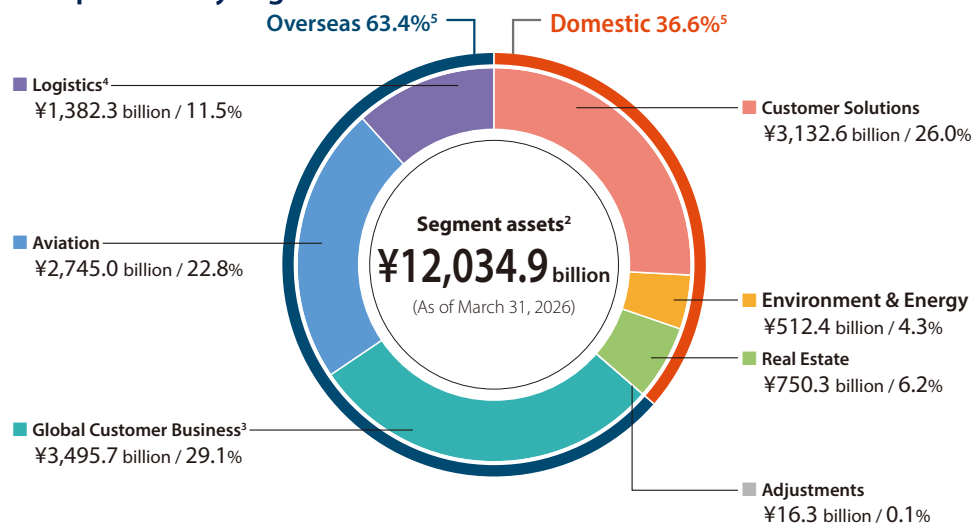
Discussion, deliberation, and identification by management

The relationships with Our Mission, Our Vision, and SDGs were clarified. The material issues were then identified through discussions by the Sustainability Committee, the Executive Committee, and the Board of Directors, taking into account factors such as their relevance to each business.

Materiality	Why the Group treats as highly material challenges	Related SDGs
Promote a decarbonized society	• Efforts to realize a decarbonized society have been widely recognized as an urgent global priority, and there is significant scope for our Group to contribute in key growth areas such as investment in renewable energy and EV promotion. • It is highly important for the Group to clearly distinguish initiatives that run counter to addressing social issues, as such initiatives could have a significant impact on its business.	 
Realize a circular economy	• As a leading company in the leasing industry, it is highly important for the Group to contribute to the realization of a circular economy by reducing waste both within the Group and across society, while maximizing the potential of assets. • The Group can also contribute to the realization of a sustainable and prosperous society through strengthened collaboration with partners.	   
Establish resilient social infrastructure	• Domestic infrastructure development entering periods of repair and renewal, the proactive expansion of overseas infrastructure support through collaboration with various partners, and the development of smart cities represent areas of significant opportunity. • The Group can contribute to enhancing business diversification, sophistication, and efficiency by establishing systems and providing services that facilitate collaboration among companies.	 
Realize healthy lifestyles that promote positive wellbeing	• Creating and providing services that help ensure the health, safety, security, and cultural wellbeing of the Group’s stakeholders is of high importance in realizing a prosperous future. • Human capital is a source of value and trust in corporate activities, and enhancing employee motivation as well as attracting and retaining talented individuals is also highly important.	  
Create businesses utilizing the latest technologies	• By capturing customers’ financing needs for DX and addressing them through the use of the Group’s technologies and digital capabilities, the Group aims to promote the development of new business models. • Including the establishment of supply chains associated with the use of alternative energy, this represents a highly important opportunity to create businesses that combine diversity and innovation.	 
Collaborate with partners locally and globally	• As social issues differ by country and region, it is important for the Group to address these issues by identifying local needs and collaborating with local partners. • By leveraging the Group’s comprehensive capabilities, we aim to realize a society in which we grow together with our stakeholders.	 

The Mitsubishi HC Capital Group in Figures (FY2025)

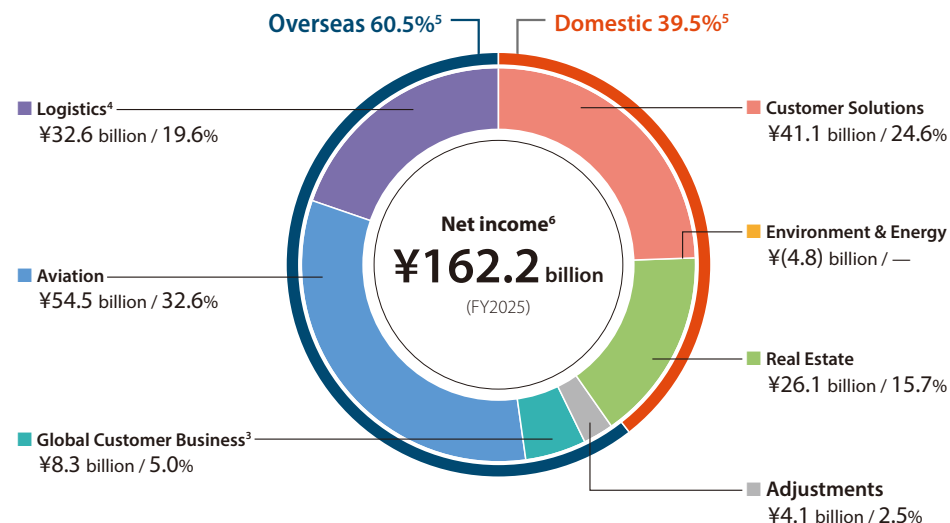
Composition by segment¹



1. For convenience, segments with both domestic and overseas operations are classified in these charts according to their largest operating region.

2. Operating assets + equity method investments + goodwill + investment securities, etc.

3. Segment assets and net income of the Global Customer Business segment do not include overseas assets and profits of other segments, such as Aviation and Logistics



4. The asset balance and profit of the Logistics segment include the assets and profit of the Mobility segment prior to the segment reclassification.

5. "Adjustments," which represent group-wide expenses and income not allocated to any reportable segment, have been excluded from the calculation.

6. The shares of "Net income" are calculated excluding "Environment & Energy."

Business Strategies P.46-60

Web

Please visit our website for details about our business.

Market capitalization and ranking (as of March 31, 2026)

Market capitalization

¥2,055.1 billion

Ranking

114th

7. Rank among companies listed on the Tokyo Stock Exchange Prime Market (common stock only)

Shareholder return

Increased dividends
consecutively for
27 fiscal periods

Payout ratio

40.7%

Dividend per share

¥46

Global network

in more than **20** countries and
regions around the world

Number of employees

Consolidated

7,950 people

Ratings by external agencies

S&P

A-

Moody's

A3

Fitch Ratings

A-

Japan Credit Rating
Agency (JCR)

AA

Rating and Investment
Information (R&I)

AA

Message from the CEO



Turning *transformation* into results:

Shifting to profitability-focused management
and entering a new stage of accelerated
corporate value enhancement

A handwritten signature in black ink, reading "Taiju" followed by a stylized flourish.

Taiju Hisai
President & Chief Executive Officer

Message from the CEO

Transformation can only be achieved while we still have options

Over the past four decades, I have built my career in the financial services industry, both in Japan and overseas, and have observed a wide range of companies. Through this experience, I have come to firmly believe one thing: the more successful a company is today, the harder it is for it to change. Companies with highly capable employees, functioning business models, and a certain level of earnings tend to find it difficult to feel a sense of urgency and to face the need for *transformation* head-on. However, changes in the business environment do not wait. The competitive environment is constantly and inexorably changing. Time and again, I have seen companies whose management options were already limited by the time those changes became visible in their financial results. This is why a complacent mindset is extremely dangerous. Precisely because problems have not yet surfaced and we still have many options open to us, now is the time to pursue *transformation*.

Since becoming CEO in April 2023, I have consistently communicated both inside and outside the Group my strong belief that we must transform into an organization that is truly chosen by stakeholders over the next 10 years and beyond. This does not mean simply expanding our scale or pursuing short-term results. Rather, my message is that we must continue evolving

into an organization with true underlying strength—one that can keep creating value even as the business environment changes. I have also said that I want Mitsubishi HC Capital Group to be an organization where employees are satisfied and happy, and one that is trusted and respected by society. These are not emotional slogans. They are highly practical considerations for enhancing corporate value over the medium to long term amid an uncertain external environment, and they are grounded in my firm conviction as a business leader. To transform Mitsubishi HC Capital Group into such an organization, I have persistently communicated to employees the need for *transformation*, almost to the point of repetition. In the 2025 MTMP, our first medium-term management plan since the 2021 business integration of Mitsubishi UFJ Lease & Finance and Hitachi Capital, which covered the three years through the previous fiscal year, we incorporated *frameworks to promote transformation* across various initiatives. Through these efforts, I feel that the momentum for *transformation* has been growing within the Group, and that a mindset for *transformation* has begun to take root across the organization. Even so, I have not yet been able to dispel my strong sense of crisis that the Group may no longer exist 10 years from now. We launched our new 2028 MTMP this fiscal year, and I believe we must continue to drive *transformation* with strong determination.

The 2025 MTMP in review: achievements and challenges

Looking back on the 2025 MTMP, we implemented a wide range of transformation initiatives as the first stage toward Our FY2031 Vision.¹ These included *gaining a solid foothold by restructuring and redefining existing business domains, sowing seeds in new business domains, and the evolution and layering of business models* to transform our business portfolio. **1**

Through these initiatives, despite both positive and negative changes in the business environment that we had not anticipated when the 2025 MTMP began, we met our net income target in each of the three years of the 2025 MTMP, and achieved record-high net income for four consecutive fiscal years. Reflecting this solid performance, our stock price rose in tandem with the upward trend in the Japanese stock market, enabling us to reach a P/B ratio of around 1.0, which we had positioned as an initial milestone. I regard all of these as significant achievements.

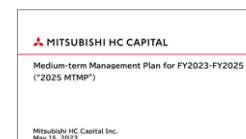
At the same time, we fell short of our financial targets for profitability, namely our ROE and ROA. The direct causes included sluggishness and underperformance in certain businesses, as well as the slow pace of our business portfolio

1. Our 10-year Vision, announced in May 2022, was redefined as Our FY2031 Vision when formulating the 2028 MTMP, including clarification of the timeline.

1 Medium-term Management Plan (2025 MTMP)

Over the three years from FY2023 to FY2025, we advanced *sowing seeds and gaining a solid foothold*.

P.20 ⇨



Please visit our website for details on the progress in each fiscal year.

Message from the CEO

transformation. However, the underlying reason was that, because this was our first medium-term management plan after the integration, all executives and employees across the Group prioritized achieving a more intuitive target of profit in absolute terms. As a result, we were unable to give profitability ratios such as ROE and ROA the same level of attention that we gave to the amount of profit. This is my responsibility as CEO, and it is a challenge we have carried over into the 2028 MTMP.

Regarding internal transformation, the *frameworks to promote transformation* I mentioned earlier have fostered momentum for transformation and a willingness to take on challenges among executives and employees. I have also begun to hear people outside the Group say things such as, "Mitsubishi HC Capital seems to be doing many new things lately," or "I've been hearing more about Mitsubishi HC Capital recently." Whenever I hear such comments, I feel that our *transformation* is steadily bearing fruit. However, for employees across the Group to embrace new initiatives and challenges spontaneously on a daily basis even without such measures, we need to elevate *transformation* to a stage where it becomes embedded in our corporate culture. This is another challenge that remains to be addressed.

In the 2028 MTMP, which began this fiscal year, I am committed to taking stronger leadership as CEO in addressing these two remaining challenges from the 2025 MTMP.

Management with a greater commitment to profitability

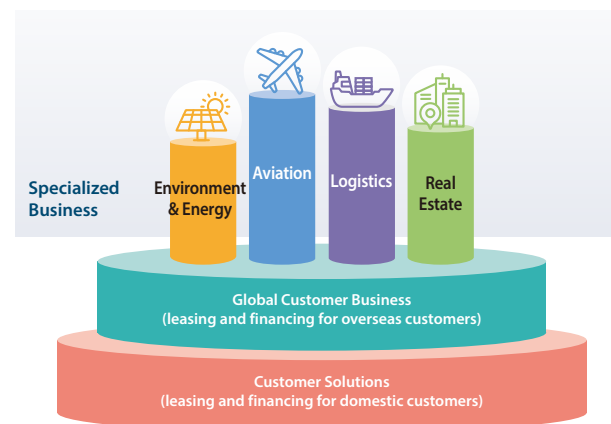
Under the 2028 MTMP, we will of course continue to focus on the amount of profit, but we are determined to shift management toward a much greater commitment to profitability. To that end, we have designated ROE as the top priority KPI of the 2028 MTMP and set a target of raising it to 10% in FY2028, a level equivalent to the Group's recognized cost of equity.² The specific driver for improving ROE is higher ROA. To improve ROA, we will not pursue profit growth through balance sheet expansion as we have done in the past. Instead, through bold business portfolio restructuring,³ we will curb the expansion

of total assets while making growth investments in highly profitable areas and building a business portfolio with high profitability and growth potential. We have been replacing assets to date, but over the three years of the 2028 MTMP, we plan to replace assets on a scale of ¥2 trillion. This will be an unprecedented scale of portfolio restructuring for the Group and will not be easy. At the same time, it reflects our strong sense of urgency that profitability cannot be improved unless we act with this level of boldness. It will be a major challenge, but I am determined to make it happen.

Even so, to enhance corporate value over the medium to long term, I do not regard an ROE of 10%, which is equivalent to the cost of equity, as the ultimate goal. Rather, I see it as the starting line. Toward FY2031, we will aim for an even higher ROE.

To support these strategies, I believed that we first needed to change the mindset of our executives, and we therefore made a major decision to revise our executive compensation scheme. We significantly increased the evaluation weight of ROE, our top priority KPI, making clear our emphasis on ROE.⁴ In addition, within the stock compensation component, we introduced new non-financial KPIs such as MHC engagement.² By aligning evaluation with strategy, we will strengthen our execution capabilities.

2. MHC engagement is defined as a state in which employees work as one to create value.



2 Medium-term Management Plan (2028 MTMP)

Taking into account both a review of the past and our vision for the future, we formulated the 2028 MTMP as the *step* phase toward Our FY2031 Vision.

P.21 →



Please visit our website for details.



3 Business Portfolio Restructuring

We will accelerate more selective business portfolio restructuring than ever before, improving profitability by strengthening growth investments while curbing the expansion of our asset base.

P.24 →

4 Corporate Governance

Our executive compensation is designed to enhance corporate value through the execution of our business strategies, while providing appropriate incentives for executives.

P.75 →

Message from the CEO



The planned business portfolio restructuring on a scale of ¥2 trillion also reflects our strong sense of urgency that profitability cannot be improved unless we act with this level of boldness.

Embedding a *transformation* mindset into our corporate culture

Through various initiatives to date, we have fostered momentum for *transformation* within the Group. Under the 2028 MTMP, we will move toward embedding this mindset into our corporate culture. At the beginning of this message, I said that I have not yet been able to dispel my strong sense of crisis that the Group may no longer exist 10 years from now. Behind this is the fact that I still see symptoms of what is often called *big company disease* within the Group: precedent-based thinking that seeks to continue doing things the way they have always been done, a culture of waiting for instructions rather than thinking independently and taking ownership of decisions, and sectionalism, or a silo mentality, where people only think about their own departments. I believe this may partly be because the Group became larger following the business integration in 2021, and this deeply concerns me. Such tendencies not only impede *transformation* but could also weaken the organization and threaten the survival of the Group. I want to nip them in the bud, while they are still small. For this reason as well, we must embed a mindset of *transformation* and *challenge* into our corporate culture—and doing so requires change significant enough that people both inside and outside the Group can feel that Mitsubishi HC Capital has changed. Under the 2025 MTMP, I

asked employees to practice *trial and error*. Under the 2028 MTMP, we will go further *by encouraging employees to try, learn from failure, and try again*.

The source and starting point of every strategy lies in *people* and *corporate culture*. No matter how outstanding a strategy may be, it will not produce results unless the *people* who execute it change their behavior. We are truly committed to transforming our corporate culture so that it becomes the norm for each employee to think independently and continue taking on challenges, and so that the accumulation of these efforts translates into competitiveness across the entire organization. **5**

Above all, I firmly believe that our people are our greatest asset—and that everything begins with them.

The 2028 MTMP is a critical milestone that will determine whether we realize Our FY2031 Vision

To realize Our FY2031 Vision, we need to evolve our way of doing business and the very nature of the Group itself. Through the 2025 MTMP, we built the foundation for *transformation*, and that mindset has steadily begun to take root. However, to translate this *transformation* into tangible results in the form of enhanced corporate value, we must take our efforts one step

5 Message from the CHRO

Aiming to become a company that continues to evolve, where everyone takes on challenges, co-creates, and grows, we will transform our talent portfolio in line with our management strategies.

P.31 →



Message from the CEO

further and deliver clear outcomes.

The Group's *transformation* is now in a transitional phase, moving from emergence to expansion. At this stage, what matters is not simply recognizing the need for transformation but seeing it through and turning it into lasting results. If we try to move on to the next stage without sufficient execution capabilities, the initiatives we have built up so far may end up being temporary, and we run the risk of reverting to our previous trajectory.

In that sense, I regard the three years of the 2028 MTMP as an extremely important turning point. Our FY2031 Vision, which is our medium- to long-term aspiration, will not be realized simply with the passage of time. We can only move closer to realizing it by steadily advancing *transformation* at pivotal moments like this. The 2028 MTMP is a particularly important milestone because its outcome will directly shape our future growth trajectory. As such, we position it as the phase in which we will raise profitability and accelerate the enhancement of corporate value. We will shift the focus of our management toward high-quality growth centered on capital efficiency and profitability, and as a result evolve into an organization capable of sustainably creating value.

In an uncertain business environment, simply responding to change is not enough. We need the ability to create change ourselves and turn its results into sustainable growth. To this end, as I have stated, we will drive both a shift to

profitability-focused management and a further deepening of corporate culture transformation under the 2028 MTMP. We will not allow *transformation* to end as a temporary initiative; instead, we will elevate it into a source of organizational competitiveness. Our *transformation* is still in progress, but corporate value is steadily increasing, and the foundation for medium- to long-term growth is firmly taking shape. Above all, we have the ability to embrace change and open up our own path to growth. I am confident that our future is bright and that we are ready to take a bold step toward further growth.

Creating social value through maximizing the potential of assets

So far, I have consistently emphasized the need for *transformation*. Finally, I would like to share two things that I believe, as CEO, we should not change.

The external environment surrounding the Group is becoming more uncertain than ever, marked by developments such as the rollback of globalization, global fragmentation and shifts in the world order, instability in the Middle East, and the rapid advancement of AI and the expansion of related markets. These changes go beyond ordinary economic cycles: they are



In an uncertain business environment, we need the ability to create change ourselves and turn its results into sustainable growth.

Message from the CEO

reshaping industrial structures and the competitive landscape itself, demanding more flexible and rapid decision-making and stronger execution capabilities.

Amid such uncertainty, it is essential that we not be swayed by the external environment. Instead, we must clearly define our own strengths and direction, calmly assess the situation, accurately weigh risks and opportunities, and independently formulate and execute growth strategies. To do so, we must combine the flexibility to respond to short-term changes in the environment with the discipline to maintain unwavering principles over the medium to long term. **6**

These principles for the Group are expressed in Our Mission: “Contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets.” In other words, it means keeping assets at the heart of everything we do. We have created value for both businesses and society not only through leasing and finance, but also by recognizing the value of assets from multiple perspectives and unlocking their potential. I believe that the expertise we have accumulated as asset specialists is the source of our competitive advantage.

Going forward, we will need to further evolve our business model in response to changes in the business environment. We will likely change our business domains and earnings structure, and even the way we create value. At the same time, however, no matter how we change, our core strength and dedication to maximizing the potential of assets will never waver. Boldly

changing what should be changed while never wavering on the principles we must uphold—this is what will enable us to achieve sustainable growth even in an uncertain business environment. As CEO, I am determined to stay true to these principles and continue taking on challenges without fear of change. This is the first thing I believe we should not change.

Management with a clear focus on shareholders and stock price

The second thing I believe we should not change is to make clear, to investors and all other stakeholders inside and outside the Group, that we will remain firmly committed to managing our business with a keen awareness of our stock price as one indicator of market evaluation. By this, I do not mean being caught up in short-term stock price movements. Rather, I mean practicing management that earns the market’s sustained recognition through the enhancement of corporate value over the medium to long term.

As I have already explained, of the components that make up our P/B ratio, we have positioned ROE, which measures our ability to generate returns exceeding the cost of equity, as the top priority KPI of the 2028 MTMP. However, to enhance corporate value, improving ROE alone is not enough. It is also essential

that the market appropriately reflects the Group’s growth prospects in its valuation, and from this perspective, we will also work to raise our P/E ratio. **7**

The foundation for this will be strengthening our capacity for sustainable growth through corporate culture transformation. In addition, I believe it is important that we help the market fully understand our growth story through dialogue. Going forward, I intend to further enhance both the frequency and quality of dialogue, and to carefully communicate management’s thinking and the background to our decision-making.

On that basis, I am committed to steadily building the market’s trust through a range of initiatives and to evolving into an organization that consistently delivers lasting value. I hope you will look forward to our growth ahead.



6 Risks and Opportunities Underlying Strategies Toward Our FY2031 Vision

We will accurately identify the risks and opportunities arising from changes in the business environment and link them to sustainable growth and corporate value enhancement.

P.12

7 Message from the CFO

We will maximize corporate value by rigorously pursuing more selective business portfolio restructuring and optimizing capital allocation.

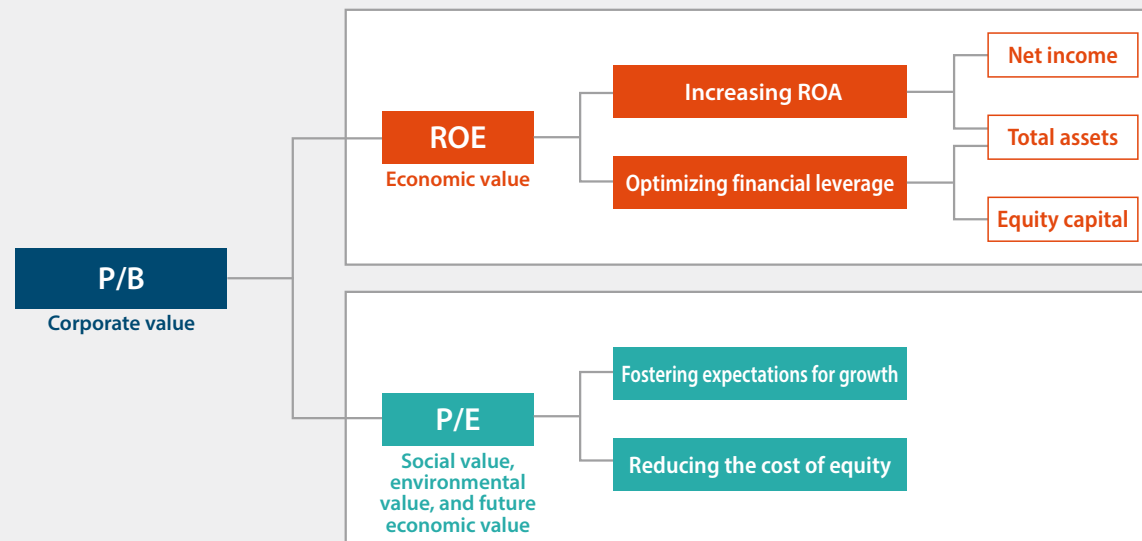


P.25

Section 1

Power to Drive Transformation and Create Value

To sustainably enhance corporate value, it is essential not only to create economic value with ROE improvement as the starting point but also to implement initiatives that increase social value, environmental value, and future economic value. This section sets out the risks and opportunities underlying our strategies, as well as our growth strategy and value creation. It also illustrates how the Group will continue creating value, as shown through its value creation process and a roundtable discussion among employees who participated in the Top Gun project.

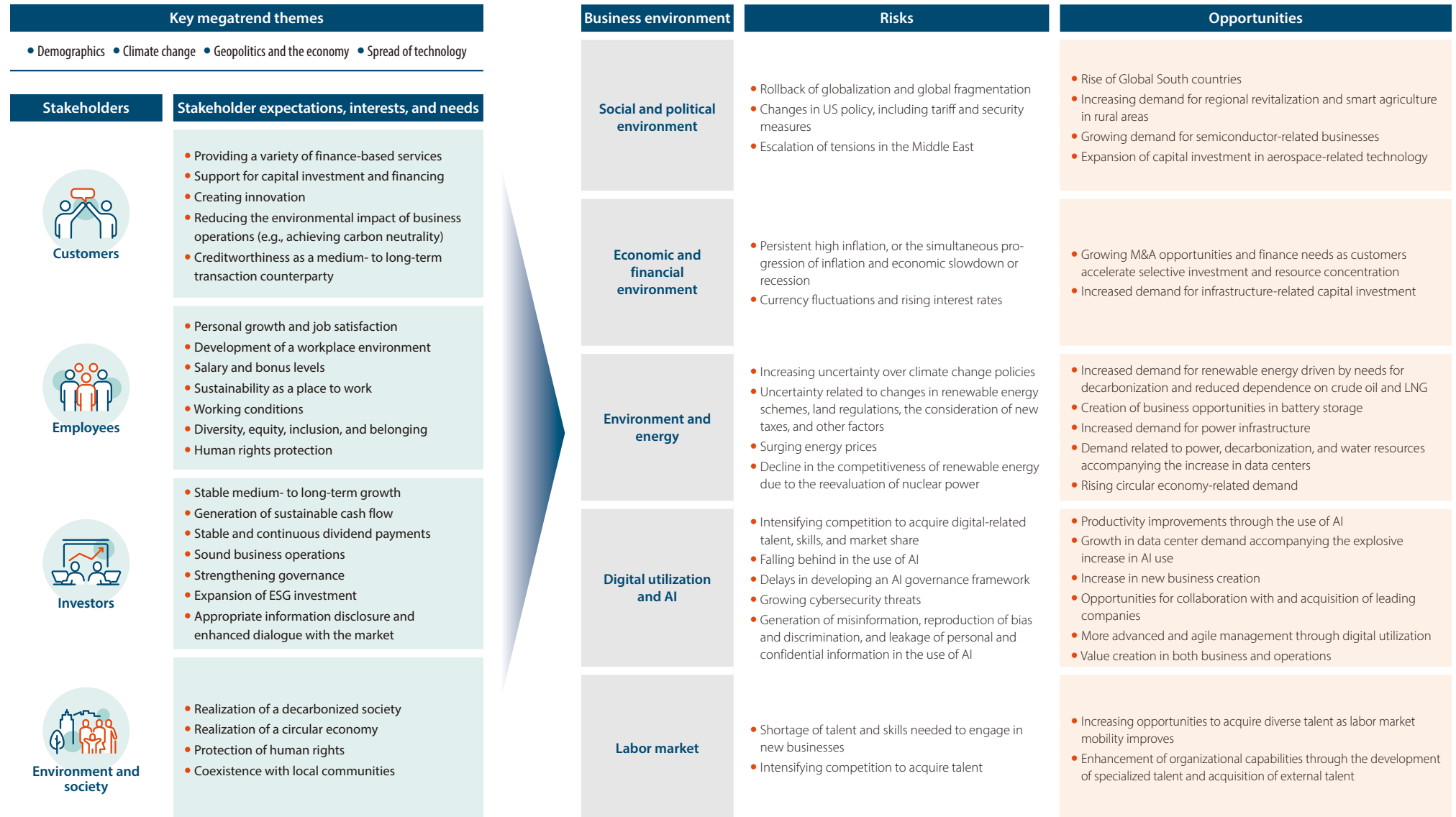


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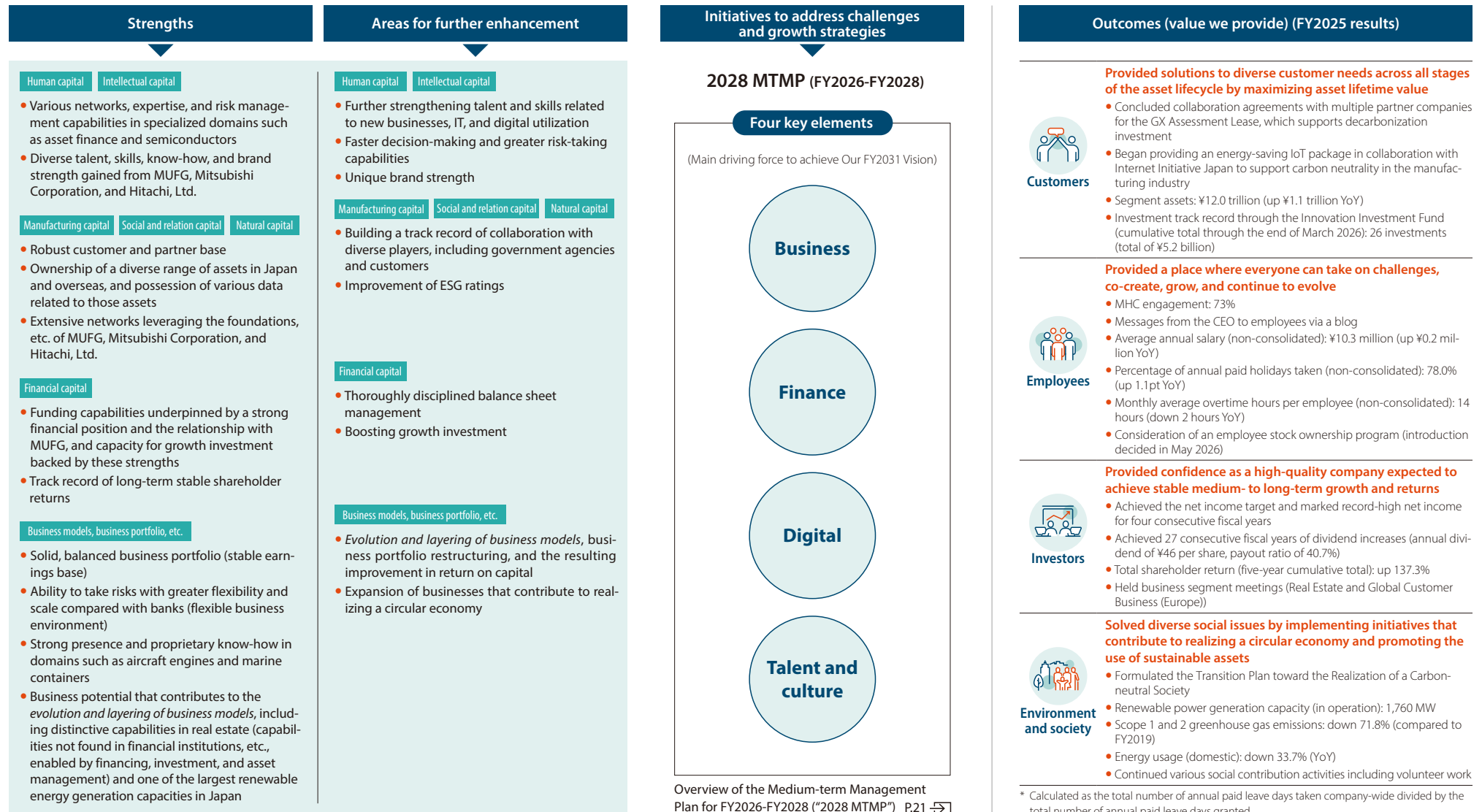
Risks and Opportunities Underlying Strategies Toward Our FY2031 Vision

Risks and opportunities are identified based on key megatrend themes as well as the expectations, interests, and needs of stakeholders.



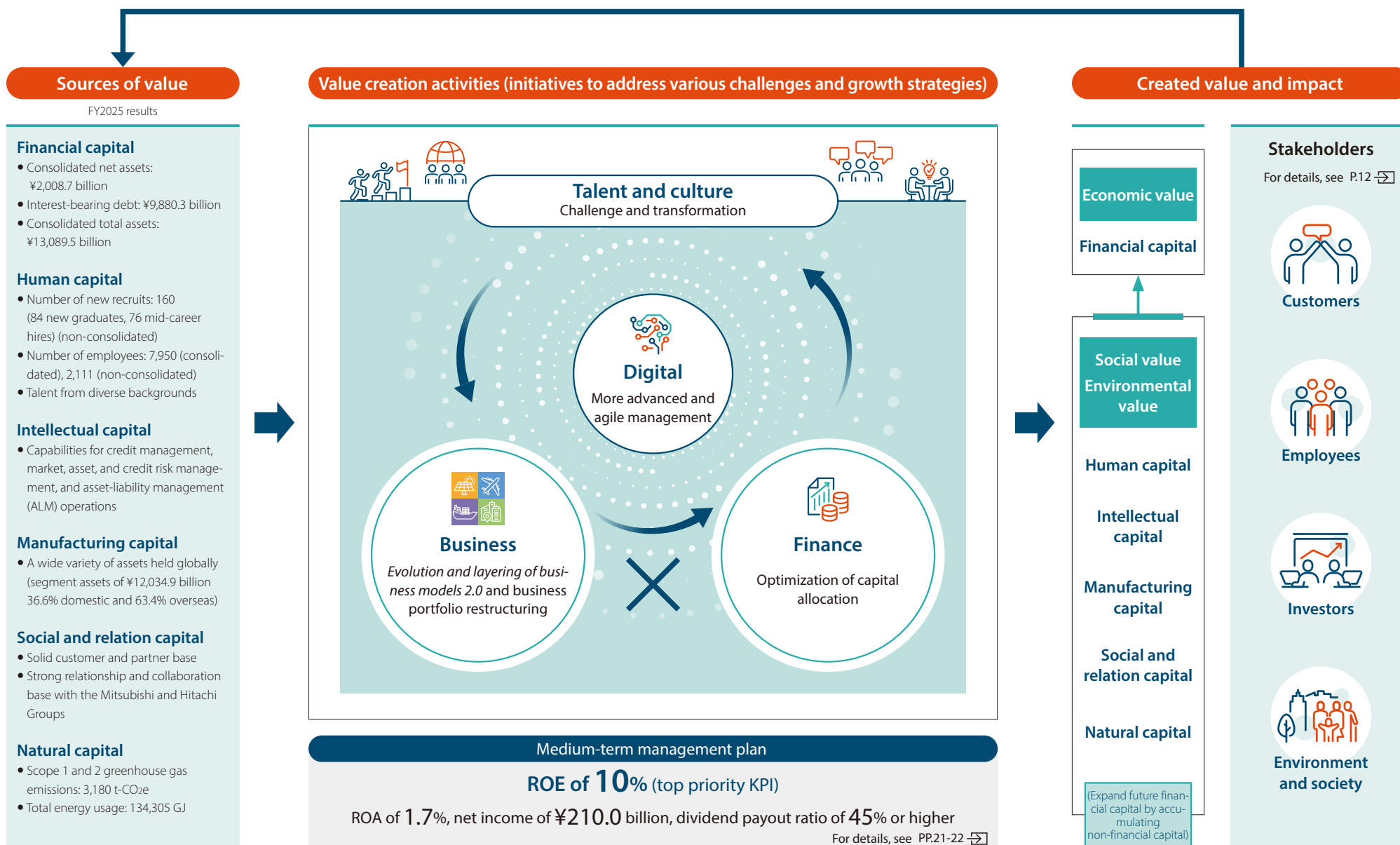
Growth Strategies and Value Creation Based on Our Understanding of the External Environment

Based on risks and opportunities, as well as areas of strength and areas for further enhancement, we formulate initiatives to address various challenges and growth strategies, thereby creating social, environmental, and economic value for each stakeholder group.



* Calculated as the total number of annual paid leave days taken company-wide divided by the total number of annual paid leave days granted.

Value Creation Process



Top Gun Project Employee Roundtable Discussion

Taking on challenges with no set answers, together

The Top Gun project: facing social issues across organizational boundaries

Keigo Tomiguchi

In his 18th year with Mitsubishi HC Business Lease Corporation, a Group company. In charge of sales to vendor partners.

Hiroataka Mitsui

IT Department
In his third year with the Company. Since joining the Company as a mid-career hire, he has worked in the Cybersecurity Group of the IT Department.

Ayaka Iwata

Chubu Business Department No. 1
In her fifth year with the Company. Since joining, she has been engaged in sales for large companies. She is currently in charge of sales in the Chubu region, working on proposals that help customers overcome their challenges.

Masato Shibasaki

Project Acceleration Department
In his 11th year with the Company. He has been involved in corporate sales, the real estate business, and robot-related businesses, and is currently in charge of new business development.

How will the experience gained through the Top Gun project connect to Mitsubishi HC Capital's Our FY2031 Vision, "Together we innovate, challenge and explore the frontiers of the future"? We asked members of a team that tackled a major social issue, the shortage of transportation capacity in the logistics industry, about what motivated them to participate, the changes they experienced through the activities, the significance of working across organizations, and the challenges they wish to take on going forward.

A project led directly by the CEO to transform the Company by examining ideas for improving our ability to provide added value to customers from broad perspectives that transcend organizational boundaries.

Knowing internal resources and incorporating different perspectives

First, please tell us what motivated you to participate in the Top Gun project.

Iwata I interact with customers in my daily work in sales, and I have sensed that overcoming challenges is difficult if I only rely on my own ideas and values. I often have opportunities to work with departments that support sales and other frontline operations, but there are many people with whom I have fewer points of contact, such as those in Corporate Center divisions and Group companies. I wanted to expand my internal network and absorb the views of people who think differently from me, so I applied to participate. In fact, by listening to members of

Top Gun Project Employee Roundtable Discussion

different generations and with different experiences, I was able to gain perspectives that I would not have come up with on my own.

Tomiguchi Because I belong to a Group company, I wanted to learn what Mitsubishi HC Capital's employees do in their daily work and what kinds of relationships they have built with business partners and customers. The theme this time was the shortage of transportation capacity in the logistics industry, but we started by learning about the industry itself. We directly spoke with customers, received advice on the team's concepts and proposals, and then reconsidered our ideas based on their responses. Repeatedly going through this process of *trial and error, learn and try* was a significant experience for me.

Mitsui I joined the Company mid-career, and when I applied to participate, I had only been with the Company for about a year. People who have worked here for a long time can naturally picture the relationships with other departments and the roles those departments play, but I was not yet able to do that. I decided to participate because I wanted to know more about other departments, which I felt would also help me in my current work. Also, because my previous experience was mainly in IT, I wanted to gain a deeper understanding of the businesses and ways of working of a leasing company.

Shibasaki I am also involved in new business development as part of my work in the Project Acceleration Department, but I felt that only thinking among ourselves often leads to fixed ideas. In Top Gun, you work together on



overcoming challenges with members whose experiences and roles are completely different from your own. I thought there was great significance in having others supplement the knowledge that I lacked. As a team leader, I participated because I wanted to examine my own ideas from a variety of angles.

Returning to the question when things did not work out

Were there any difficulties or turning points during the activities?

Mitsui The concept we had initially developed reached a point where we began to think that it might be difficult to move forward if we continued as we were. Through customer interviews, we began to understand why many companies had attempted to address the same challenge but had been unable to succeed. We faced a sizeable obstacle when considering how we could approach the challenge as a single company. At that time, however, having the four of us discuss it from every angle made a significant difference. After we met with another company and saw a different approach, the team was able to come together and work toward making a proposal.

Shibasaki The four of us were almost always aligned on the direction we thought we should take, but the most difficult moment was when we realized that the solution we had been considering was different from what customers actually wanted. We even discussed whether to give up midway. However, at that point, we once again went back to the question of what we were trying to address. We interviewed customers again, clarified how our thinking differed from what was being sought, and changed the direction of our idea.

Tomiguchi We had to continue our Top Gun activities while carrying out our regular duties. There was a schedule to follow, and there was also a presentation at the end. We needed to balance our regular duties as individuals with what we had to do as a Top Gun team, and managing that was not easy. However, through teamwork, we were able to steadily move our project forward. All members worked with a positive attitude, so I don't think the atmosphere ever became negative.

Iwata As a salesperson, I work every day with my own targets, but Top Gun's activities were not something directly reflected in my performance evaluation. Even so, by asking my client contacts to introduce me to people involved in logistics for interviews, I was able to develop new points of contact, and in some cases, referrals to other potential business partners led to business meetings. Although indirectly, I was glad that I could help expand business.



Engaging people in different positions and creating meaning in work

Through your Top Gun activities, did you notice any changes in your own actions or perspectives?

Shibasaki I was once again reminded that the ability to engage others is essential when launching new businesses or business initiatives. It is easy to engage people whose thinking

Top Gun Project Employee Roundtable Discussion

is close to your own, but to gain the cooperation of people in completely different fields, participating must also have meaning for them. Otherwise, you cannot gain true cooperation. That's why I was conscious of making the activities meaningful for each team member.

Mitsui Because I belong to the IT Department, in my daily work as a member of a Corporate Center division, I mainly play a supporting role. Through my Top Gun activities, however, I began to think about how I can contribute to the Company's profits and value creation. The project also gave me a valuable opportunity to think about the difficulty of building a new business and what kind of impact such a business could have on the Company's future.



Tomiguchi I felt that I needed to think differently from how I do during my regular work. We listened to customers' challenges, tested the team's ideas, and revised them again. Rather than keeping that experience to myself, I wanted to

share it with everyone in the Company. I feel that having this kind of mindset is important so as to accept and create change.

Iwata I feel that I learned the attitude of taking on challenges and the determination to face difficult-to-overcome challenges. It was also extremely valuable to embrace a trial-and-error approach through interviews with customers, listening not only to positive feedback but also to negative opinions.

Making the first step across organizations easier

What changes do you feel have emerged in your workplace or organization as a result of Top Gun?

Mitsui From the standpoint of the IT Department, we are not directly connected to customers, so rather than saying that my work changed significantly because I participated in Top Gun, I would say the biggest

change was that my connections with other departments expanded. I was able to learn the purpose behind the work of the Business Promotion & Strategic Planning Department and the Project Acceleration Department. I have also shared the activities within my department. This has led to an awareness within the IT Department that we should work closely with frontline operations and provide hands-on support to maximize the effects of IT investment.

Shibasaki Top Gun has been held twice so far, and at first, I think some people may have viewed it as an internal event. However, when you seriously try to produce results, you end up asking a variety of departments for cooperation. Through that process, people inside the Company came to understand the point of Top Gun. If I were to describe one organizational change, it would be that the first step toward starting something new has clearly become easier. Even for large themes that one individual or one department cannot handle, I feel that Top Gun has made it easier to start by reaching out not only to one's



own department but also to various other departments and Group companies.

Tomiguchi I think the significance of Top Gun lies in sharing the strengths of each department and organization across the entire Company and creating a culture of collaboration. There is a difference in speed between people who can take action and those who cannot yet do so, but I feel it has become easier to reach out to other departments and address challenges together. If this begins to show itself in numbers and other tangible results, I think we will be able to engage even more people.

Iwata From my perspective as someone who joined the Company after the business integration in 2021, I feel there are still areas where awareness of the former Mitsubishi UFJ Lease and the former Hitachi Capital remain. However, each has its own strengths, and I also think the Company has the potential to create something better through the combination. I feel that making full use of these resources through activities like Top Gun will become a source of growth for the Company.

Finding answers to social issues as the Mitsubishi HC Capital Group

What kind of value do you want to deliver toward realizing the vision "Together we innovate, challenge and explore the frontiers of the future"?

Shibasaki In this Top Gun project, we tackled a major social issue: the shortage of transportation capacity in the logistics industry. Up until now, as a leasing company, in some respects we have been expected to provide answers that are typical of a leasing company. This time, however, we had a chance to think about how to solve a question that rises to the level of a social

Top Gun Project Employee Roundtable Discussion

issue by combining the Company's own resources with the capabilities of partners. Going forward, I want to continue taking on the challenge of finding optimal answers to major challenges, without being confined by the framework of a leasing company.

Mitsui Because I work in a Corporate Center division, my role is basically centered on providing support. However, I have developed a desire to do more than just protect the Company; I also want to support operational improvements and make proposals that help rethink conventional ways of doing things. We are expected to maximize the effectiveness of limited investments, such as by strengthening cybersecurity and improving the usability of the IT environment. I want to steadily bring such improvements to fruition.

Tomiguchi To take on the challenge of exploring the "frontiers of the future," I think we need to keep thinking at all times. Unexpected things happen in the world, and risks and challenges emerge for customers as well. These cannot be solved by one person alone. I believe corporate value can be enhanced as more people gain the ability to engage others and take action. I will continue to approach my work with this awareness, and I would also like to spread it throughout the Company.

Iwata I see the word "together" in Our FY2031 Vision as an important keyword. I believe challenges can be overcome by developing a broad understanding of the Company's resources, deeply understanding customers, and then bringing together the strengths of different businesses. Until now, through my experience centered on sales, I feel I have developed only the limited perspective of an individual contributor. Going forward, I want to gain new perspectives by placing myself in a variety of positions, including Corporate Center divisions and business divisions. I also want to become a professional who is strong in both offense and defense.

The enjoyment of tackling questions with no clear answers

Finally, looking back on Top Gun's activities, please tell us what left the strongest impression on you.

Shibasaki What left the strongest impression on me was that we have worked on something with no clear answer. We conducted interviews with customers, laid out the facts, considered solutions, and then proposed them to customers once again. It was extremely rewarding to search for an answer when there wasn't a predetermined one. Although we almost experienced a setback at one point, finding an answer that truly fit what customers wanted was a new discovery for me.

Mitsui What left an impression on me was that when we spoke with customers about their challenges, they resonated with what we had to say. It was a good experience to interact with customers and become part of their discussions. Rather than heading toward an obvious answer, we had to consider how to provide an answer where none existed. It also felt somewhat like an experiment.

Iwata Working on something with no predetermined answer is difficult and challenging. At the same time, I wanted to be able to enjoy that process. I hope to experience more of the enjoyment that comes from gradually understanding what I didn't know.

Tomiguchi The activities themselves were enjoyable, but that was not all. In our day-to-day work, I do not think there are many occasions where your emotions are strongly moved. Looking back at such moments in our team activities, I feel it was an experience that made me glad I took part.



The Top Gun project is not merely a forum for competing with ideas for new businesses.

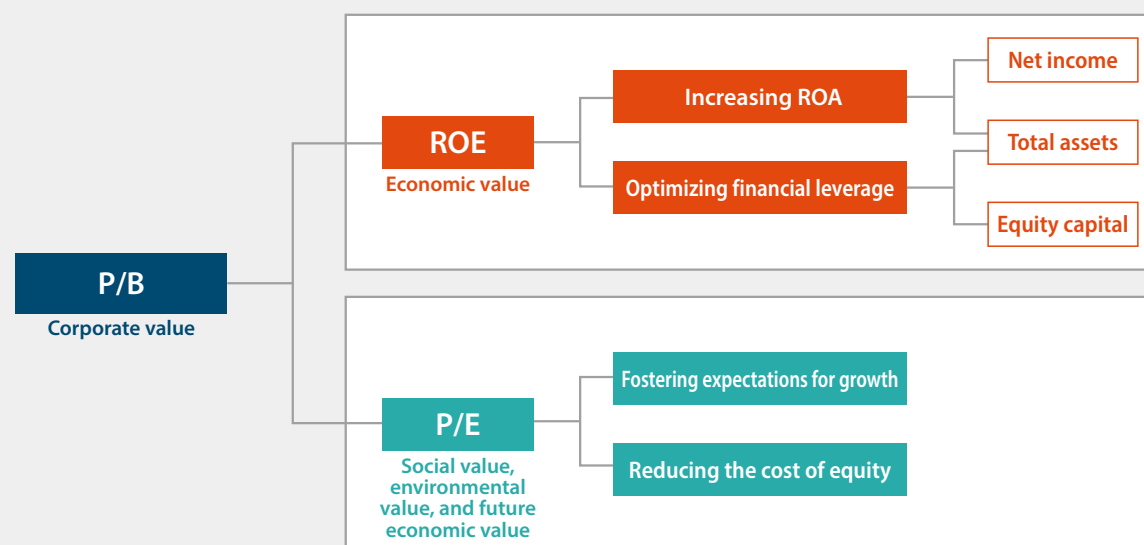
As employees from different departments and with different experiences come together and face social issues with no set answers, participants learn about the Company's resources and recognize the importance of engaging people and taking action. The changes that emerge in each participant through this process will turn into Mitsubishi HC Capital Group's power to pursue its vision, "Together we innovate, challenge and explore the frontiers of the future."



Section 2

Strategies and Actions for Realizing Our Future Vision

To realize Our FY2031 Vision, “Together we innovate, challenge and explore the frontiers of the future,” this section introduces an overview of the 2028 MTMP, along with the financial strategy, talent and culture strategies, digital strategy, and risk management strategy for achieving its targets.



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Looking Back on the Medium-term Management Plan for FY2023-FY2025 (2025 MTMP)

The 2025 MTMP in review

Financial targets

Evaluation: ○ Achieved, × Not achieved

	2025 MTMP targets	FY2025 results	Evaluation
Financial targets (end of FY2025)	Net income: ¥160.0 billion	¥162.2 billion	○
	ROA: approx. 1.5%	1.3%	×
	ROE: approx. 10%	8.6%	×
Dividend policy (2025 MTMP period)	Payout ratio: 40% or higher	FY2023 42.9% FY2024 42.5% FY2025 40.7%	○
Financial soundness (2025 MTMP period)	Maintain A ratings	Maintained A ratings throughout the three-year period	○

Non-financial targets

All non-financial targets were achieved, with steady progress across all initiatives

Evaluation: ○ Achieved, × Not achieved

KPI	Targets	FY2025 results	Evaluation
Talent portfolio coverage ratio in line with our management strategies (non-consolidated)	Formulate a talent portfolio framework and visualize the coverage ratio	Completed visualizing talent information and categorizing roles, and set specific quantitative targets for the 2028 MTMP	○
Results of the employee engagement survey (non-consolidated)	Refine the survey content and enhance analysis	Refined the survey content and enhanced analysis, ¹ and set specific quantitative targets for the 2028 MTMP	○
Percentage of human resources at standard level or above in the DX Assessment ² (non-consolidated)	80% or higher	85%	○
Monthly average overtime hours (operational efficiency) (non-consolidated)	14 hours or less	14 hours	○
Percentage of annual paid holidays taken by employees ³ (non-consolidated)	70% or higher	78.0%	○
GHG emissions (Scope 3) (consolidated)	Analyze mainly categories with a major impact and visualize Scope 3 emissions	Visualized GHG emissions (Scope 3) from aircraft and real estate transactions, and set specific quantitative targets for the 2028 MTMP	○
GHG emissions (Scope 1, 2) (consolidated)	FY2030: -55% vs. FY2019 FY2050: net zero	FY2025 result: -71.8%	○
Energy usage (domestic) (non-consolidated + Group companies in Japan)	-1% YoY (ongoing)	FY2025 result: -33.7%	○

1. Measures the percentage of organizations where more than half of respondents have both high initiative and diversity scores.

2. DX Assessment: a tool provided by an external vendor for measuring levels of DX literacy. Based on their results, employees are categorized into three levels: beginner, standard, and expert.

3. The percentage is calculated by dividing the total number of days of annual paid holidays taken company-wide by the total number of days of annual paid holidays granted.

Achievements

Financial targets

- The net income target was achieved, and record-high profits continue to be delivered

Non-financial targets

- Steady progress was made across all initiatives, and all targets were achieved
- Activities to reduce the cost of equity progressed, including the expansion of ESG-related disclosures and improvements in scores from ESG rating agencies

Sowing seeds for the future

- Momentum for transformation has been fostered through the establishment of *frameworks to promote transformation*, such as Top Gun and Zero-Gravity Venture Lab (known internally as ZERO-GRA)
- *Sowing seeds for the evolution and layering of business models* has steadily progressed through the Innovation Investment Fund and other initiatives

Challenges

Company-wide

1. Business portfolio transformation to improve return on capital
2. Optimal capital allocation, including boosting growth investment
3. Further transformation of corporate culture

By segment

- Further implementing the *evolution and layering of business models* across domestic businesses (strengthening collaboration with partner companies and accelerating the development of businesses providing high value-added services)
- Rebuilding the Americas commercial truck sales finance business and achieving an early recovery of earnings power through portfolio diversification

Overview of the Medium-term Management Plan for FY2026-FY2028 (2028 MTMP)

Fleshing out of Our FY2031 Vision and the positioning of the 2028 MTMP

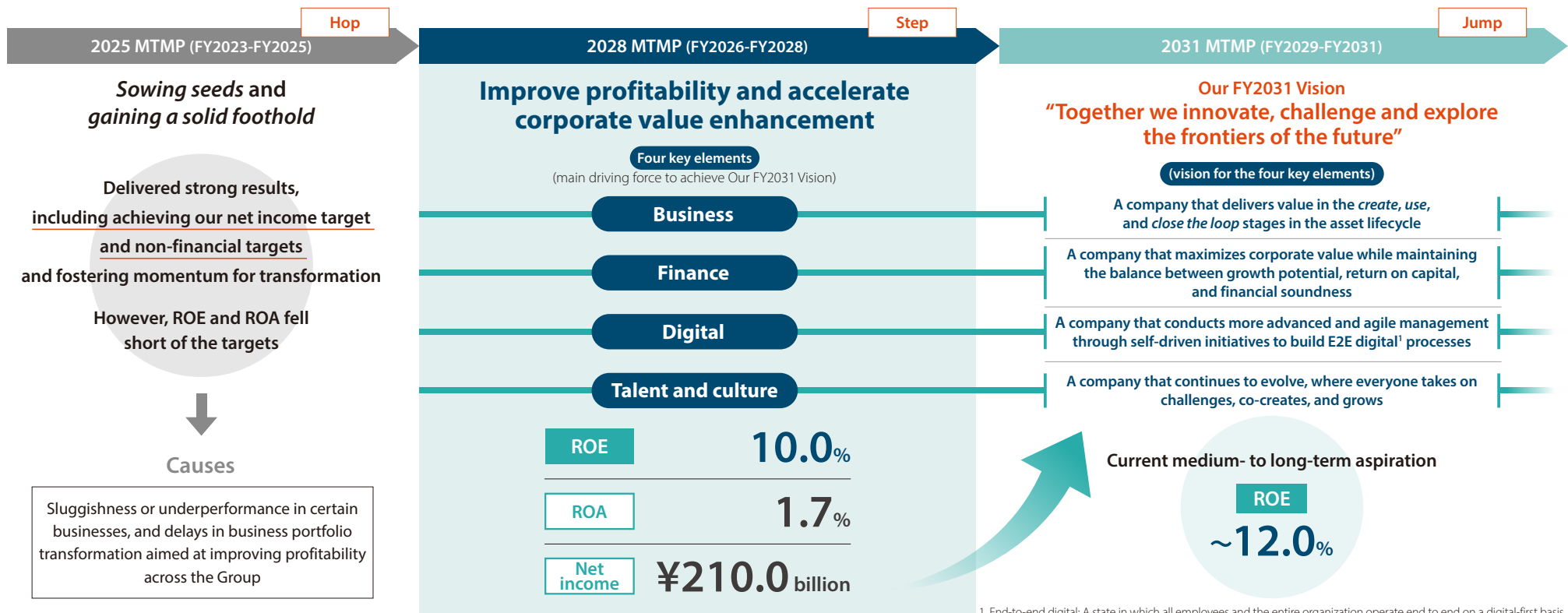
The 2025 MTMP, the first medium-term management plan following the business integration, was positioned as the *hop* phase in the three-phase sequence of medium-term management plans—*hop*, *step*, and *jump*—toward realizing Our FY2031 Vision, “Together we innovate, challenge and explore the frontiers of the future.” Under the plan, we advanced *gaining a solid foothold* by restructuring and redefining existing business domains, *sowing seeds* in new business domains, and the *evolution and layering of business models* toward business portfolio transformation.

Although we achieved our net income target and non-financial targets and delivered strong results, including fostering momentum for transformation, ROE and ROA fell short of the initial targets. Based on the achievements and challenges of the 2025 MTMP, we redefined Our 10-year Vision, announced in 2022, as Our FY2031 Vision from the perspectives of the four key elements of *business*,

finance, *digital*, and *talent and culture*, thereby further clarifying the direction we should take.

To realize this vision, we formulated the 2028 MTMP, which is driven by these four key elements. The 2028 MTMP is a critical milestone in determining whether we achieve Our FY2031 Vision, and we have positioned it as a phase to improve profitability and accelerate the enhancement of our corporate value. The key point is to position ROE as the top priority KPI and achieve an ROE of 10.0% in FY2028, the same level as our Group’s current cost of equity.

However, this is not the goal, but the starting line for sustainably enhancing corporate value, and we aim to exceed this level by FY2031. We will continue working to sustainably enhance corporate value from a medium- to long-term perspective, without falling into short-term thinking.



Overview of the Medium-term Management Plan for FY2026-FY2028 (2028 MTMP)

Key targets

We will sustainably enhance corporate value by balancing the creation of economic value with the creation of social and environmental value through the achievement of financial and non-financial targets.

(Assumed exchange rates for FY2028: US\$1 = ¥140, £1 = ¥185)

Financial targets	FY2025		FY2028 targets	
	Top priority KPI			
	ROE	8.6%	10.0%	(+1.4 pt vs. FY2025 result)
	ROA	1.3%	1.7%	(+0.4 pt vs. FY2025 result)
	Net income attributable to owners of the parent	¥162.2 billion	¥210.0 billion	(+8.9% CAGR vs. FY2025 result)
	Credit ratings	A rating	Maintain A ratings	
	Payout ratio	40.7%	45% or higher	

Note: Net income attributable to owners of the parent is used in the calculation of ROE and ROA.

Non-financial targets (aligned with materiality)	Materiality	KPI	FY2025	FY2028 targets
	Promote a decarbonized society	GHG emissions vs. FY2019 (Scope 1, 2) ²	-71.8%	-67%
		Percentage of new-generation aircraft ^{3,4}	78.9%	82%
		Percentage of green buildings ⁵	62%	61%
	Realize a circular economy	Effective use of assets whose lease terms ended ⁶	96.0%	97.5%
	Realize employees' healthy lifestyles that promote positive wellbeing	MHC engagement ⁷	73%	75% or higher
		Talent portfolio coverage ratio ⁸	—	80% or higher
	Utilize the latest technologies	New value creation from digital-related businesses ⁹	—	¥3.0 billion
		Productivity enhancement ¹⁰	—	Approx. +30%

2. The FY2028 target has been set as a milestone for achieving the FY2050 net-zero target, based on a constant linear decrease from the FY2024 result.

3. Actual figure assured by a third party.

4. In the Aviation business, the percentage of aircraft with better fuel efficiency and lower CO₂ emissions than current-generation aircraft. As assets turn over continuously in this business, we seek to raise the percentage in the medium to long term while allowing for fluctuations.

5. In the Real Estate business, the percentage of properties certified by specialist organizations as green buildings (properties with low environmental impact) or properties powered by 100% renewable energy. As assets turn over continuously in this business, we seek to raise the percentage in the medium to long term while allowing for fluctuations.

6. Definition by the Japan Leasing Association: The percentage of matured lease contracts (non-consolidated) in which the assets were either re-leased, sold, or disposed of by disposal businesses with high recycling rates (based on initial acquisition costs).

7. The percentage of organizations where employee engagement survey results meet a certain high standard (the percentage of organizations where more than half of respondents have both high initiative and diversity scores).

8. The percentage of positions essential for executing management strategies that are filled with appropriate talent.

9. Cumulative total of predicted revenue gains in FY2029-2031 (expected theoretical increase in revenue from digital solutions, etc. to be implemented in FY2026-2028).

10. The reduction rate of FY2028 working hours vs. FY2025 (theoretical reduction effects of various initiatives. We do not intend to simply reduce overtime hours and labor costs but aim to reallocate the saved hours to high value-added operations).

Key strategies

Business strategies

Evolution and layering of business models 2.0

- Further improve profitability by expanding not only value creation methods but also value creation domains.
- The Specialized Business segment, centered on Aviation and Real Estate, will drive initiatives with higher returns.
- The Customer Solutions and Global Customer Business segments, which currently have high proportions of initiatives in business model category ①, will also expand initiatives in categories ②, ③, and ④.

P.23

Business portfolio restructuring

- Accelerate business portfolio restructuring more selectively than before, and improve profitability by boosting growth investments while restraining asset expansion.

P.24

Financial strategy

- Ensure an appropriate balance between growth potential, return on capital, and financial soundness.
- Maximize corporate value by optimizing capital allocation.
- Ensure capital allocation that contributes to corporate value enhancement, primarily through focused business portfolio restructuring.
- Boost growth investments in line with our business strategies while implementing disciplined balance sheet management without retaining excess capital.

P.25

Digital strategy

- Drive value creation across both business and operations, going beyond solidifying and strengthening foundations, to realize more advanced and agile management.

P.38

Talent and culture strategies

- Implement various strategies, including corporate culture transformation, to realize Our FY2031 Vision for talent and culture, centered on challenge and transformation.

P.30

Evaluation system supporting key strategies (executive compensation)

- As an evaluation system supporting the strategies for the four key elements, we have revised the executive compensation scheme as of FY2026. We raised the weight of ROE (the top priority KPI) and added non-financial KPIs.

P.75

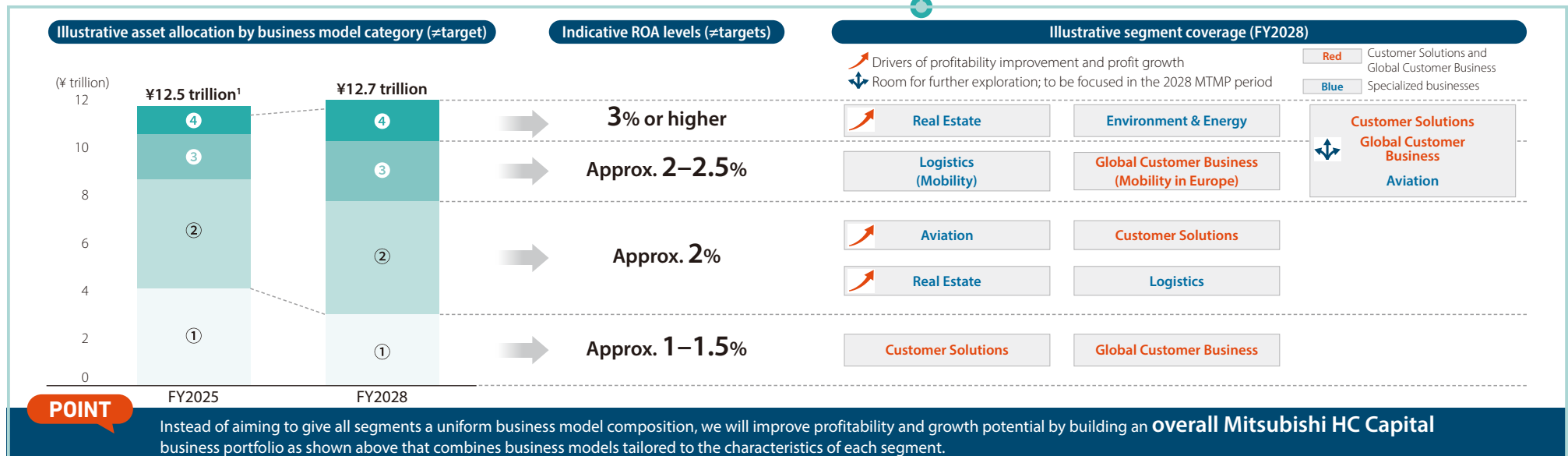
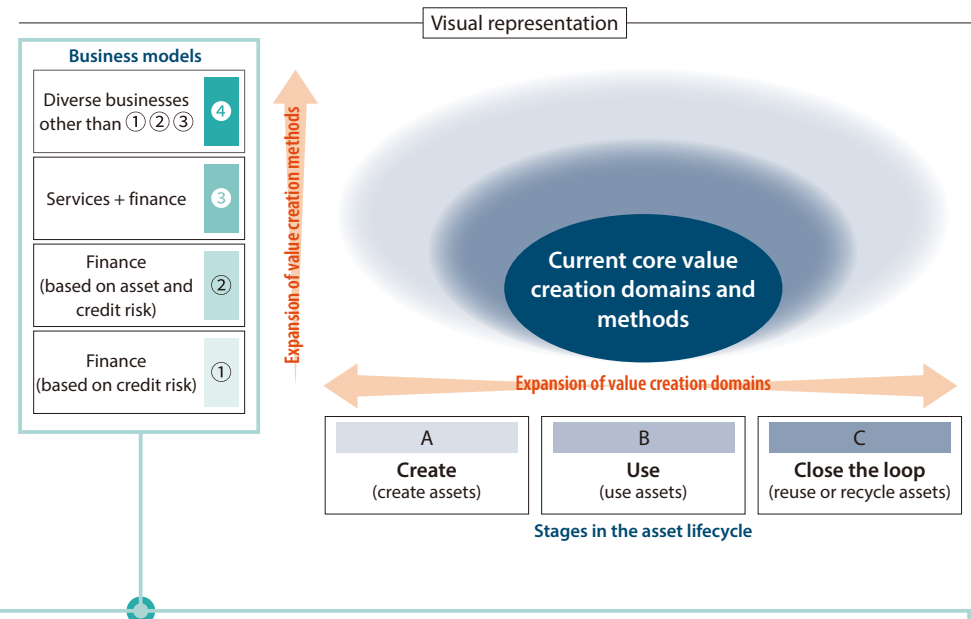
Direction of the *Evolution and Layering of Business Models 2.0*

Approach

Under the 2028 MTMP, in addition to the perspective of the *evolution and layering of business models* that underpinned business portfolio transformation in the 2025 MTMP—namely, the value creation methods shown on the vertical axis—we have introduced the perspective of the *stages in the asset lifecycle*, comprising *Create*, *Use*, and *Close the loop* on the horizontal axis (the value creation domains).

By expanding our business both vertically and horizontally, we will evolve from a business model centered on finance and primarily focused on the *Use* stage of the asset lifecycle (the current core value creation domains and methods) to a business model that combines services and businesses across all stages of the asset lifecycle, including *Create* and *Close the loop*. Through this evolution, we will further accelerate the shift to domains with higher profitability.

The diagram below focuses on business model categories ① to ④ and shows the asset allocation among them, their ROA, and their coverage by individual business segments. We will reduce the proportion of business model category ① while increasing the proportions of categories ②, ③, and ④, thereby building a business portfolio with high profitability and growth potential. The Specialized Business segment, centered on Aviation and Real Estate, will drive these higher-return initiatives. Meanwhile, the Customer Solutions and Global Customer Business segments, which are currently focused mainly on category ① initiatives, will also expand initiatives that generate higher returns.



1. Actual figures at the time of 2028 MTMP formulation (3Q FY2025)

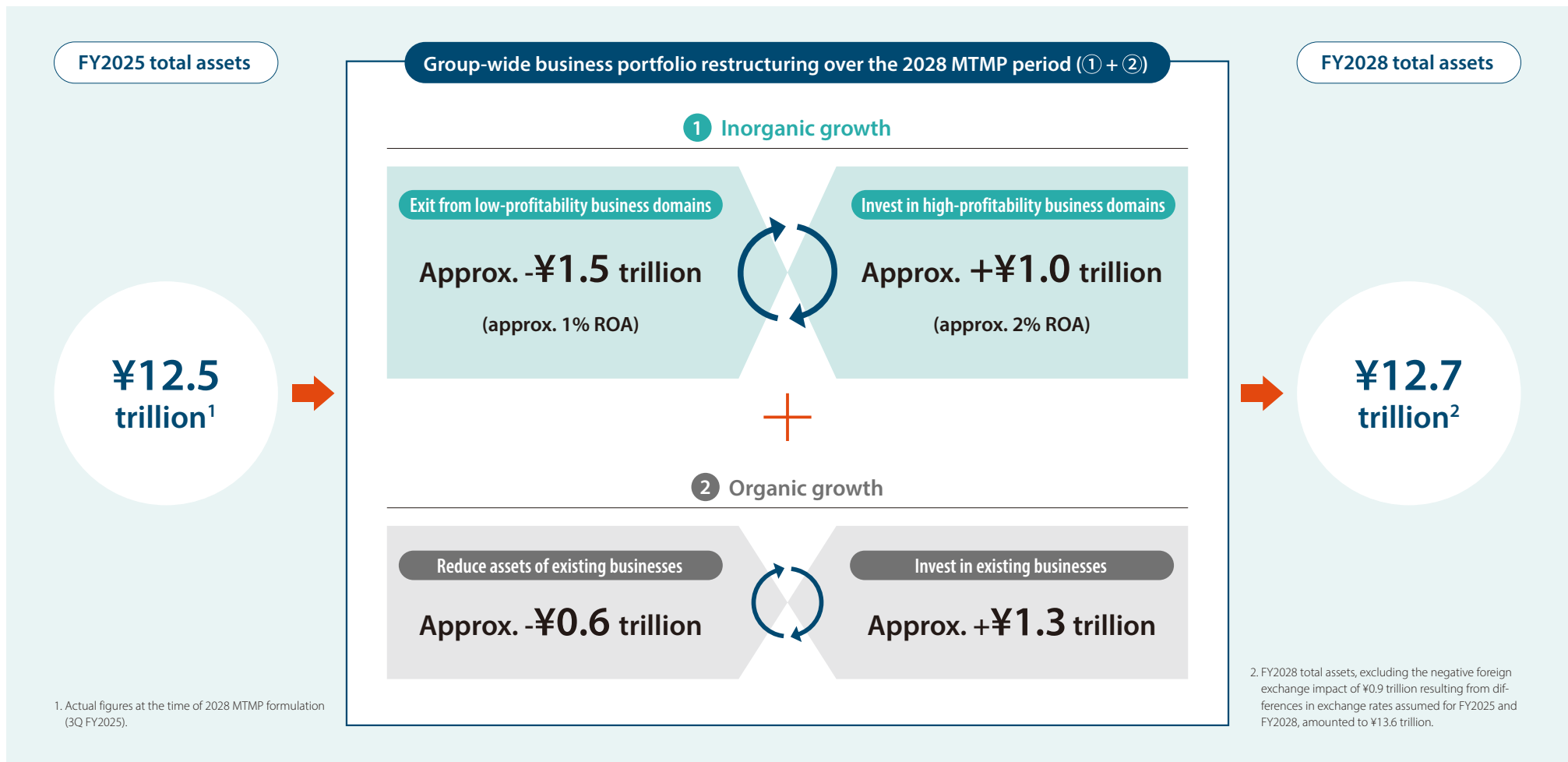
Business Portfolio Restructuring

The second pillar of the key strategies in the 2028 MTMP is the further acceleration of business portfolio restructuring, which we have pursued to date.

As part of our inorganic growth strategy, we plan to exit from low-profitability business domains totaling approximately ¥1.5 trillion and invest around ¥1.0 trillion in high-profitability business domains. As part of our organic growth strategy, we plan to reduce assets of existing businesses by

approximately ¥0.6 trillion and invest around ¥1.3 trillion in domains with higher profitability within existing businesses.

Through these initiatives, we will improve profitability while keeping the expansion of total assets under control. To this end, we will enhance decision-making mechanisms for investment and exits centered on return on capital, while strengthening growth investments through pipeline expansion.



Message from the CFO

Maximizing corporate value through decisive business portfolio restructuring and capital allocation optimization

Kazuyoshi Kawakami

Director, Managing Executive Officer
Chief Financial Officer
Deputy Head of Corporate & Strategic Planning Division
Director and Chairman of MHC America Holdings Corporation
Chairman of Mitsubishi HC Finance America LLC

Financial highlights

(¥ in billions)

	FY2023	FY2024	FY2025
Gross profit	380.0	462.6	500.1
Recurring profit	151.6	193.5	236.0
Net income attributable to owners of the parent	123.8	135.1	162.2
Total assets	11,149.8	11,762.3	13,089.5
Interest-bearing debt	8,439.7	8,840.7	9,880.3
ROE (%)	7.7	7.8	8.6
ROA (%)	1.1	1.2	1.3
Payout ratio (%)	42.9	42.5	40.7

I am Kazuyoshi Kawakami, and I have recently assumed the position of CFO of Mitsubishi HC Capital. I built my career at one of Japan's leading trading companies, serving mainly in finance and accounting roles both domestically and internationally, and have gained broad experience, including in M&A and turnaround support, through secondments to operating companies and involvement in joint ventures. Most recently, I planned and led specific initiatives to drive company-wide business portfolio restructuring, as well as the capital allocation policy and financial strategy underpinning it. Drawing on this experience, I am committed to pursuing attractive growth opportunities while strengthening the Group's business foundation, thereby enhancing corporate value.

To date, the Group has achieved steady growth that is relatively resilient to economic fluctuations and changes in the market environment, supported by a broadly diversified business

Message from the CFO

portfolio and a strong customer base. By operating across diverse business domains, we have built an earnings structure that does not depend on any particular market conditions or industry trend. I believe that our track record of delivering consistent earnings growth over the long term is one of our major strengths.

At the same time, the operating environment is becoming increasingly uncertain and complex, driven by factors such as global inflation, changes in interest rates, heightened geopolitical risks, and shifts in industrial structures brought about by advances in digital technology and AI. Under these circumstances, we recognize that enhancing corporate value requires more than simply expanding the scale of profits. It is essential that we continuously generate returns exceeding the cost of equity and improve capital efficiency.

To achieve this, in addition to improving the profitability of

existing businesses, we need to continue reshaping our portfolio, optimize capital allocation based on risk-adjusted return, and strike an appropriate balance between growth investments, financial soundness, and shareholder returns. As CFO, I will drive disciplined capital deployment, including strengthening growth investments, toward achieving Our FY2031 Vision, and will work to deliver sustainable profit growth and maximize corporate value.

The 2025 MTMP in review

Under the 2025 MTMP, we pursued our financial strategy based on the basic policy of balancing the three perspectives of growth potential, return on capital, and financial soundness toward realizing Our FY2031 Vision.

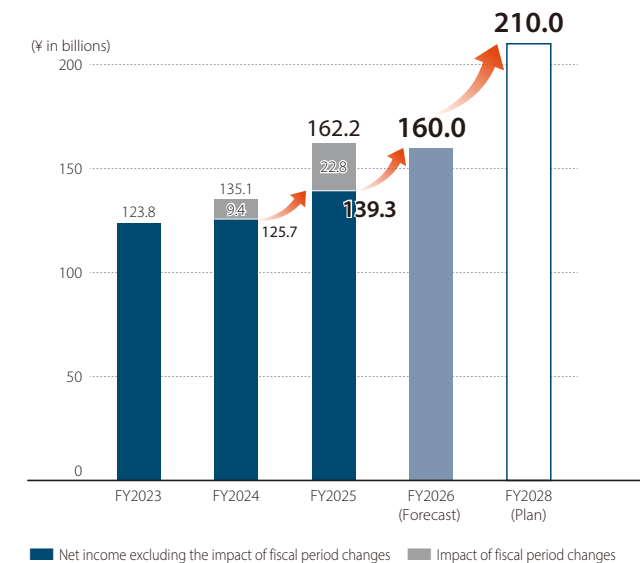
From the perspective of growth potential, we advanced the

evolution and layering of business models through inorganic investments, such as taking CAI International private through full ownership and making a strategic investment in European Energy, while also making large-scale investments in highly profitable areas, including aircraft and aircraft engines. Through a combination of organic and inorganic investments, we steadily laid the groundwork for future growth and strengthened our earnings capacity.

From the perspective of return on capital, we have managed our business with a disciplined focus on the cost of equity. While rationalizing low-profitability assets and businesses with limited synergies with the Group, we repositioned capital toward higher-return opportunities. Over the five years following the business integration, we sold approximately ¥0.6 trillion of assets with an average ROA of 1.0% and invested approximately ¥0.8 trillion in



Net income



Message from the CFO

assets with an average ROA of 1.8%. As a result, we steadily enhanced earnings quality and profitability, with both ROA and ROE improving each year during the 2025 MTMP period.

From the perspective of financial soundness, while continuing to provide stable shareholder returns, we maintained A credit ratings through appropriate risk management, including enhanced management of risks inherent in our businesses and more sophisticated ALM practices, and secured stable and competitively priced funding.

As a result of these initiatives, net income for FY2025, the final year of the 2025 MTMP, reached our target of ¥160.0 billion, and we increased dividends for the 27th consecutive fiscal year as a form of shareholder return. Our P/B ratio also exceeded 1.0 for the first time

in September 2025. While exceeding a P/B ratio of 1.0 was an important milestone, it is by no means our destination. We will continue to execute our initiatives with discipline and consistency, aimed at sustainable growth and improved capital efficiency.

On the other hand, ROE and ROA fell short of our targets. We believe this was due to slower-than-expected progress in upgrading our portfolio mix toward higher-return assets, together with changes in the environment surrounding some businesses and the impact of yen depreciation. As a result, profit growth remained below expectations on a yen depreciation-adjusted basis.

In light of these challenges, under the 2028 MTMP, we believe it is necessary to pursue a more decisive transformation of our portfolio and optimize capital allocation to improve return on capital.

Policy and financial strategy under the 2028 MTMP

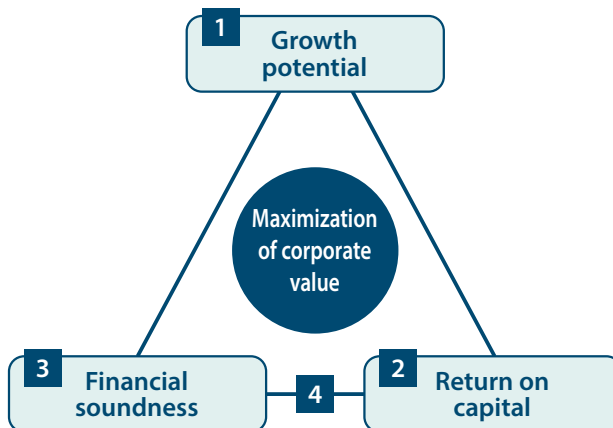
We position the 2028 MTMP, which started this fiscal year, as an extremely important plan that will determine whether we can achieve Our FY2031 Vision. To sustainably enhance corporate value even in an increasingly uncertain external environment, and building on the challenges identified under the 2025 MTMP, we will manage our business under the 2028 MTMP with ROE as our top priority KPI, while continuing to focus on net income.

We recognize that the Group's cost of equity continues to be around 10% and believe that exceeding this level is the minimum threshold we must achieve. Accordingly, we have set an ROE target of 10% under the 2028 MTMP, while aspiring to achieve approximately 12% over the medium to long term.

To achieve these targets, we will optimize capital allocation by directing cash generated from existing businesses and proceeds from asset sales to growth investments and shareholder returns. In doing so, our basic policy under the 2025 MTMP of balancing growth potential, return on capital and financial

Basic policy (unchanged)

Balance between the three perspectives



5 Optimized capital allocation

- 1 • Boost growth investments by expanding the investment pipeline.
- 2 • Improve profitability by transforming the business portfolio and enhancing productivity.
• Manage equity with an appropriate maximum level in mind to sustainably achieve returns exceeding the cost of equity.
- 3 • Manage equity with an appropriate minimum level in mind to ensure financial soundness.
- 4 • Optimize financial leverage.
• Achieve stable shareholder returns in line with profit growth.
- 5 • Aim to maximize corporate value through investments and shareholder returns, with capital discipline in mind.

Targets		
Equity ratio (target range)	Credit ratings	Payout ratio
16-18%	Maintain A ratings	45% or higher



Message from the CFO

soundness remains unchanged.

Under the 2028 MTMP, our targets are to achieve an ROE of 10% and an ROA of 1.7%, while maintaining A ratings from external credit rating agencies. We have set our target equity ratio at 17% as a level of leverage that supports the achievement of these targets while preserving financial flexibility. While increasing growth investments in line with our business strategies, we will conduct disciplined balance sheet management without holding excess capital, deepen our focus on capital-efficient management, and realize an optimal capital structure.

Optimization of capital allocation

First, through business portfolio repositioning with a focus on cost of capital, we will improve the earnings power of existing businesses. At the same time, we will pursue exits from

low-profitability businesses and the downsizing of related assets with greater scale and speed than ever before. Specifically, we will rigorously assess business-level returns against the cost of capital (WACC) and execute approximately ¥2.1 trillion of portfolio divestments of low-profitability businesses and assets.

We will boldly allocate the funds generated through these initiatives to growth investments totaling ¥2.3 trillion: ¥1.0 trillion to inorganic investments, including M&A, and ¥1.3 trillion to investments in highly profitable existing businesses. By enhancing returns and delivering sustainable earnings growth without materially expanding total assets, we will drive the sustainable enhancement of corporate value.

Growth investments will center on the Specialized Business segments, including Aviation and Real Estate, as well as areas where the *evolution and layering of business models* can generate differentiated value. We will also further expand our deal

pipeline and strengthen its regular review process, accelerating investment execution in high-quality investment opportunities.

Furthermore, we will continue to actively invest in human capital and our DX strategy. As the business environment changes significantly, we believe that the sources of competitive advantage lie in our people and our ability to utilize digital technology. By strengthening our recruitment capabilities and talent development, and by achieving more advanced and agile management through the use of data and AI, we will improve productivity and reinforce our competitive advantage.

In implementing these initiatives, we will also review risk management to address the emerging geopolitical risks, sharp fluctuations in macroeconomic and financial markets, and changes in the balance among risks, required capital, and its costs resulting from reshaping our business portfolio.

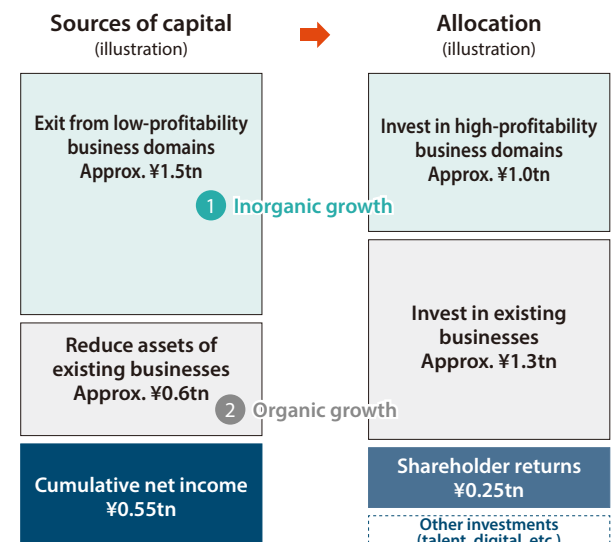
We will also secure a resilient platform for financial operations to prepare for risks, along with sufficient, stable, and competitive funding sources, thereby providing a strong financial foundation for strategy execution and ensuring improvement in ROA and the achievement of a 10% ROE.

Our shareholder return policy will continue to be based primarily on dividends. We will place importance on providing stable dividends by enhancing corporate value and driving sustainable profit growth while maintaining a balance between the three perspectives. In addition, in light of market expectations, we have raised the target dividend payout ratio from the previous level of 40% or higher to 45% or higher. We will continue to provide stable shareholder returns while maintaining an appropriate balance with growth investments.

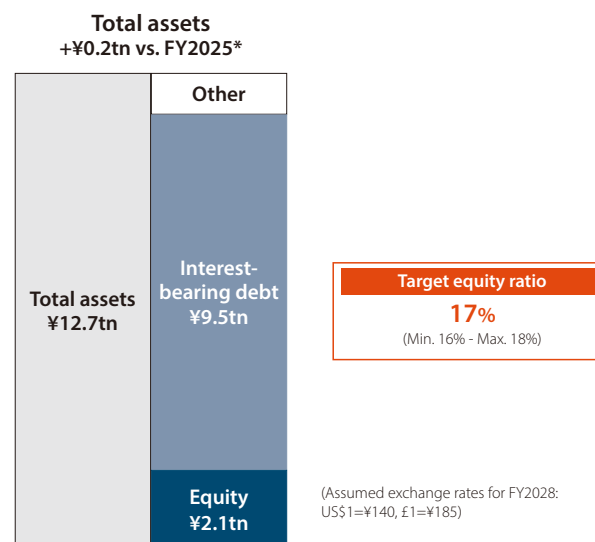
Maximizing corporate value

As CFO, I will continually assess whether our value creation initiatives are translating into financial results and whether we have an earnings structure capable of generating returns that

Capital allocation in the 2028 MTMP



Intended balance sheet under the 2028 MTMP



* Actual figures at the time of the 2028 MTMP formulation (3Q FY2025)

Message from the CFO

exceed the cost of equity, while keeping both short-term and medium- to long-term perspectives in mind. Based on these evaluations, I will promptly implement measures needed in response to changes in circumstances.

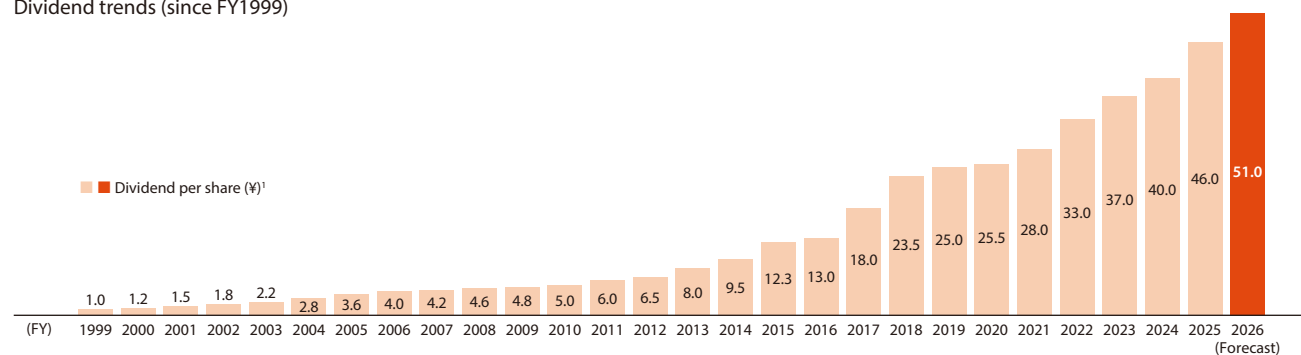
I believe the core of enhancing corporate value lies in achieving our ROE target, our top priority KPI, sustainably raising that level going forward, and translating this into an improvement in our P/B ratio. In addition, under the 2028 MTMP, we have set out our non-financial strategies and targets more clearly than ever. By advancing initiatives to achieve both financial and non-financial targets in tandem, we aim to deliver sustainable value creation over the medium to long term.

For FY2026, we forecast net income of ¥160.0 billion, a decline from ¥162.2 billion in the previous fiscal year. This is due mainly to the non-recurrence of a ¥22.8 billion one-time gain in the previous fiscal year arising from fiscal period changes at subsidiaries. Excluding this one-time factor, we expect an underlying increase in net income of more than ¥20.0 billion year on year. On the same underlying basis, our net income target for the 2028 MTMP period represents a highly ambitious growth target of more than ¥70.0 billion.

To achieve these targets, the Group's diversified business portfolio remains the cornerstone of our ability to generate stable earnings from both income gain and asset-related gain. Under the 2028 MTMP, we will accelerate the shift toward businesses with higher profitability and further evolve the business portfolio, our robust earnings base, thereby achieving sustainable growth and maximizing corporate value.

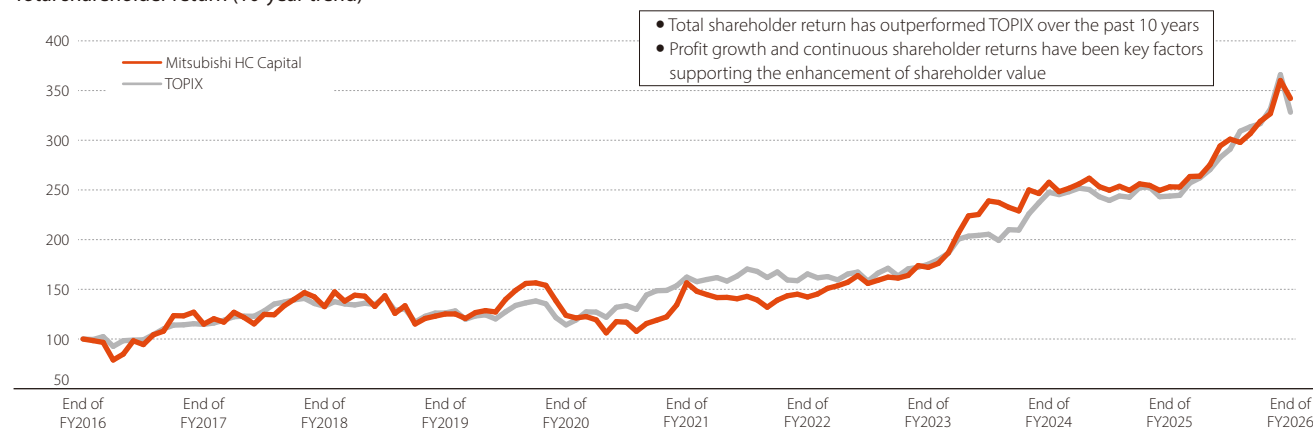
Going forward, we will continue to engage proactively with investors, shareholders, and other stakeholders, and communicate our growth story more clearly and thoroughly. As CFO, I remain firmly committed to strengthening trust with the capital markets and delivering long-term value creation through disciplined execution of our strategy.

Dividend trends (since FY1999)



1. Figures for FY1999-FY2006 are the results for Diamond Lease, and those for FY2007-FY2020 are the results for Mitsubishi UFJ Lease & Finance.

Total shareholder return (10-year trend)



	1 year	5 years		10 years	
		Cumulative	Annualized	Cumulative	Annualized
Mitsubishi HC Capital	+43.6%	+137.3%	+18.9%	+242.1%	+13.1%
TOPIX	+34.6%	+102.2%	+15.1%	+228.2%	+12.6%

2. Total shareholder return (TSR): Total investment return, combining returns from stock price appreciation and dividends

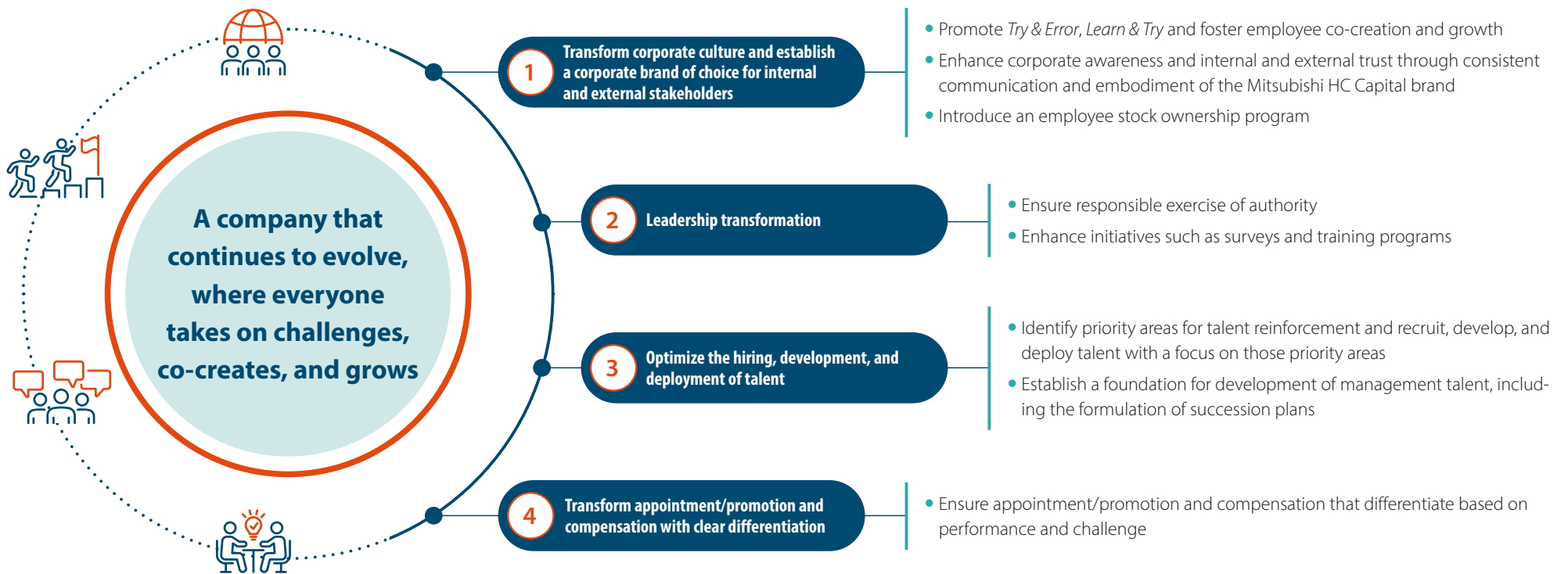
3. TSR is calculated for Mitsubishi HC Capital based on cumulative dividends and stock price movements, and for TOPIX based on a total return stock price index (prepared by the Company using Bloomberg data, etc.).

4. The values in the graph represent TSR-based market value, indexed to 100 at the closing price on March 31, 2016 (holding period through March 31, 2026).

5. Figures for the period from March 2016 to March 2021 are based on the results of Mitsubishi UFJ Lease & Finance.

Talent and Culture Strategies

Talent and culture are the source of all value creation activities for the Group. The starting point of every strategy is none other than people and corporate culture. Under the 2028 MTMP, we will place top priority on embedding a culture of challenge and transformation, and accelerate the realization of Our FY2031 Vision for talent and culture: "A company that continues to evolve, where everyone takes on challenges, co-creates, and grows."



Targets (FY2025) → FY2028	MHC engagement	Talent portfolio coverage ratio	Awareness ¹	Investment in talent development ²
	(73%) → 75% or higher	80% or higher	(37%) → 50% or higher	(Approx. ¥0.65 billion) → 1.5 times or higher

1. The percentage of respondents who have a certain level of awareness of the Company, based on an awareness survey targeting business professionals conducted by a third party.

2. Increase from the FY2025 estimate in investments in initiatives to strengthen recruitment capabilities and develop talent (including leadership and management talent development).

Message from the CHRO

Becoming a company that continues to evolve, where everyone takes on challenges, co-creates, and grows

Takashi Yamaguchi

Managing Executive Officer
Chief Human Resources Officer
Head of Human Resources & General Affairs Division
Deputy Head of Risk Management Division



Human capital management at Mitsubishi HC Capital

The Group contributes to achieving a sustainable and prosperous future by maximizing the potential of assets and creating social value. The driving force behind the value creation toward this goal is our human resources, which are an extremely important form of capital for the Group.

We believe that fully drawing out the diverse values and capabilities of each employee is the source of sustainable growth and value creation, and the Group therefore makes continuous and proactive investments in human resources. At the same time, with a view to realizing the vision set out in our talent and culture strategy—a company that continues to evolve, where everyone takes on challenges, co-creates, and grows—we are focusing on initiatives to embed a mindset of transformation and embracing challenges as part of our corporate culture, as well as on building an organization and developing workplace environments where employees can thrive with a sense of fulfillment and pride.

To further clarify that human resources are the driving force behind value creation, starting with the 2028 MTMP, we have modified the Japanese characters we use to write the term *human resources* to reflect our view that employees are valuable assets. Based on this approach, we will continue to pursue human capital management unique to the Group through talent and culture initiatives, aiming to sustainably enhance corporate value.

Toward becoming a company that continues to evolve, where everyone takes on challenges, co-creates, and grows

Through all initiatives, the Group will drive changes in the actions and mindsets of its employees, as well as in its culture, thereby realizing Our FY2031 Vision. We refer to the five elements shown on the right, the sources of these changes, as transformation drivers.

Transformation drivers

- Expanding experiential opportunities that support self-directed career development**
We will further employees' skill acquisition and development by creating an environment where each employee can proactively chart their own career and gain diverse experience inside and outside the Company.
- Embedding behavioral standards focused on team outcomes**
By clarifying decision-making criteria and behavioral standards that emphasize outcomes for the entire team rather than focusing on individual success, we will help establish behaviors that enable employees to cooperate while learning from one another and generate results as a team.
- Fostering psychological safety that encourages trial and error**
By creating a psychologically safe environment where employees can express their own ideas openly and are encouraged to learn from failure, we aim to ensure that the challenges and changes undertaken by each employee have a ripple effect across the organization.
- Realizing flexible work styles that enhance vitality**
We will maintain and enhance employees' physical and mental condition and vitality by developing systems and environments that enable employees to choose work styles suited to their own vitality and stages of life.
- Leaders sharing the vision and purpose and driving execution**
By having leaders themselves clearly articulate and share the vision and purpose, we will build an organization in which each employee acts proactively toward implementation.

Message from the CHRO

Talent strategy for realizing the management strategy

In our talent strategy, we have set MHC engagement, talent portfolio coverage ratio, and investment in talent development as key indicators, with targets for each one.

Targets (FY2025 → FY2028)	MHC engagement	Talent portfolio coverage ratio	Investment in talent development
	(73%) → 75% or higher (consolidated)	80% or higher (non-consolidated)	(Approx. ¥0.65 billion) → 1.5 times or higher (non-consolidated)

Maintaining and improving MHC engagement

The Group defines a state in which employees work as one to create value as a state of high MHC engagement. By quantifying MHC engagement, we identify challenges for each organization and, through improvement initiatives, strengthen employees' initiative and diversity while creating an environment where challenges can be embraced and transformation can emerge more readily. We have set a target of 75% or higher for the percentage of organizations that achieve a high score on the MHC engagement survey.

MHC engagement P.33 [↗](#)

Talent portfolio transformation

The Group is transforming its talent portfolio in alignment with its medium- to long-term management strategy.

To date, we have worked to rebuild our human resource management foundation by defining the roles necessary to implement the medium- to long-term management direction, clarifying the human resource requirements for each role, and visualizing human resource information such as the personal attributes and skills of each employee.

As a target for FY2028, we have set a talent portfolio coverage ratio of 80% or higher, defined as the percentage of positions necessary to realize the management strategy that are filled with appropriate talent. We are currently working to visualize the extent to which talent has been assigned to these positions.

At the same time, because employees may not necessarily have sufficient experience or skills when they begin performing a role, we are working to establish a system for continuously assessing

their skills and fostering their development.

Going forward, by combining role information and human resource information, we will strategically assign, secure, and develop talent for positions required under the management strategy in an integrated manner. In doing so, we will strive to improve talent portfolio coverage, bringing out the potential of each employee and enhancing our ability to execute the management strategy.

Talent portfolio P.34 [↗](#)

Proactive investment in human resources

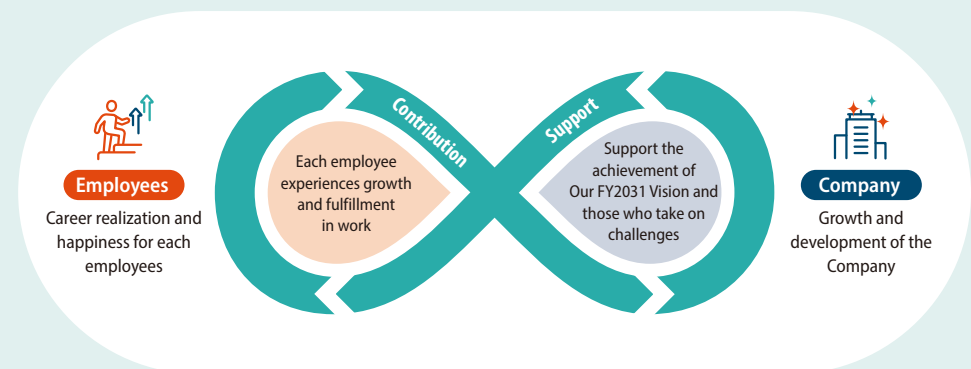
The Group makes proactive investments in human resources so that diverse talent can come together and make the most of their capabilities.

Our talent development policy is to provide and support opportunities for talent development so that each employee can continue to take on challenges and create value on their own initiative. Based on this policy, we are working to enhance career development measures.

We have also set a target of increasing investment in talent development to 1.5 times or more FY2025 levels. We are actively expanding investment in talent development while securing and strengthening diverse talent through the diversification of recruitment methods.

Proactive investment in human resources P.34 [↗](#)

Talent development policy

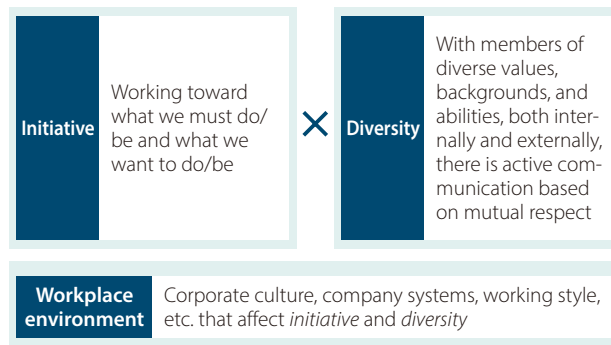


Specific Initiatives Related to Talent

MHC engagement

Since FY2024, the Group has upgraded its engagement survey and monitors MHC engagement as an indicator. This survey consists of three elements: *initiative* and *diversity*, which indicate behavioral aspects, and *workplace environment*, which supports these behaviors. For each department or branch, *initiative* and *diversity* are indexed along two axes, while questions related to *workplace environment* are used to identify and analyze factors that affect each behavior.

Three elements of MHC engagement

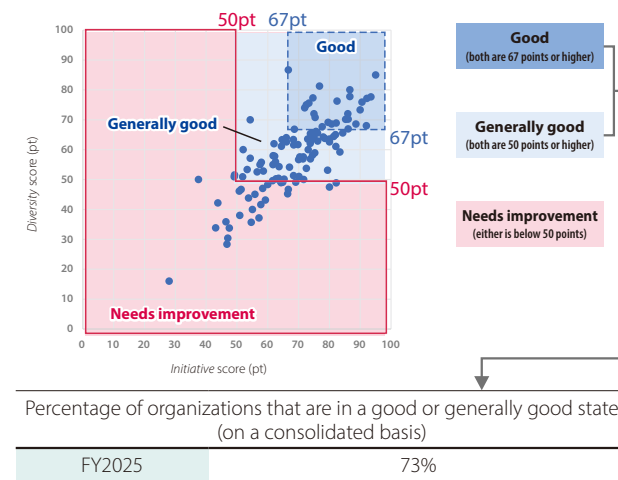


Based on the survey results, we evaluate the state of each department or branch to be at one of three levels.

Good	Scores of <i>initiative</i> and <i>diversity</i> are 67 points or higher (at least two out of three respondents gave a positive answer)
Generally good	Scores are both 50 points or higher (at least half of the respondents gave a positive answer)
Needs improvement	Either is below 50 points

Among these, organizations in a good or generally good state are assessed as being in a state in which employees work as one to create value (i.e., a state of high MHC engagement).

FY2025 analysis results



In FY2025, the percentage of organizations classified as being in a good state or generally good state was 73%.

In addition, statistical analysis using historical data identified the following question categories as having particularly strong correlations with *initiative* and *diversity*.

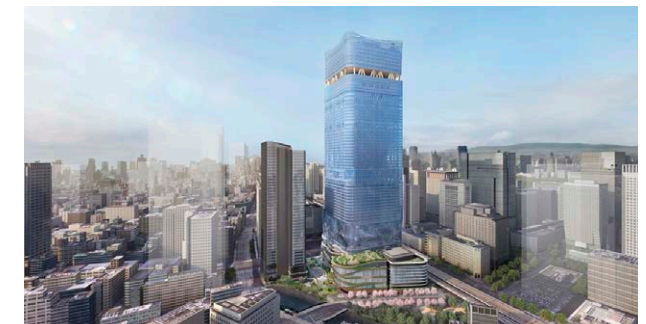
- Workplace inclusion¹
- Leadership by supervisors
- Initiative and a sense of purpose in work
- Organizational culture that encourages taking on challenges
- Positive workplace relationships

1. Workplace inclusion refers to a state in which diversity is respected, capabilities are recognized, and employees can fully exercise their capabilities.

In FY2026, we will focus on these high-impact categories, identify strengths and weaknesses through workshops at each site, and support actions that lead to improvement. We will also expand good practices across the Company.

In addition, as Company-wide measures, we aim to maintain and improve MHC engagement by introducing a bias visualization tool and conducting training to identify and control unconscious bias, one factor that hinders inclusion, while further expanding the Career Challenge Program, which supports employees' self-directed career development.

The functions currently dispersed across Marunouchi, Nishi-Shimbashi, and other locations are scheduled to be integrated and relocated to TOKYO TORCH Torch Tower in FY2028. This relocation will eliminate the physical distance among multiple sites and create synergy through collaboration across divisions and Group companies. In addition, by stimulating communication and strengthening collaboration, we will further raise each employee's awareness of transformation and co-creation. By developing an office environment suited to diverse work styles, we will build a workplace environment that contributes to maintaining and improving MHC engagement.



Exterior image of TOKYO TORCH Torch Tower
(courtesy of Mitsubishi Jisho Design Inc.)

Specific Initiatives Related to Talent

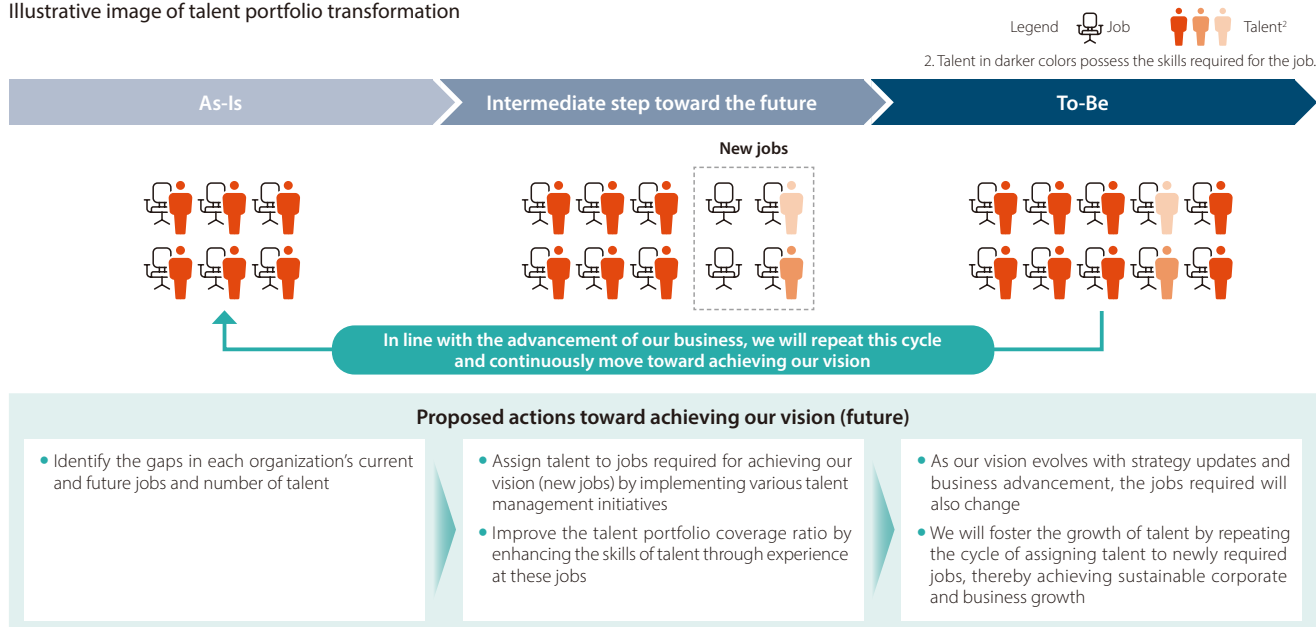
Talent portfolio

Toward transforming our talent portfolio in alignment with our management strategies, we are currently identifying the jobs and required number of talent in each organization in both the current and future states, and visualizing the degree of coverage for the positions necessary to realize the management strategies.

Going forward, in addition to enhancing employees' skills through experience in their jobs, we will steadily assign talent to the necessary jobs by strategically securing, developing, and assigning them.

In light of the fact that the jobs required will change in response to changes in the business environment and management strategies, we will continuously review and optimize the talent portfolio to realize our desired state.

Illustrative image of talent portfolio transformation



Proactive investment in human resources

(1) Initiatives to secure talent

To secure talent with diverse skills, experience, values, and other attributes, the Group engages in stable and strategic recruitment activities through both new graduate recruitment and mid-career recruitment.

In new graduate recruitment, we have introduced a course-based system comprising four courses—open, sales, IT/DX, and global—from the perspective of acquiring diverse talent. We have also newly implemented recruiter selection, in which frontline employees from each course serve as interviewers, enabling recruitment from multifaceted perspectives. In addition, we introduced an interview platform designed to deepen students' understanding of the Company and help them form a more concrete image of their careers, expanding points of

contact between frontline employees and students. Currently, more than 200 employees serve as recruiters, and the offer acceptance rate among students who have participated in interviews has also improved. These initiatives were recognized with the Grand Prix in the Culture Award category at the OB/OG AWARD 2026 hosted by BizReach, Inc., which evaluates efforts to foster a culture of meetings with alumni.



In mid-career recruitment, we are expanding our recruitment channels, such as employee referrals, a *comeback* program to re-hire employees who have resigned in the past, and direct sourcing through which we scout talent. At the same time, taking into account changes in the external environment and the talent market, we are continuously working to maintain and improve competitive compensation levels, focusing on securing motivated talent.

Main areas of expanded talent investment

Purpose	Details
Strengthen recruitment capabilities	Implement employer branding initiatives that contribute to strengthening the Mitsubishi HC Capital brand, such as rebuilding the recruitment website, expanding channels using social media, and expanding recruitment events
Talent development	- Implement DX assessment targeting all employees and initiatives to improve digital literacy targeting designated employees - Implement training programs to drive leadership transformation - Expand trainee dispatch programs to develop global talent - Implement coaching and assessment initiatives to develop management talent

Specific Initiatives Related to Talent

(2) Talent development programs

The Group has systematically organized its talent development programs to support the self-directed career development of each employee and develop talent who will drive medium- to long-term value creation.

Specifically, these programs are built on three pillars:

- 1) Designing development programs linked to the Basic Management Policy
- 2) Designing talent development programs that contribute to realizing Our FY2031 Vision, "Together we innovate, challenge and explore the frontiers of the future"
- 3) Fostering and embedding awareness of career ownership

In development programs linked to the Basic Management Policy, we have set six main themes: *base* (what MHC employees should aspire to), *career* (career development for each employee), *by level* (mindset and skills required at each level), *common core skills* (skills necessary for talent development), *self-development* (upskilling), and *specialized development* (specialized skills required by each department).

Human resource development programs

Programs (themes)		Objectives	No. of programs	No. of participants
Foundations	DX	Maintaining employees' mindsets and skills for DX and enhancing the capabilities of DX promotion personnel	7	309
	Diversity	Promoting women's participation and advancement in the workforce, promoting senior participation in the workforce, and fostering a culture of diversity	11	472
	Sustainability	Acquiring knowledge about sustainability in general and raising awareness of human rights	1	77
	Integrity	Promoting integrity (eliminating harassment and improving moral and ethical standards)	3	2,146
	Global	Fostering a global mindset and improving various skills	7	247
	Finance	Supporting employee career advancement and reskilling	14	1,149
Careers		Fostering employee career ownership and career development	4	107
Organizational level		Improving the mindset and skills required at each level	23	924
Key skills		Improving the strategic thinking of human resources who will drive the evolution and layering of business models	2	40
Self-development, professional development, etc.		Financial support mainly for the self-development and professional development of employees in each department	53	33,346
Total			125	38,817

In the *base* area in particular, we systematically provide programs to help employees acquire the foundational capabilities required as members of the Group, centered on Our Mission, Our Vision, and Action Principles.

Toward realizing Our FY2031 Vision, we have introduced assignments to external programs and temporary transfers to venture companies. Through these programs, we provide opportunities for employees to encounter values and perspectives not available in their regular duties, while gaining practical experience in taking on new businesses and making swift decisions. In FY2025, three employees used these programs.

To foster and embed an awareness of career ownership, we offer four programs under the Career Challenge Program that support employees' self-directed career development. From FY2025, we expanded the scope to include the Manager Challenge Program, for positions comparable to line manager, and the Overseas Trainee Program, which enables employees to take on assignments overseas. In addition, we newly launched the Career Discovery Program so that employees can learn about the appeal of various departments and link this to their

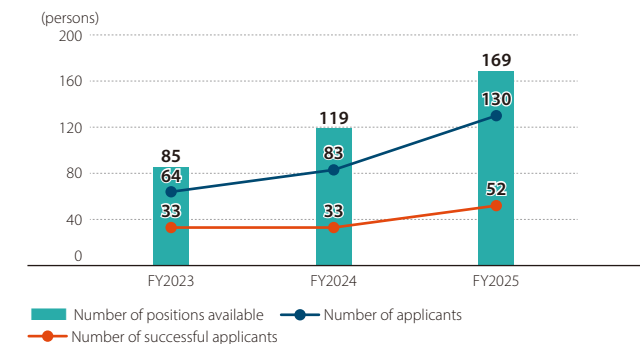
own career development. Through these initiatives, we are creating an environment in which each employee can think about and take action on their career proactively.

Going forward, we will continue to strengthen the provision of capability and career development opportunities focused on each employee.

Career Challenge Program

1 Open recruitment (transfer to other departments) A system for employees to build their careers through transfers to desired departments	2 Manager Challenge Program A system for employees to build their careers through management experience in positions comparable to line manager
3 Temporary transfers to startup companies A system for employees to build their careers through temporary transfers (secondments) to external startup companies	4 Overseas Trainee Program A system for employees to build their career through experience as trainees or expatriates overseas

Trends in applicants for the Career Challenge Program (internal open recruitment)



Specific Initiatives Related to Talent

(3) Compensation and treatment system that rewards performance

The Company's compensation system is role-based and rewards employees who assume greater responsibilities. By appropriately evaluating demonstrated results and behaviors, in addition to employees' roles and expected level of responsibility, we aim to provide compensation and treatment that enable employees to recognize their own growth and contribution.

From FY2026, while maintaining and enhancing a performance-based compensation system comprising base salary and bonuses, we introduced a stock ownership program for employees as a mechanism that helps employees maintain a stronger awareness of their contribution to medium- to long-term corporate value enhancement. Under this program, the Company grants Company shares and other benefits to eligible employees according to the degree to which the Company achieves its performance targets each year.

Specifically, points are granted to employees in line with the Company's performance, and Company shares or cash equivalent to the value of the shares is provided according to the number of points.

In implementing this program, we have adopted a stock-granting ESOP (employee stock ownership plan) trust scheme, under which the Company entrusts funds to a trust bank in preparation for future grants of shares, and the trust bank acquires and holds Company shares. Through this scheme, we will steadily implement stock grants linked to the Company's performance.

Through this program, we will enhance employees' sense of unity and belonging toward enhancing corporate value, and link this to the further enhancement of the Mitsubishi HC Capital brand through proactive investment in human resources.

(4) Group collaboration on a global basis

The Group operates globally, with sites in more than 20 countries and regions, mainly in Europe, the Americas, and Asia & Oceania. Overseas Group companies actively hire local talent to conduct highly specialized global and local businesses.

Local talent accounts for approximately half of the top management of overseas Group companies, and we are promoting the appointment of the right talent to the right management positions from a global perspective.

We also hold an annual global conference that brings together the top management of overseas Group companies to embed Our Mission and strategies throughout the Group. In addition, Corporate Center divisions and business divisions hold regular meetings to share information and strengthen collaboration.

In February 2026, we held the Global HR Conference for HR

personnel at the Tokyo head office, with the aim of sharing the Group's common approach to human capital management and fostering a sense of unity. We will continue to further deepen collaboration on a global basis through regular communication.



Participants in the Global HR Conference

VOICE

Employee feedback

Global HR Conference

Building networks and strengthening collaboration among sites

It was particularly meaningful to build networks through exchanges of views with HR personnel from countries and sites with whom I had previously had few opportunities to interact. Through discussions on HR themes in each organization, I was able to gain a deeper understanding not only of cultural differences but also of the specific HR challenges each organization faces, including recruitment, talent development, and retention, as well as differences in thinking and approaches toward addressing those challenges. Going forward, I would like to apply what I learned to HR initiatives at my own site and to strengthening collaboration among sites.



Alisha Jin
CAI International

Specific Initiatives Related to Talent

Promoting DEIB

The Group promotes DEIB (diversity, equity, inclusion, and belonging) under the following policy: "We seek to foster a vibrant corporate culture where each individual, as a member of an organization, creates new value with a sense of purpose, pride, and aspiration, by developing a work environment where diverse talent can leverage one another's strengths to maximize the impact of their individual motivations and abilities."

In addition to enhancing systems that support employees with various attributes and at different stages of life, we also focus on promoting understanding of DEIB among all employees. We designate every May as DEIB Month and communicate information, provide e-learning, and hold internal events.

In 2025, we held a film screening and conducted e-learning to promote understanding of LGBTQ+ people and allies, and these initiatives were recognized with our first PRIDE Index (Bronze)³ award. To eliminate the gender gap, we continue to provide training for female employees, support for community building, and career support through HR interviews, and the percentage of female managers has been rising.

Differences in average wages between men and women arise due to differences in recruitment by job type, length of

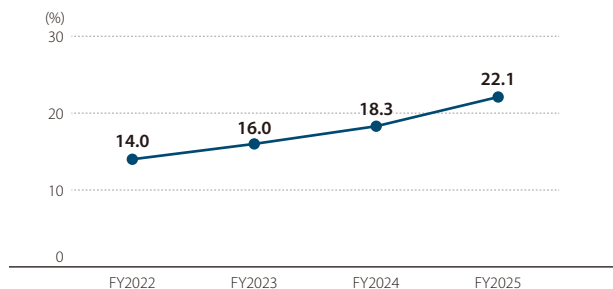
continuous employment, and other factors; however, there are no gender differences in the same roles or positions. Going forward, we will continue working to correct the gender pay gap by expanding the pool of candidates for management positions and embedding efficient work styles.

3. The PRIDE Index is Japan's first index for evaluating LGBTQ+ initiatives by companies and other organizations. It was established in 2016 by *work with Pride* to realize workplaces in Japan where LGBTQ+ and other sexual minorities can work comfortably. The index consists of five indicators: Policy (declaration of action), Representation (community of LGBTQ+ employees), Inspiration (awareness-raising activities), Development (HR systems and programs), and Engagement/Empowerment (social contribution and external relations activities). Points are awarded when designated requirements are met for each indicator, and companies and organizations are certified as Gold, Silver, or Bronze according to their scores.

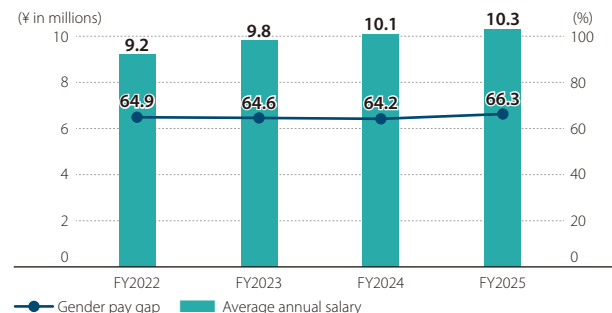


Diversity	▶ A state in which diverse talent exists in terms of nationality, age, gender, sexual orientation, gender identity, race, disability status, values, and other attributes
Equity	▶ Eliminating unfairness and barriers and providing fair opportunities
Inclusion	▶ A state in which diversity is respected, capabilities are recognized, and employees can demonstrate their capabilities
Belonging	▶ A feeling that individuals are members of the organization; being able to grow with a sense of fulfillment, pride, and a desire to improve

Percentage of female managers (non-consolidated)



Gender pay gap / Average annual salary (non-consolidated)



Health initiatives

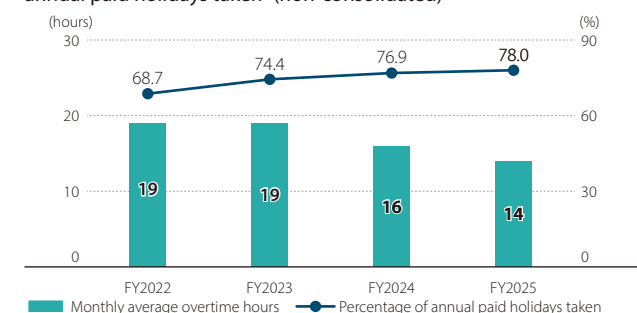
The Company is creating an environment in which each employee can gain an accurate understanding of their health conditions and proactively work on prevention and improvement, with the aim of maintaining and enhancing employees' physical and mental condition and vitality.

In FY2025, we held three walking events using the health insurance association's app, with the aim of establishing exercise habits and raising awareness of physical and mental self-care. We also designated November as Healthcare Month and promoted understanding of mental health and enhanced management capabilities through line care training for managers and e-learning on resilience.

Furthermore, we designated July, August, December, and January as Challenge Months for Keeping Overtime at 14 Hours or Less, and implemented work-style improvement initiatives such as encouraging employees to leave work early and holding yoga events.

As a result of these initiatives, the Company has been recognized as a Certified Health & Productivity Management Outstanding Organization (large enterprise category) for eight consecutive years. Going forward, we will continue striving to maintain employees' physical and mental health and create a comfortable work environment.

Monthly average overtime hours per employee / Percentage of annual paid holidays taken⁴ (non-consolidated)



4. Calculated by dividing the total number of annual paid holidays taken by all employees in each fiscal year by the total number of annual paid holidays granted to all employees in that fiscal year.

Digital Strategy

We position our digital strategy as a key means of maximizing the driving force of our business, financial, and talent and culture strategies toward achieving Our FY2031 Vision. Under our digital strategy, we will drive value creation across both business and operations, going beyond solidifying and strengthening foundations, to realize more advanced and agile management. We have also established a structure under which digital-related departments work together under the Chief Digital Officer (CDO) to promote the Company-wide digital strategy across the organization.

Value creation in business

To address stakeholder challenges, we will create new businesses by gradually expanding our digital solution offerings and expand our capabilities through collaboration with partners. In addition, we will enhance existing businesses by improving sales efficiency and increasing revenue opportunities through the utilization of generative AI and other technology, as well as by improving profitability through the use of asset data and other data, thereby enhancing customer experience and strengthening competitiveness.

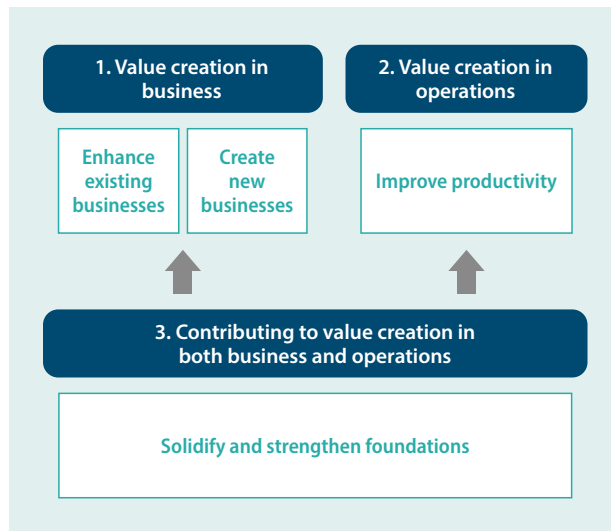
Value creation in operations

By utilizing advanced digital technology such as AI to fundamentally overhaul business processes, we aim to improve productivity and reform our cost structure. Beyond simply reducing overtime hours or costs, we will link these initiatives with our talent and culture strategies and create an environment in which employees can use the time generated through productivity improvements to take on high-value-added work.

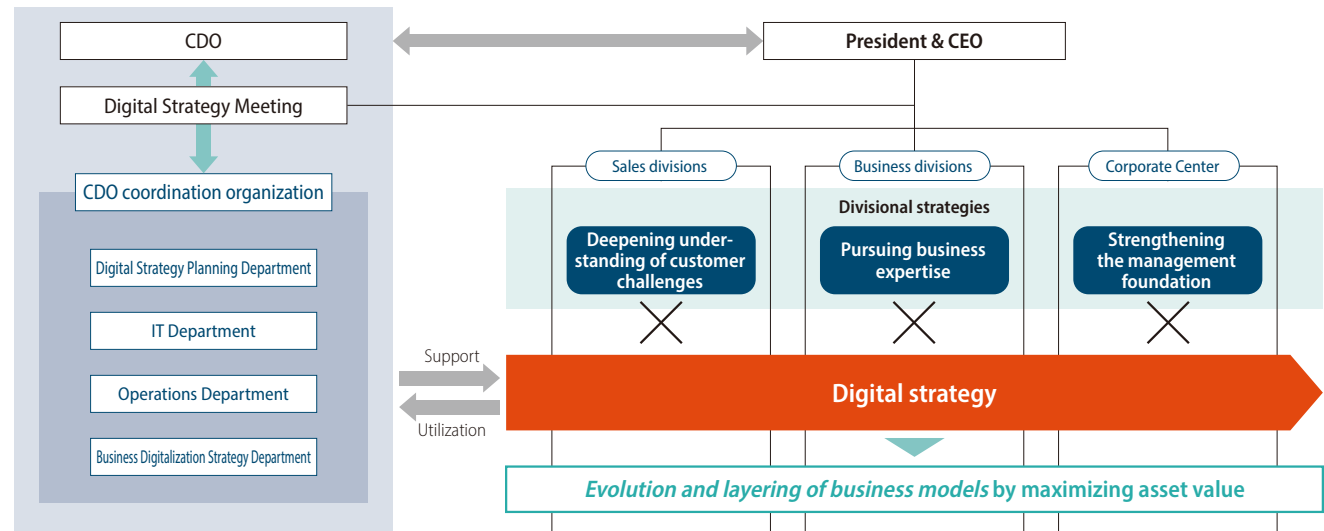
Contributing to value creation in both business and operations

We will solidify and strengthen foundations that support value creation in both business and operations by enhancing our management infrastructure, including the establishment of a data-driven management framework, strengthening cybersecurity measures, and developing and strengthening the talent base in line with current trends.

Framework for promoting digital-driven value creation



Promotion structure



Message from the CDO

Delivering Mitsubishi HC Capital's unique value to stakeholders by combining frontline challenges with our digital strategy

Manabu Yamada

Managing Executive Officer
Chief Digital Officer
Head of IT & Operations Division and
General Manager of IT Department



I am Manabu Yamada, and I have recently assumed the position of Chief Digital Officer (CDO) of Mitsubishi HC Capital. At Hitachi, Ltd., I was engaged in digital businesses in the social infrastructure field and led system development and the promotion of digital utilization in Japan and overseas. Since joining the Company, I have also worked to advance DX, including the integration of core systems and the development of data utilization platforms, thereby driving business growth and operational transformation.

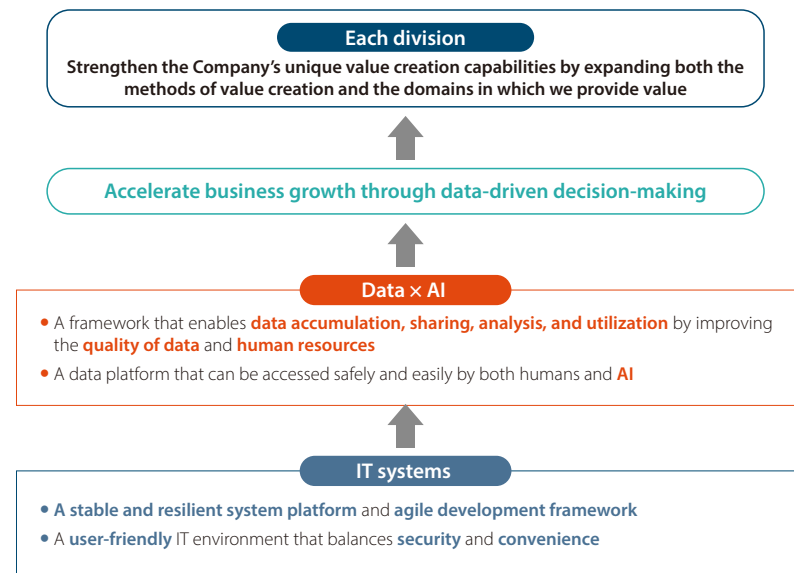
In recent years, rapidly advancing digital technology has significantly changed the social environment surrounding the Company and trends among our stakeholders. Under the 2025 MTMP, we worked to deepen digital understanding within the Company as a foundation for generating results.

With our digital strategy as our guide, we will enter the value creation stage combining business and digital utilization

Under the 2028 MTMP, we are entering a stage where we will see tangible effects from digital initiatives and produce results. By combining our digital strategy with the strategies of each division—deepening our understanding of customers' challenges, pursuing business expertise, and strengthening the management foundation—we will maximize asset value and thereby realize the *evolution and layering of business models*. To achieve this, we will improve the quality of both data and human resources so that we can fully utilize the data generated by our businesses, while leveraging AI to enhance the analysis of various types of data and decision-making.

In addition, we will continue to embrace cutting-edge technology and contribute to value creation in both business and operations, thereby sustainably enhancing corporate value.

Illustration of value creation through the digital strategy



Risk Management

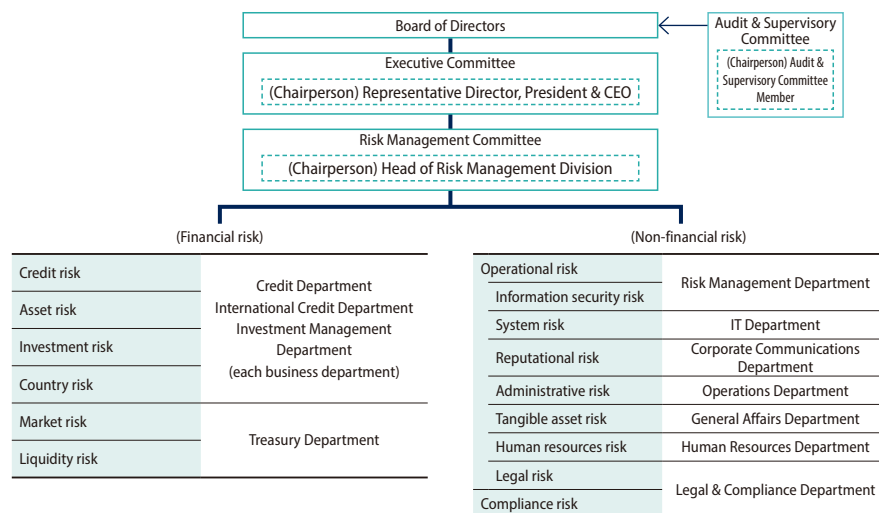
The Group seeks to maximize corporate value while ensuring management soundness by identifying and recognizing the various risks it faces and by taking risks within controlled boundaries. The Group has also built a program to minimize the impact on management through effective crisis management, even in emergencies such as disasters.

Risk management program

The Group identifies and recognizes various risks across the entire Group, and has a program in place under which risks are managed based on risk categories overseen by responsible departments. The Risk Management Committee comprehensively and systematically collects, organizes, and analyzes risk information for the entire Group. It also shares and discusses risk awareness that contributes to management decision-making through forward-looking risk management in light of environmental changes, and reports important matters to the Executive Committee and the Board of Directors for deliberation. In addition, the Group has introduced a Three-Line Model to establish an effective risk management program.

In addition to the financial and non-financial risks shown in the figure below, we are also enhancing risk management by formulating response policies in accordance with changing circumstances for risks that have a significant impact on management, such as risks related to conduct and human rights violations.

Diagram of risk management framework

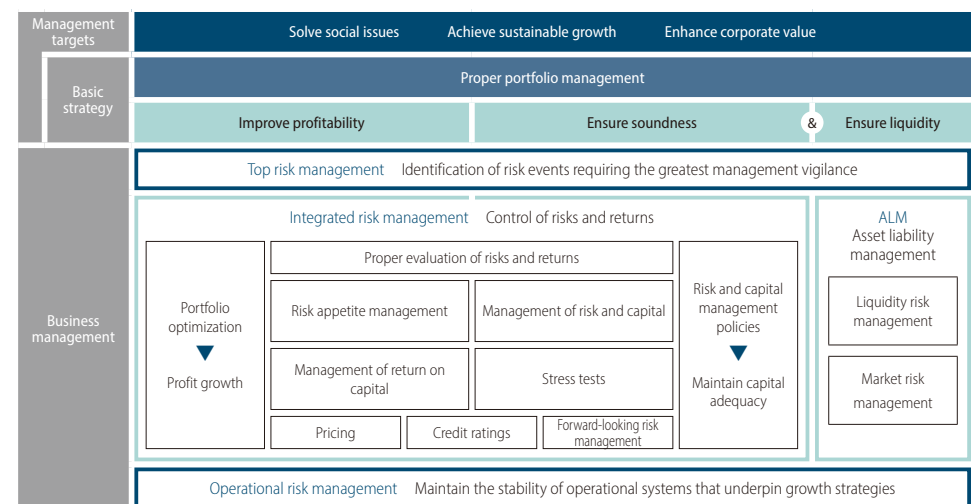


Risk and capital management

The Group measures and quantifies the various risks it faces on a uniform scale using statistical methods based on the framework of integrated risk management. We then manage risk and capital for securing sound business management by comparing equity capital, which represents our financial strength, with quantified risks. Specifically, we set planned Economic Capital for each category of risk, including credit risk and asset risk, and take risks within the limits of our risk tolerance. The status of risks and our portfolio are continuously monitored and reported to management.

We also conduct regular stress tests, which assume deterioration in the economic environment, market fluctuations, and other scenarios, to assess the impact of risks that cannot be captured by statistical methods. By taking a multi-faceted approach to examining whether we are taking excessive risks and whether our risk-bearing capacity is sufficient, we strive to ensure soundness.

Overview of the Group's risk management program



Risk Management

Review program to support new business development

To realize the *evolution and layering of business models 2.0*, the Group is promoting initiatives in new business domains across the Group. To support these initiatives, we have established the Joint New Business Review Team comprising relevant Corporate Center departments and thereby put in place a framework for collaboration across sales and business divisions. Drawing on the specialized knowledge of each department, this team verifies business feasibility and profitability, conducts multifaceted risk evaluations in line with each business's characteristics, and examines the organizational framework needed for ongoing business operations. Through these activities, we identify the risks to take and the risks to control, support the review and introduction of new businesses based on a balance between growth potential, profitability, and soundness, and promote portfolio transformation that contributes to enhancing corporate value.

New business review program



Column

Global Credit Panel

We held a global meeting at the head office on the theme of vendor finance, bringing together credit officers from Group companies in Japan and overseas. At the meeting, each company gave presentations on credit assessment methods for the vendor finance business, the challenges they face, and the future outlook, followed by active discussion.

In light of risks materializing in the Americas transportation sector, the meeting enabled us to recognize common challenges and take another step toward enhancing credit risk management on a global basis.



Crisis management

The Group has Crisis Management Regulations, Disaster Response Regulations, and response manuals in place, and a program to minimize the impact that natural disasters, human-caused disasters, accidents, and other events have on management. Furthermore, in the event of a crisis, the Group determines the crisis category based on the status of the event in question and establishes a crisis management headquarters or disaster response headquarters if it determines the situation to be a crisis situation. In July 2025, we conducted a drill to establish a disaster response headquarters, simulating a Nankai Trough earthquake. Under management leadership and in close coordination with relevant departments, we collected and shared information, examined response policies, and issued instructions, thereby enhancing our ability to respond effectively to emergencies.

Response flow for crisis management



Determine the crisis category		
Crisis category	Description	Response
State of alert	A situation that can be handled by the department in charge and is not a "crisis situation," but may develop into one due to delays or errors in the response	Response by the department in charge
Crisis situation	A situation that is likely to cause significant delays or prolonged interruptions in operations and a significant loss of credibility that may jeopardize the Company's continued existence	Headquarters

Cybersecurity

To protect all information assets from various security threats, the Group strives to establish an effective information security management program and rules. We have also established a cross-organizational team, the MHC-SIRT (Security Incident Response Team), which is responsible for preventing cyberattacks, conducting periodic in-house education and training, and examining responses and investigating causes when incidents occur.

In December 2025, at the FY2025 (43rd) IT Awards organized by the Japan Institute of Information Technology, the Group received the IT Encouragement Award (Management and Business Reform Category) in recognition of its initiatives to reduce management risk through strengthened and visualized governance based on Group-wide unified standards and cybersecurity measures.

[Web](#) For details on crisis management and the MHC-SIRT organizational chart and activities, please see our ESG Data Book.

Message from the CRO

Aligning our risk management program to identify risks and support taking on challenges for sustainable growth in an era of change

Rui Koike

Managing Executive Officer
Chief Risk Officer
Chief Credit Risk Officer
Head of Risk Management Division and Head of Credit Division



Importance of risk management in an increasingly uncertain environment

The business environment surrounding the Group is growing increasingly uncertain due to factors such as geopolitical risks, financial market volatility, and changes in supply and demand in our business domains. In particular, as demonstrated by the turmoil in the Middle East, we recognize that heightened geopolitical tensions can affect a wide range of industries and economic activities through higher energy prices and supply chain disruptions. At the same time, advances in digital technologies, including generative AI, are accelerating and significantly affecting the way business is conducted.

To achieve sustainable growth in this environment, we believe it is important to align a Group-wide program that does not simply avoid risks but identifies the risks we should take and controls them appropriately. To this end, in addition to continuously enhancing and operating our enterprise risk management program, we are focusing on strengthening risk communication. Recently, we identified the risk events to which the Group should pay the greatest attention as “Top risks” and worked to share and enhance risk awareness across the Group. Furthermore, we have introduced and are using a business intelligence risk management dashboard that helps visualize where risks exist and how

they are managed. We have also established forums where sales and business divisions and Corporate Center departments can share their understanding of risks and challenges, thereby deepening discussions that lead to management decisions aimed at clarifying risk appetite and portfolio strategies.

Furthermore, for initiatives in new businesses aimed at driving the *evolution and layering of business models 2.0*, we are building a Group-wide support program that encourages taking on challenges by having relevant departments collaborate from the initial stages of business development to examine risk identification, assessment, and response measures.

Risk management supporting sustainable growth

In preparation for risk events such as natural disasters and cyber incidents, we recognize that improving the effectiveness of our business continuity management strategy is also an important management challenge. The Group continuously develops and aligns its crisis management and business continuity programs, while conducting related training. At the same time, we are strengthening our ability to respond to cyber incidents at each stage of prevention, detection, and response, thereby working to enhance resilience to support business continuity and early recovery.

With the growing use of AI, while capturing opportunities to improve productivity and enhance operations, we are working to establish AI governance to appropriately address the diverse risks associated with AI use, taking into account perspectives such as information management, proper use, mitigating misinformation and protecting intellectual property rights.

Through these initiatives, we will further enhance risk management not only as a means of protecting the stability of the Company’s business operations, but also as a management program that supports sustainable growth. Going forward, we will continue to build a management foundation that allows the Group to take on challenges with confidence in an era of significant change.

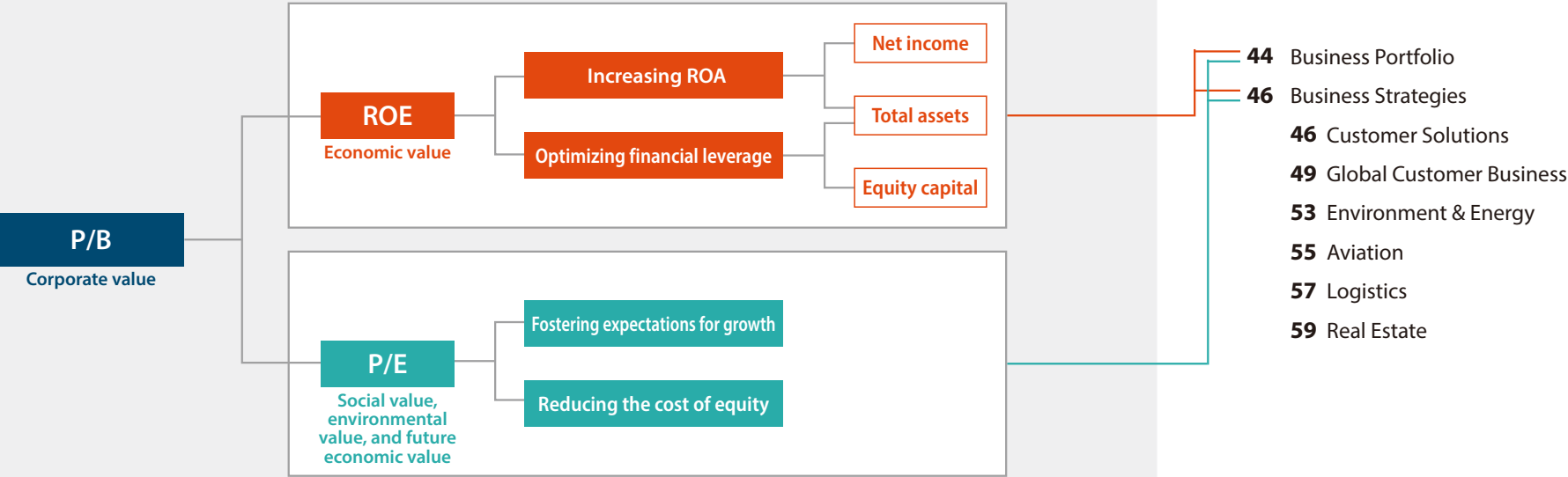
Top risks (as of June 2026)

Risk Event				
Geopolitical risk	Cyberattacks	Increase in credit costs	Deterioration in profitability of business investments	Strengthening of tariff policies, export regulations, and other restrictions
Concerns over Japan's economy and fiscal condition	Large-scale disaster	Foreign currency funding risks	Human capital constraints	Risks related to sustainability response

Section 3

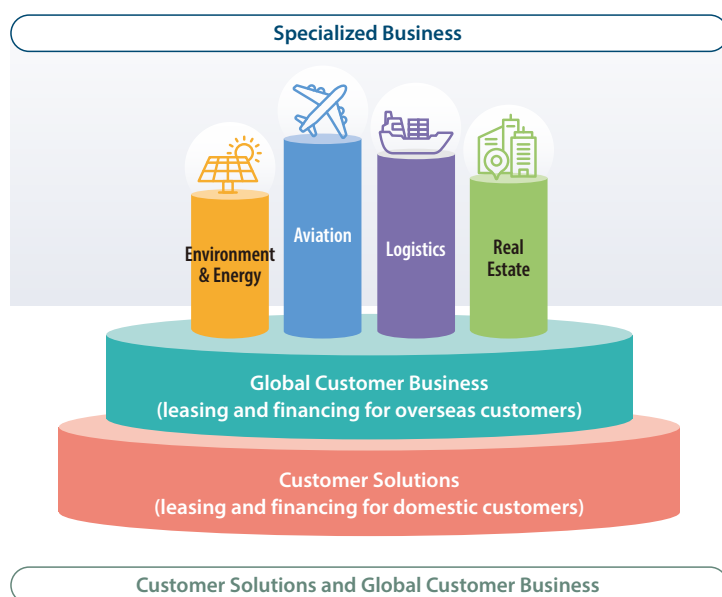
Business Strategies

This section presents an overview of our business portfolio and introduces each business’s strengths, competitive advantages, and growth opportunities, while reviewing the achievements and challenges of the 2025 MTMP. It also shows the direction of future growth through the key strategies and initiatives of the 2028 MTMP.



Business Portfolio

Building on the stable earnings base generated by Customer Solutions and Global Customer Business, the Group operates four specialized businesses with relatively high risk and return. Since the timing and magnitude of market fluctuations in these four specialized businesses do not always coincide, their individual volatilities tend to offset each other. This business portfolio structure is one of the Group's strengths, enabling the Group as a whole to curb fluctuations in earnings and achieve stable growth.



Features of Customer Solutions and Global Customer Business

- Businesses centered on leasing and financing
- Core businesses that generate stable earnings, whose primary source is stable income gain derived from leasing and other revenue sources, with relatively lower volatility than the four specialized businesses
- They also serve as the basis for creating businesses that help build robust relationships with a diverse range of customers

Features of Specialized Business

- Operating a broad range of businesses globally, including asset leasing—such as marine containers and aircraft—along with power generation and real estate businesses
- Income structure based on both stable income gain derived from leasing and other revenue sources and capital gains from asset sales
- The four businesses drive profit growth while offsetting each other's volatility



Customer Solutions



Main businesses

Financial solutions for corporations and government agencies, energy conservation solutions, sales finance in collaboration with vendors, real estate leasing, and financial services

Strengths

- Extensive customer touchpoints and deep relationships
- Solid relationships with partner companies, including Mitsubishi UFJ Financial Group, Mitsubishi Corporation, and the Hitachi Group
- A diverse range of assets and data accumulated through transactions with customers

Presence and potential

Total number of PCs with full support services **3 million units**

Reuse/Recycling rate of off-lease properties **96%**

Number of owned buildings leased to customers (commercial facilities, logistics warehouses, etc.) **Approx. 1,800 buildings**

Transaction volume of high-performance semiconductor manufacturing equipment and devices **Approx. ¥17.0 billion**

FY2025 total lease contract amount for decarbonization-related assets¹ **¥70.2 billion**

1. Renewable energy assets, etc.



Global Customer Business



Main businesses

Providing financing services to customers in Europe, the Americas, and Asia & Oceania across a wide range of assets, including industrial equipment, commercial vehicles, construction machinery, and IT equipment

Strengths

- A strong, cross-regional overseas network among the top tier of Japanese leasing companies, leveraging more than 20 locations in Europe, the Americas, and Asia & Oceania
- A diverse product lineup and broad customer base in overseas businesses, supported by highly diverse human resources

Presence and potential

Europe
Number of vehicles under management in the Vehicle Solutions of Mitsubishi HC Capital UK (hereinafter, MHCUK), the core company of the European business (as of November 2025) **6th in the UK**

MHCUK transaction volume in Asset Finance UK Top 50 (announced in July 2026; including their corporate finance, vehicle leasing, and sales finance sections) **5th in the UK**

Americas
Total assets of Mitsubishi HC Capital America, the core company of the Americas business ("The 100 Largest Equipment Finance/Leasing Companies in the U.S. (by assets)" announced in June 2025 edition of *The Monitor*) **26th in the United States**

Note: Figures and information are as of March 31, 2026, unless otherwise indicated in parentheses.

Business Portfolio



Environment & Energy



Main businesses

Renewable energy businesses (solar power, onshore wind power, and battery storage) and emerging business fields centered on hydrogen, next-generation solar cells, and other technologies

Strengths

- Businesses in Japan: Expanding solar power, onshore wind power leveraging in-house development capabilities, and battery storage while enhancing revenue opportunities through electricity supply-demand management, balancing services, and selling electricity to off-takers
- Overseas businesses: Establishing a business foundation in growth markets through investment in European Energy in Denmark
- Securing growth opportunities through participation in demonstration projects with an eye to future business opportunities, focusing on emerging business fields such as hydrogen and next-generation solar technologies

Presence and potential

Certification as a "Qualified Long-Term Stable Solar Power Operator"²

(Mitsubishi HC Capital Energy)

One of only three companies certified in Japan

Owned power generation capacity in Japan and overseas, centered on solar power and onshore wind power

1.7GW

European Energy's cumulative track record through in-house development

4.1GW

2. An operator certified by the Minister of Economy, Trade and Industry as responsible for the long-term stabilization of solar power generation.



Aviation



Main businesses

Aircraft leasing, aircraft engine leasing and part-out (engine disassembly and parts sales), Japanese Operating Leases,³ brokerage of aircraft and aircraft engine sales, etc.

Strengths

- A lifecycle-based business model in which the Group provides integrated, one-stop asset management for aircraft and aircraft engines, from acquisition and operation through to retirement
- A high-quality portfolio centered on new-generation narrow-body aircraft and new-generation aircraft engines
- Industry leadership in engine leasing and capabilities in business operation and monetization, including part-out

Presence and potential

Number of aircraft owned and managed by the aircraft leasing company Jackson Square Aviation (JSA) (including contracted aircraft)

344 aircraft

JSA's percentage of new-generation aircraft

78.9%⁴

Number of engines owned by the aircraft engine leasing company Engine Lease Finance (elfc)

428 engines

elfc's percentage of new-generation aircraft engines

82.8%

3. Operating leases of aircraft, aircraft engines, ships, etc. for airlines and shipping companies. Sold to Japanese investors in the form of an investment or asset holding, etc. based on a partnership agreement.

4. Actual figures assured by a third party.



Logistics



Main businesses

Marine container leasing, railcar leasing, and mobility business in Japan and ASEAN (fleet management services and adjacent businesses)

Strengths

Marine container leasing business

- Market intelligence capabilities based on a global commercial network

Railcar leasing business

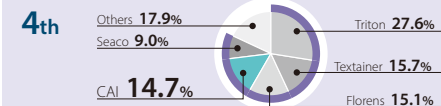
- A well-balanced portfolio with strong risk resilience

Mobility business

- Sales and business collaboration with the Group, shareholders, and external partners

Presence and potential

Share of the marine container leasing company CAI International in the global container leasing market⁵ (as of December 2025)



Source: Container Census & Leasing Annual Review and Forecast of the Container Equipment Fleet ANNUAL REPORT 2026/27

2027 forecast for the automobile sales volume in ASEAN⁶

3.84 million units

5. Based on TEUs (twenty-foot equivalent units). TEU is a capacity unit equivalent to a 20-foot dry container (a 20-foot container = 1 TEU, a 40-foot container = 2 TEUs).

6. Source: GlobalData Sales Forecast, MarkLines Co., Ltd.



Real Estate



Main businesses

Businesses centered on three areas—financing, investment, and asset management—for real estate such as offices, logistics facilities, hotels, residences, and retail properties

Strengths

- Solid customer and partner base built through long-term relationships developed by the Group through its businesses
- Flexible capabilities to respond to transactions regardless of the business environment, leveraging financing, investment, and asset management functions
- Asset selection and risk mitigation capabilities supported by extensive investment and financing experience and specialized professionals

Presence and potential

Size of the main market targeted by the Real Estate Business Division⁷

Domestic income property

¥352 trillion

Of that amount, properties that have been securitized

¥67trillion (approx. 19%)

7. Source: Japan's Real Estate Investment Market Size (2025), a real estate report by NLI Research Institute.

Business Strategies (Customer Solutions)



**Maximizing asset value to
address customers' challenges**

Kazumi Anei
Director, Deputy President
In charge of the Customer Solutions Unit

The Customer Solutions Unit is a core business segment of the Group that generates stable revenue centered on leasing and financing. It also has a solid customer base built over more than 50 years. The source of the unit's competitiveness lies in diverse solutions that go beyond financing. These solutions draw on strong partnerships and networks with leading companies in their industries, including Mitsubishi UFJ Financial Group, Mitsubishi Corporation, and Hitachi, Ltd., as well as the unit's ability to assess asset value based on a diverse range of data and knowledge.

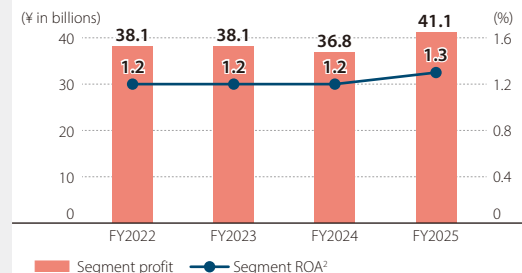
Under the 2028 MTMP, which began in FY2026, we will further implement the *evolution and layering of business models 2.0* beyond financing while fulfilling our role as a core business segment for the Group as a whole. We have positioned three initiatives as growth drivers: (1) accelerating co-creation in partner businesses, (2) growing high value-added businesses¹ and expanding their domains, and (3) DX that supports enhanced sales capabilities and earnings power. At the same time, we will thoroughly identify the activities to cease. By reviewing businesses with limited future potential or growth potential, we will enhance capital efficiency and profitability, and steadily improve ROA and the shift to a highly profitable portfolio.

By leveraging asset data and knowledge accumulated through collaboration with customers, and by designing and providing optimal solutions based on customers' challenges, we will aim to achieve both sustainable growth and the creation of social value. We will contribute to addressing social issues such as decarbonization, realizing a circular economy, digitalization, and labor saving, and deliver value that only Mitsubishi HC Capital can provide. We look forward to your continued support as the Customer Solutions Unit pursues further growth and transformation.

1. Areas in which the Customer Solutions Unit has strengths, such as semiconductors, machinery, robotics, and healthcare.

2025 MTMP Review

Segment profit and ROA trends



2. Segment ROA is calculated by dividing segment profit for each fiscal year by the average balance of segment assets at the ends of the previous and current fiscal years.

Achievements

- Income gain increased steadily through improved profitability
- Made progress in initiatives for the next stage of growth, including the creation of new services through collaboration with investee partners via the Innovation Investment Fund
- Established centralized management of customer and sales data through the introduction of new CRM³/BI⁴ systems, and built a foundation for transforming and upgrading sales activities through data utilization

3. Customer relationship management: managing customer information, activity history, and customer relationships to build and promote good relationships with customers.

4. Business intelligence: collecting, analyzing, and visualizing data accumulated in business systems and other systems, and using it to accelerate management decision-making and improve operational efficiency.

Challenges

- Accelerating initiatives to monetize collaborative businesses built with partner companies
- Further strengthening talent and organizational structures that support high value-added businesses in order to raise the level of expertise and proposal capabilities
- Further upgrading sales activities and improving productivity through data utilization

Business Strategies (Customer Solutions)

Customer Business Division

Leveraging our strengths in multilayered relationships with customers and partner companies and an extensive customer base across a wide range of industries, we provide solutions that address diverse needs. We will strengthen earnings power and achieve sustainable growth by accelerating co-creation with partner companies and upgrading sales activities through digital utilization.

2028 MTMP Strategies

Achieve sustainable growth by expanding business co-creation with partners using digital technology and data, and enhancing profitability through asset replacement and DX

Key strategies

- Create and roll out co-created services using digital technology and data through collaboration with partners
- Revise the asset portfolio and improve the earnings structure by curbing low-profitability transactions and divesting low-profitability assets
- Upgrade sales activities through the use of CRM and other data, and thereby improve customer service capabilities and productivity

Key initiatives

- Accelerate the commercialization of joint solutions centered on energy-saving and digital fields by combining partners' products and technology with the Company's functions
- Thoroughly curb low-profitability transactions and reduce total assets through divestment
- Accelerate data-driven sales activities, including through the use of CRM, and carry out sales activities with high effectiveness and reproducibility by improving targeting accuracy, visualizing sales status, and analyzing success and failure factors

VOICE

Implementing the *Evolution and Layering of Business Models*



(From left to right)

Akane Kojima

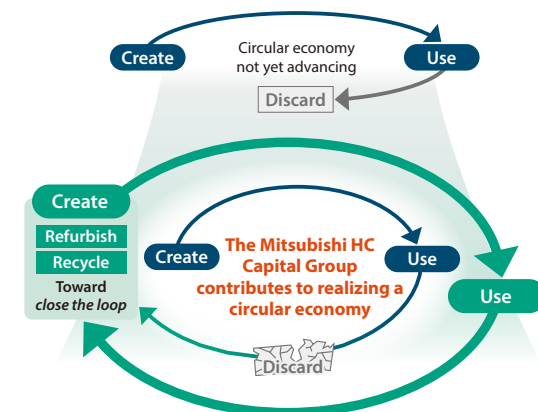
Hidetoshi Sueyoshi Project Managers
Sales Section No. 2, Sector Business Department No. 2

Satomi Ishihara Chief Project Manager
Development Section No. 2, Project Acceleration Department

Taking on the challenge of realizing a circular economy that creates new value

The starting point for this initiative was a request from one of our customers. The customer wanted to reduce industrial waste disposal costs and CO₂ emissions related to used coffee machines generated during store renovations and other activities.

The Company has identified the realization of a circular economy as one of its materiality. Taking this request as a starting point, we held repeated discussions with multiple relevant departments within the Company and external partner companies, and proceeded to build a reuse and recycling scheme. The initiative is helping the customer to overcome their management challenges while also leading to the evolution of the Group's business models.



Business Strategies (Customer Solutions)

Industrial Machinery Business Division

Leveraging our strengths in deep specialized knowledge and asset evaluation capabilities across diverse industries, we provide solutions that address customers' management challenges and capture structural changes in industries. Through the further expansion of high value-added businesses from asset and industry perspectives and the ongoing creation of new services, we will drive improved profitability and sustainable growth.

2028 MTMP Strategies

Expand high value-added businesses centered on specialized talent and capabilities, further expand business domains, and improve profitability

Key strategies

- Develop new functions and further expand business domains in high value-added fields in which the Customer Solutions Unit has traditionally had strengths, such as semiconductors, machinery, and healthcare
- Accelerate new business development in new high value-added business domains such as digital infrastructure and robotics

Key initiatives

- Build a framework that broadens the scope of proposals and enhances expertise through collaboration with other divisions, making it possible to overcome complex challenges
- Develop and hire talent with specialized industry-specific skills who can drive new business initiatives, including business validation and business alliances

VOICE

Implementing the *Evolution and Layering of Business Models*



(From left)

Iori Shimazaki Project Manager

Mitsunori Hirose Section Manager

Sales Section No. 1, Logistics & Commercial Sales Department

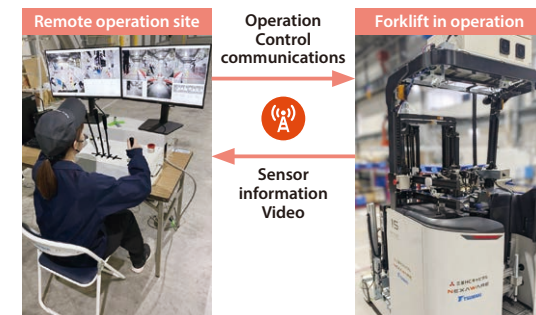
Taking on logistics-site challenges with a remote-operated forklift system

Through marketing activities for the logistics industry, we came to realize that the shortage of forklift operators is a major structural issue facing the entire industry. Wanting to create new value in response to challenges faced on the front lines, we began developing a remotely operated forklift.

In this initiative, we have collaborated with partner companies since the conceptual stage and advanced development while repeatedly verifying safety and practicality. Currently, multiple companies are considering adoption as a result of our demonstration experiments and information sharing.

Looking ahead, we envision developing this into a platform-type business built on our existing assets, incorporating the utilization of human resources and data linkage.

How remote operation works



Business Strategies (Global Customer Business)



Driving sustainable growth through a resilient framework tailored to regional characteristics

Hiroshi Ikebe
Senior Managing Executive Officer
In charge of Global Customer Business Unit and
Head of Europe Customer Business Division

The Global Customer Business Unit has an extensive and robust network spanning more than 20 countries and regions in Europe, the Americas, and Asia & Oceania. The unit provides financial services for a wide range of assets, including industrial machinery, automobiles, construction equipment, and IT equipment, supported by highly diverse professionals with deep knowledge of local markets and businesses in each region.

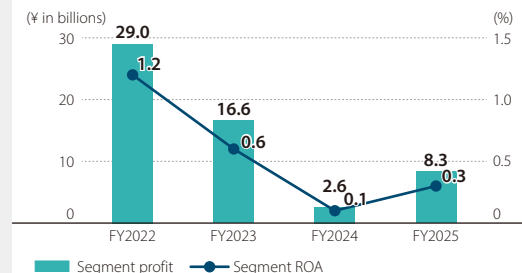
Under the 2025 MTMP, we maintained stable operations in Europe, mainly in sales finance and mobility, while in Asia & Oceania, we shifted the investment and management resource to where the business is growing in the region. In the Americas, credit costs in the commercial truck business increased due to changes in the market environment, which adversely affected earnings. In response, we have strengthened our risk management framework and continued portfolio optimization efforts to build a more resilient portfolio and improve earnings stability.

Under the 2028 MTMP, we will expand business opportunities with value-added services and build an operating framework with efficiency by using digital technologies in Europe. In Asia & Oceania, we will focus on growth areas, which differ by country, and further strengthen our business base through collaboration with global strategic partners. In the Americas, we will pursue sustainable earnings growth through a disciplined portfolio strategy supported by a robust risk management framework, while creating value throughout the asset lifecycle.

Through these initiatives, we will achieve both growth and greater earnings stability across the Global Customer Business Unit, thereby contributing to the sustainable and stable enhancement of corporate value for the Group as a whole.

2025 MTMP Review

Segment profit and ROA trends



Achievements

- Progress in portfolio restructuring and earnings base enhancement under a strategy of prioritizing Europe and the Americas while sharpening the focus on selected growth opportunities in Asia & Oceania.
- Europe has supported the profit of Global Customer Business Unit with stable earnings and the value-added services by using digital technologies.
- Completion of the integration of three companies in the Americas and the rebuilding of the operating foundation.
- Withdrawal from unprofitable businesses in Asia & Oceania

Challenges

- Accelerate profitability across the Global Customer Business Unit by improving margins and increasing productivity through digital technologies and other initiatives.
- Enhance the profitability of the existing portfolio in Europe through high-margin growth
- Stabilize performance in the Americas through continued business optimization and reduced credit losses.
- Steadily improving earnings power, reducing costs, and rebuilding the portfolio in Asia & Oceania

Business Strategies (Global Customer Business)

Europe Customer Business Division

Mitsubishi HC Capital UK (MHCUK), the core entity of our European business, has been in operation for over 40 years and is well known for its “Novuna” brand, based on its three main businesses of Consumer Finance, Business Finance and Vehicle Solutions. The MHCUK Group operates in 10 European countries and continues to provide products, services, and excellent customer experiences that lead the UK and European markets.

2028 MTMP Strategies

Key strategies

- Enhance the “Novuna” brand value and strengthen competitiveness through excellent customer experiences
- Enhance productivity by establishing an efficient operational framework through digitalization
- Continue to develop Integrated Regional Solution for customers across different countries and regions by combining Asset Finance, Mobility, Consumer Finance capabilities

Key initiatives

- Across all divisions: Promote operational efficiency through continuous digital investment, while strengthening the operating platform and optimizing costs
- Consumer Finance: Acquire new retail and personal loans customers, enhancing the customer experience through high-quality services and market leading products
- Vehicle Solutions: Diverse asset handling and high-quality services to acquire key clients and expand market share. Strengthen sales capabilities and governance by continuing integrated UK-Europe mobility operations
- Business Finance: Expand into new markets by leveraging existing finance capabilities, broaden the product line, and strengthen collaboration with Japanese companies

Our vision is to be one of the most trusted financial services brands in the UK and Europe by delivering innovative solutions and providing outstanding customer experiences.

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Implementing the *Evolution and Layering of Business Models*



(Far left in photo)
Theresa Lindsay
Chief Marketing Officer
Mitsubishi HC Capital UK

(Far right in photo)
Robert Gordon
Chief Executive Officer
Mitsubishi HC Capital UK

Business evolution and stronger market presence driven by customer feedback

MHCUK is advancing customer-driven business model evolution and stronger brand recognition.

- Consumer Finance: Selected as Best Personal Loan Provider for the 12th consecutive year on YourMoney.com, a financial information website that reflects customer ratings
- Vehicle Solutions: Developed “My Novuna Vehicle,” an app for users, based on customer feedback. Awarded UK Leasing Company of the Year as the best leasing company for the sixth time since 2019
- Novuna became the Official Finance Partner of British Athletics, and title partner for the Great Britain & Northern Ireland Athletics and Para Athletics Team from June 2025

Business Strategies (Global Customer Business)

Americas Customer Business Division

North America is a strategically important region with significant market scale and strong growth potential. As capital investment and demand for commercial vehicles remain resilient, we provide a broad range of financing solutions in the United States and Canada, including vendor financing for commercial trucks and construction machinery, as well as asset-based lending, delivering the speed of execution and structuring flexibility required by customers across diverse industries.

2028 MTMP Strategies

Improve the stability of the business foundation through continued portfolio optimization, and improve profitability and customer satisfaction by providing value throughout the entire asset lifecycle

Key strategies

- Build a resilient portfolio capable of withstanding economic cycles and further enhance earnings stability
- Maximize asset value and enhance the customer experience by providing high value-added solutions throughout the asset lifecycle
- Leverage digital capabilities to accelerate and streamline financing processes, improving responsiveness and operational efficiency

Key initiatives

- Lay the foundation for the transformation to a platform business that combines financing and services and supports customers throughout the asset lifecycle
- Focus on lower-volatility markets and asset classes within the transportation sector, with a particular emphasis on private fleets¹
1. Private fleets: trucks and other vehicles owned and operated by shippers themselves
- Expand financing solutions, including asset-based lending and operating leases, to maximize asset value
- Continuously enhance portfolio profitability and quality under a disciplined governance framework
- Advance digitalization to improve responsiveness and operational efficiency

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Brian Rosa

EVP, President, Asset Finance Solutions
Mitsubishi HC Capital America

Business transformation through used-asset trading

Starting in 2026, we will commercialize used-equipment trading and aim to expand our role as a leading asset finance company in North America. Leveraging our expertise in asset value in construction, industrial, and transportation equipment, and other assets, we will offer trade-in services for surplus assets and resale services for off-lease properties, thereby supporting the entire asset lifecycle. In addition, by using more than 70 storage facilities and other sites owned by partner dealers, we will enable the distribution of large volumes of used equipment and access to a wide range of potential buyers.

Business Strategies (Global Customer Business)

Asia & Oceania Customer Business Division

In Asia & Oceania, we operate in five countries: Singapore, Indonesia, Thailand, Malaysia, and Australia. Our business activities are rooted in the local communities of each country, and we provide financial solutions tailored to customer needs as well as sales finance in partnership with vendors.

2028 MTMP Strategies

Aim to create new businesses and improve profitability by capturing growth in Asia & Oceania and combining accelerated organic business growth through sales finance and partner collaboration with inorganic initiatives such as M&A

Key strategies

- Improve the accuracy of credit management through digital technologies and strengthen sales finance businesses in line with the growth of each country
- Create new business opportunities by deepening collaboration with strategic partner companies in each country, including personnel exchanges
- Strengthen service businesses utilizing our own assets
- Expand non-finance businesses

Key initiatives

- Strengthen competitiveness in sales finance through the furthering of digitalization and improved accuracy of credit assessment models, while expanding target areas and customer segments
- Jointly develop profit-sharing solutions with partners to address social issues
- Expand external sales of operating leases with maintenance using automotive workshops and vehicle maintenance services, including EVs
- Create revenue opportunities through consulting businesses, asset lifecycle management, solar PPAs, and other initiatives

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Poon Heng Cheong
Workshop Manager, Auto Servicing Section
Total Vehicle Solutions Department
Mitsubishi HC Capital Asia Pacific

Asset-utilization business supporting stable vehicle operation through the company-owned automotive workshop

At the company-owned facility of Mitsubishi HC Capital Asia Pacific, a Group company in Singapore, qualified mechanics service more than 300 vehicles each month. The facility handles not only the Company's own auto lease vehicles, but also vehicles owned by partners, including major ride-hailing service providers. This is a hands-on business model that goes beyond simply providing vehicles, supporting customers from vehicle provision through to stable operation.

In addition, the company is building up non-finance service revenue by undertaking servicing work for external vehicles, while also exploring new businesses in anticipation of the growing adoption of EVs.

The Asia & Oceania Customer Business Division will further strengthen adjacent businesses that leverage its own assets, going beyond financial services.

Business Strategies (Environment & Energy)




Promoting a decarbonized society in the power sector through our renewable energy businesses

Takafumi Oka
Managing Executive Officer
Head of Environment & Energy Business Division

The Environment & Energy Business Division operates renewable energy businesses with a mission to promote a decarbonized society, one of the Group's key materialities.

Under the 2025 MTMP, we positioned the expansion of renewable energy generation capacity and improvement in profitability as the core of our business strategy and expanded our global power generation capacity to 1.7 GW. In Japan, through initiatives such as battery storage, aggregation,¹ and corporate PPAs,² we expanded our business areas beyond power generation. Overseas, we established a business foundation through our investment in European Energy (EE) in Denmark.

At the same time, profitability declined in certain parts of our portfolio. Together with responding to higher interest rates and prices, we recognize improving profitability as an important management priority.

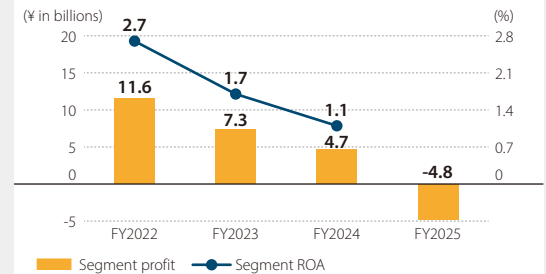
Against this backdrop, under the 2028 MTMP, we will clearly shift our focus from growth in scale to growth in quality and steadily expand business through selective asset acquisition and strategic investments in Japan and overseas. We will also focus on hydrogen and perovskite solar cells, a promising solar cell technology, and undertake initiatives with an eye to future commercialization from the demonstration stage. Through the sustainable value creation of renewable energy businesses, we will contribute to promoting a decarbonized society.

1. A business that manages the supply of electricity generated by power plants and controls the balance between supply and demand by acting as an intermediary with electric power companies.

2. A scheme that enables companies to purchase electricity derived from renewable energy generation facilities from electricity retailers or power producers on a long-term, fixed-price basis.

2025 MTMP Review

Segment profit and ROA trends



Achievements

- In Japan, owned and operated industry-leading renewable energy generation capacity (total output: 1.2 GW), mainly from solar power and onshore wind power
- Made a full-scale start in the battery storage business. The aggregation business for onshore wind power also grew steadily and contributed to revenue growth
- Proactively began demonstration projects and other initiatives in fields with medium- to long-term growth potential, such as hydrogen and perovskite solar cells, and advanced initiatives toward commercialization
- In Europe, executed investment in EE and, through the company, engaged in renewable energy generation business and established a business foundation

Challenges

- Rising regulatory uncertainty driven by energy policy trends
- Impact on business profitability caused by persistently high materials procurement prices, rising labor costs, higher interest rates, and other factors
- Increasing difficulty of development due to a decrease in suitable development sites in Japan, particularly for solar power

Business Strategies (Environment & Energy)

2028 MTMP Strategies

We aim to achieve medium- to long-term growth by expanding business scope in Japan through business investments and other initiatives, and building and strengthening business foundations in Europe and the United States

Key strategies

Japan

- Acquire prime assets and expand into adjacent domains as a “Qualified Long-Term Stable Solar Power Operator”
- Generate earnings through battery storage development and asset turnover

Overseas

- Contribute to the realization of EE’s growth strategy
- Build an earnings base through business investments and other initiatives in Europe and the United States, where market expansion is expected

Key initiatives

Japan

- Continue selective asset acquisition and securing electricity off-takers
- Make steady progress in expanding areas of initiatives, including battery storage, aggregation,³ and FIP transitions,⁴ while improving profitability and maximizing asset value

Overseas

- Support EE’s growth and enhance its corporate value through the Group’s network
- Strengthen businesses through collaboration with partners in Europe and build business foundations in the United States by enhancing our development and asset ownership capabilities

3. Business that manages the supply of electricity generated at power plants and plays a key role in balancing supply and demand by acting as an intermediary between power producers and consumers.

4. Transition from the Feed-in Tariff (FIT) scheme to the Feed-in Premium (FIP) scheme, under which a certain amount of subsidy (premium) is supplemented to the price of renewable electricity sold on the wholesale market.

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(Front row, center)

Keisuke Takai

General Manager, Battery Storage Business Department II
Mitsubishi HC Capital Energy

Promoting the grid-scale battery storage business to contribute to the stable supply of electricity

With the increasing deployment of renewable energy, whose output varies depending on weather conditions, the need for battery storage systems that can stabilize electricity supply is growing. Through the battery storage business, the Group aims to contribute to stable operation of the power grid, expand the deployment of renewable energy, and build a decarbonized society. In 2024, we undertook our first battery storage project, and since then we have been actively promoting business expansion. The expansion of our battery storage business is progressing steadily, as demonstrated most recently by our entry into a comprehensive strategic partnership with Enfinity Japan, the Japanese subsidiary of Enfinity Global.

Business Strategies (Aviation)




Maximizing the lifetime value of aviation assets to drive sustainable growth

Yasuyuki Kusakari
Managing Executive Officer
Head of Aviation Business Division
Chairman of JSA International Holdings, L.P.
Chairman of Engine Lease Finance Corporation

Drawing on our advanced aircraft and engine asset management expertise and the collective strengths of the Group, we provide high-value-added services across the entire asset life cycle, from acquisition and operation through retirement.

Under the 2025 MTMP, we achieved record-high profit and improved profitability through product diversification, stronger collaboration across the Group, and other initiatives.

We also made progress in building a business platform capable of delivering both stable earnings and growth, even amid the significant market volatility that characterizes the aviation industry.

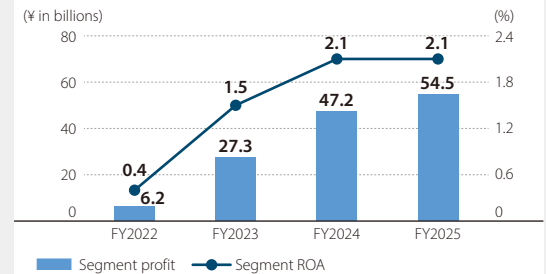
In aircraft leasing, we increased our investment in new-generation aircraft, including a direct order for 50 Airbus aircraft. Together with initiatives to accelerate asset turnover and diversify our product offering, this expanded our customer base and enhanced the quality of our portfolio. In engine leasing, we made a strategic investment in new-generation engines through a direct order for 50 engines from CFM International. We also established a framework for maximizing lifetime engine earnings by making inav, an engine part-out specialist, a wholly owned subsidiary. In Japanese Operating Leases, we established MHC Aviation Services and strengthened our Group-wide service delivery capabilities.

Under the 2028 MTMP, in addition to investing in aircraft and engines, we will further strengthen our ability to address customer challenges through asset management, trading, and other services. In doing so, we will extend the source of our added value beyond asset ownership to active management and asset turnover, while driving further improvements in profitability.

We will also strengthen our ability to respond flexibly and swiftly to changes in the business environment through market-driven portfolio management, disciplined risk management, talent development, and the effective use of digital technologies. At the same time, by advancing initiatives involving fuel-efficient new-generation aircraft, emerging aviation technologies, and decarbonization, we will contribute to addressing societal challenges and enhancing corporate value.

2025 MTMP Review

Segment profit and ROA trends



Achievements

- Expanded our customer base and enhanced portfolio quality through direct orders for new-generation A320neo Family aircraft and accelerated asset turnover
- Established a sustainable growth model through direct orders for new-generation LEAP-1A and LEAP-1B engines, the execution of large-scale transactions, and the insourcing of part-out operations
- Strengthened our Japanese operating lease delivery capabilities and collaboration across the Group through the establishment of MHC Aviation Services

Challenges

- Advance portfolio and risk management to secure stable earnings amid market volatility
- Achieve both sustainable profit growth and higher profitability by leveraging the Group's collective strengths
- Strengthen the specialist talent and digital infrastructure that underpin our global operations

Business Strategies (Aviation)

2028 MTMP Strategies

Achieve sustainable profit growth and higher profitability by accelerating aircraft asset turnover, maximizing lifetime engine earnings, and deepening collaboration across the Group, including in Japanese Operating Leases

Key strategies

- Enhance portfolio profitability by accelerating aircraft asset turnover
- Maximize lifetime engine earnings by combining strategic investment with operational capabilities, including part-out operations
- Deepen collaboration across the Group, including in Japanese Operating Leases
- Drive portfolio transformation through initiatives in emerging aviation technologies and decarbonization
- Strengthen our global business platform through specialist talent development and the effective use of digital technologies

Key initiatives

- Build a portfolio of high-quality assets by diversifying sourcing channels, including direct orders from aircraft manufacturers, and expanding our customer base; accelerate asset turnover through joint ventures with institutional investors and other structures; and grow fee-based earnings through asset management in collaboration with partners
- Proactively invest for growth in new-generation engines and further develop our model for maximizing lifetime earnings from acquisition through retirement and part-out
- Strengthen Group-wide cross-selling of Japanese operating lease products, broaden the investor base, and diversify our product offering
- Develop high-value-added products in emerging aviation technologies and decarbonization, and make strategic investments that enhance our ability to solve customers' challenges
- Improve operational efficiency and decision-making by developing global talent and enhancing our data management platform

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Sean Murdough
Vice President - Engine Products
inav

Avril Comerford
Chief Financial Officer
elfc

Maximizing the lifetime value of aircraft engines through collaboration between elfc and inav

At Engine Lease Finance (elfc), we are continually strengthening collaboration with inav, our Group company specializing in engine part-out. By working together as one Group across the entire engine life cycle, from acquisition through retirement and part-out, we maximize lifetime earnings.

On the commercial front, we develop sophisticated solutions that combine engine leasing and part-out capabilities. We also collaborate with aircraft lessor Jackson Square Aviation (JSA) to originate transactions that harness the Group's collective strengths.

We will continue to deepen collaboration, enhance the profitability of our aviation business, and strengthen collaboration across the Group. Through the continued growth of this business, we will contribute to enhancing the corporate value of the Group.

Business Strategies (Logistics)



Contributing to the realization of sustainable social infrastructure by supporting the global movement and transportation of people and goods

Toshiaki Maekawa

Managing Executive Officer
Head of Logistics Business Division
Chairman of CAI International, Inc.
Chairman of PNW Railcars, LLC.

In FY2026, we integrated the logistics business and the mobility business and made a new start as the Logistics Business Division. We handle marine containers, railcars, and automobiles, which are important infrastructure assets that support people's lives and economic growth, and offer services that meet diverse needs.

In our core marine container leasing business, we have more than 300 depots¹ across 48 countries and provide containers according to customer needs through our global marketing network. We also efficiently manage approximately four million TEUs² of containers by utilizing digital technology, continuously enhancing our competitiveness.

In our railcar leasing business, we own and manage more than 20,000 railcars in North America. Through investments in a diversified range of car types and the sale of railcars reaching replacement age, we constantly optimize our portfolio to meet customer needs.

In the mobility business, we manage approximately 350,000 vehicles in Japan and ASEAN and provide fleet management services that support customers in using and managing their vehicles. We will also continue to evolve our services in line with changing customer needs, including the shift from ownership to use.

Through these business activities, even amid changes in the operating environment caused by geopolitical factors, we will leverage the knowledge we have cultivated as a leading industry player to achieve both business stability and improved profitability while appropriately managing risks.

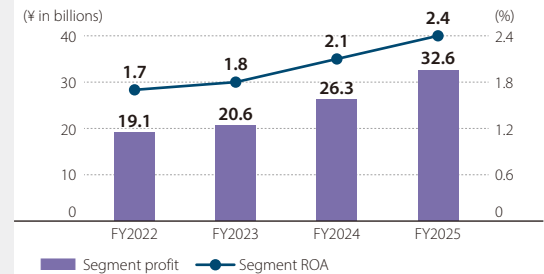
1. Logistics sites where containers are returned, stored, repaired, cleaned, and re-leased.

2. TEU: Twenty-foot equivalent unit. A capacity unit equivalent to a 20-foot dry container.

3. In line with the reorganization effective April 1, 2026, the Mobility segment was integrated into the Logistics segment in FY2026. For past results from FY2022 to FY2025, segment profit and segment assets for the two segments are combined, and segment ROA has been recalculated and presented accordingly.

2025 MTMP Review

Segment profit and ROA trends* 3



Achievements

- **Marine container leasing business** Captured changes in demand driven by the developments in the Middle East, U.S. tariff measures, and other factors, and built a portfolio of assets expected to generate attractive long-term returns through new investments / Maintained a high utilization rate through lease extensions, remarketing of returned containers, and repositioning containers to demand areas
- **Railcar leasing business** Optimized the portfolio through a conversion program for certain car types and other measures / Replaced owned assets by purchasing new railcars and selling used railcars
- **Mobility business** Expanded the number of vehicles under management through sales collaboration within the Group and with shareholders

Challenges

- **Marine container leasing business** Continuing to promote and further enhance operational efficiency and sophistication through the use of digital technology, including AI
- **Marine container leasing business** Continuing initiatives to expand sales of containers for land-based applications and further expanding the customer base and sales regions
- **Mobility business** Building a business foundation that is less susceptible to trends in technology adoption and the pace of technological advancement by taking a global view of the industry, in order to expand the customer base and achieve stable growth in earnings

Business Strategies (Logistics)

2028 MTMP Strategies

Establish a position as a major player not only in the logistics business (marine containers and railcars) but also in the mobility business
Utilizing insights available only to leading industry players, create value for customers by leveraging the Group's collective strengths.

Key strategies

- **Marine container leasing business**
Further reinforce our business base by enhancing leasing and container trading functions and through digital utilization, among other measures, leveraging our industry-leading position
- **Railcar leasing business**
Improve profitability in terms of both income and capital gains by promoting an asset-turnover model through the sale of some owned assets reaching replacement age and new investments
- **Mobility business**
Expand the number of vehicles under management in Japan and overseas by utilizing the Group's customer base and collaborating with shareholders and partner companies, and extend into related services

Key initiatives

- **Marine container leasing business**
Uncertainty in the marketing environment is increasing due to geopolitical risks and changes in policies in each country. By carefully assessing market trends, execute new investments while focusing on maintaining high utilization rates, thereby improving profitability
- **Railcar leasing business**
Strengthen the portfolio by making investments with a view to medium- to long-term demand while diversifying railcar types and customer composition
- **Mobility business**
Taking into account the characteristics of Japan and each ASEAN country, achieve objectives including maximizing earnings through initiatives such as improving the efficiency of sales and vehicle management through collaboration with partner companies and diversifying methods for selling off-lease vehicles

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Man Lau
Director, Inventory & Operations for Asia Region
CAI International

One-way leasing to enhance profitability in the marine container leasing business

One-way leasing is a method under which short-term leases are provided to customers with one-way transportation needs, reallocating containers from regions with excess supply to areas of demand.

This approach enhances asset utilization and profitability while reducing repositioning and storage costs.

We position one-way leasing as one of our key strategies to secure stable earnings amid market volatility, enabling the diversification of revenue streams while simultaneously strengthening our earnings base and improving supply chain flexibility for customers.

Business Strategies (Real Estate)



Maximizing real estate value through the advancement of the integrated three-business model and growing with society

Katsuji Okamoto

Managing Executive Officer
Head of Real Estate Business Division

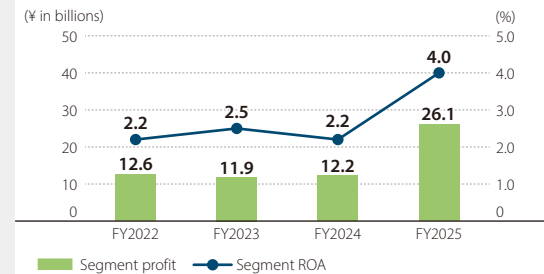
The mission of the Real Estate Business Division is to address both environmental and social issues and to create economic value by maximizing the potential value of real estate as social infrastructure. Starting from Our Vision and the materiality of the Group, we aim to respond to social demands such as the realization of a decarbonized society and the advancement of sustainable urban and logistics infrastructure through our unique business model that provides financing, investment, and asset management in an integrated manner.

During the 2025 MTMP period, we revised our business portfolio through the sale of subsidiaries and M&A in order to rebuild our business foundation for future growth, while improving profitability and enhancing development and operational capabilities. We also clarified the direction of our business from non-financial perspectives, including by expanding ESG-focused investments and financing, and established a solid foundation for the next phase of growth.

During the 2028 MTMP period, through further advancement of our three existing businesses, we will aim to both steadily increase income gain and capture capital gains. In addition, through initiatives in high-growth asset classes such as data centers and adjacent fields including operation and management, we will strengthen earning power by creating new added value. While accurately capturing changes in the business environment, we will work to realize a real estate business that grows sustainably together with society.

2025 MTMP Review

Segment profit and ROA trends



Achievements

- Improved profitability (returns) by revising the business portfolio through the sale of subsidiaries and M&A, while strengthening real estate development, revitalization investment, asset management, and financing functions
- Shifted to an operating structure that generates greater synergy between the financing business and investment business through organizational changes within the Real Estate Business Division
- Steadily advanced non-financial initiatives, such as promoting a decarbonized society, by expanding ESG-focused investments and financing

Challenges

- Strengthening and expanding product development and asset management capabilities to expand the asset management business
- Expanding investments and financing in growth assets such as data centers and strengthening value creation capabilities in operation and management fields
- Establishing a business structure with sustainable growth and resilience, taking into account medium- to long-term changes in the business environment

Business Strategies (Real Estate)

2028 MTMP Strategies

Improve both profitability and earnings by further refining our unique business model that provides financing, investment, and asset management in an integrated manner from the perspective of creating social value

Key strategies

- Continue to steadily accumulate financing and investment mainly in domestic real estate, and strengthen initiatives in assets with high market growth potential
- Expand business opportunities through collaboration with external partners and further enhance real estate value by providing automation and facility operation services, among other offerings
- Aim to build a more stable earnings structure through a combination of financing and income-producing investments¹
- Expand AUM² in the asset management business by utilizing third-party capital, and secure stable fee income by forming and managing specialized funds that establish a value chain within the Group

¹ Excluding certain revitalization investments expected to involve a temporary non-operating period, such as projects involving large-scale renovation work.

² Under the 2028 MTMP, we aim to expand AUM (assets under management) to approximately ¥650.0 billion in FY2028 (up ¥307.0 billion compared with FY2025).

Key initiatives

- Expand investments and financing in industrial real estate (logistics facilities, R&D facilities, data centers, factories, etc.) against the backdrop of corporate needs for off-balance sheet treatment and market growth, while improving profitability by providing facility operation services
- Expand financing and income-gain-type investments in multiple asset types, including offices, hotels, residences, and retail properties, with an awareness of the portfolio mix
- Expand AUM through the private REIT business of Mitsubishi HC Capital Realty Investment Advisors and by promoting private fund initiatives tailored to investor needs
- Advance CenterPoint Development's in-house development of logistics facilities and form and manage specialized funds as an exit strategy

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Nobunaga Akao

Deputy General Manager

Hotel Investment Department, Real Estate Strategy Business Headquarters
Mitsubishi HC Capital Realty Inc.

Maximizing real estate value through a change in the operating model and the introduction of an international brand

In April 2026, Hilton Garden Inn Yokohama Minatomirai opened on the waterfront of Yokohama Port. As part of our hotel real estate investment strategy, this project switched to a management contract model³ operated under an international brand and rebranded the property, thereby advancing the enhancement of asset value. During the approximately two-year preparation period, we overcame challenges including establishing the operating structure, negotiating the contract with Hilton, arranging financing, and supervising construction before reaching the opening. Through this project, we will attract customers from Japan and overseas and help further enhance the urban value of Yokohama.

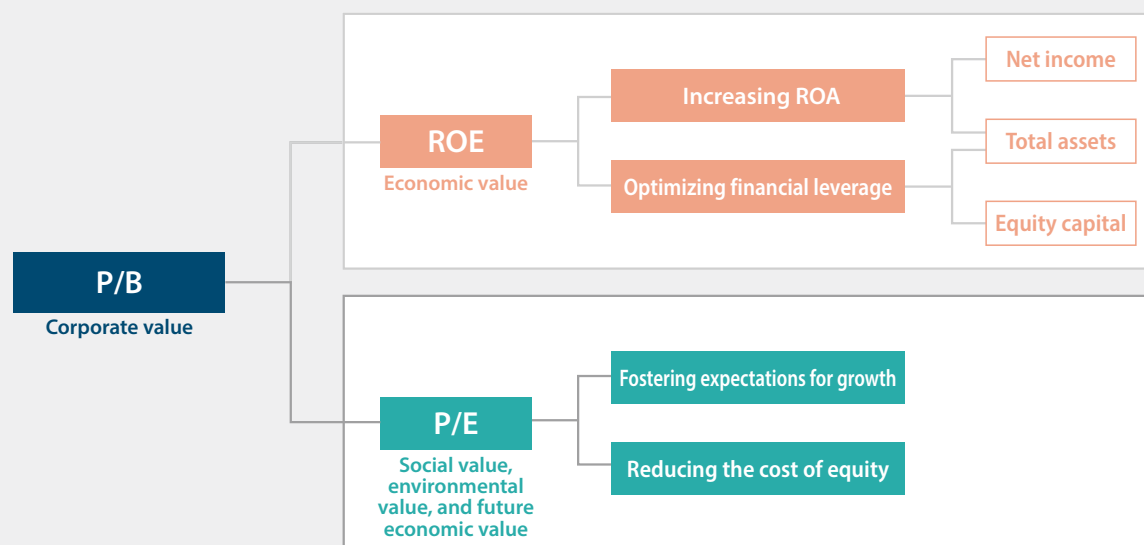
³ Management contract model: Unlike a lease arrangement, in which rent is received from the tenant, this is a model in which the owner itself acts as the business operator, entrusts operations to a specialist operator, and directly receives the earnings generated by the hotel business. Also known as an MC model.

Section

4

Foundation Supporting Value Creation

For the Group to continue creating value sustainably, a robust management foundation and relationships of trust with society are essential. This section introduces initiatives to realize a circular economy, address climate change and natural capital preservation, and uphold human rights, as well as our approach to integrity-based, transparent management.



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Realizing a Circular Economy

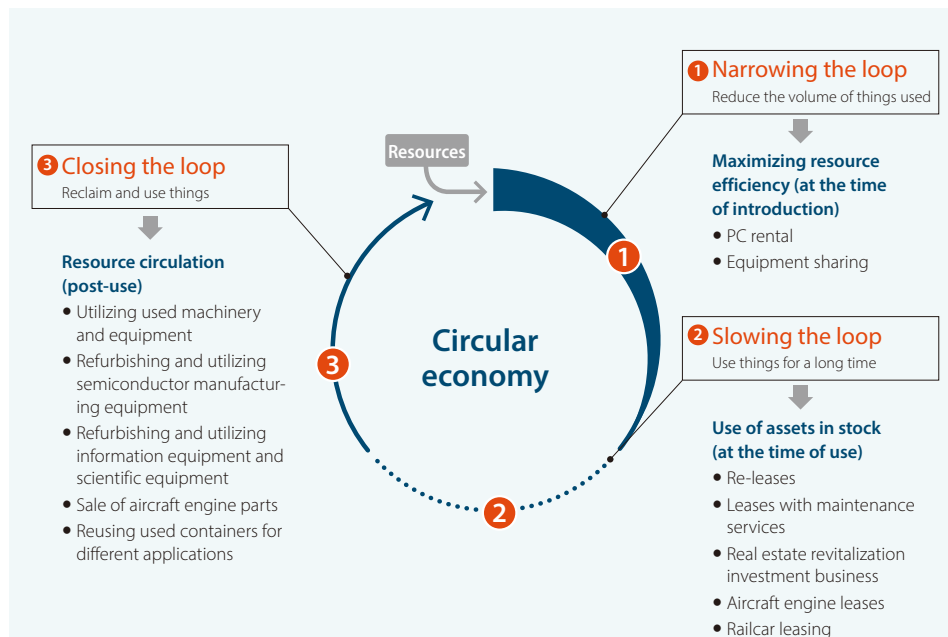
Our Group has set “Realizing a Circular Economy” as a material issue. We are working on this challenge as one of the specific approaches to Our Mission, “creating social value through maximizing the potential of assets.”

Circular economy at our Group

Our Group contributes to the realization of a circular economy through a variety of businesses.

The leasing business, our founding business, is aligned with a circular economy due to the nature of its business model, in which assets are returned after use, and our Group has a variety of solutions that maximize the value of the facilities and equipment covered by our contracts.

As shown in the diagram below, our Group's businesses are linked to various factors for realizing a circular economy.



References: Tasaki, Tomohiro (2024). “Transformation and information dissemination towards the realization of a circular economy.” *Ad Studies*, Vol.87, 2024.

Bocken, N.M.P., de Pauw, I., Bakker, C., van Der Grinten, B (2016). “Product design and business model strategies for a circular economy.” *Journal of Industrial and Production Engineering*, 33(5): 308–320

Our Group's strengths

Our efforts toward realizing a circular economy help our stakeholders in overcoming their challenges. In addition to our extensive network with customers and partners, our Group has specialized knowledge of assets and industries as well as digital technology including IoT and data utilization. Our strength lies in our ability to combine these capabilities to address stakeholder challenges.

By leveraging these strengths, we are working to enhance value for asset users and maximize the lifetime value of the assets themselves.

In the circular economy (CE) commerce businesses defined by the Ministry of Economy, Trade and Industry, three approaches are specified: (1) increasing the utilization rate of goods, (2) extending the period of use of goods, and (3) extending the service life of goods. These approaches overlap with domains where our Group can demonstrate its strengths.

As an example of these initiatives, the CE Commerce Case Studies published by Circular Partners, an industry-government-academia partnership for a circular economy, features our Group's solutions based on the semiconductor manufacturing equipment lifecycle.

[Web](#) For details on CE Commerce Case Studies, please visit our website. (Japanese only)

Column

Mitsubishi HC Capital and Solaris launch a subscription service for preventive maintenance of infrastructure

We have launched a subscription service for preventive maintenance of infrastructure* using an earthworm-shaped in-pipe crawling robot. The service provides equipment rental, maintenance services, and initial implementation support in a single package.

Among the approaches of CE commerce businesses, this initiative contributes to increasing the utilization rate of goods. By providing the necessary functions in an optimal form, the service helps reduce downtime at customers' production sites and extends the service life of their equipment.

*Taking measures such as repairs before defects occur in the functionality or performance of facilities.



[Web](#) For details on realizing a circular economy, please refer to the ESG Data Book.

Climate Change and Natural Capital

Climate change and natural capital, including biodiversity, are important themes that may have medium- to long-term impacts on business activities and the sustainability of society and the economy. The Group has expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is advancing initiatives to reduce greenhouse gas emissions. The Group also analyzes its relationship with natural capital with reference to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and will strive to create environmental and social value through its business activities.



Governance

The Group has established the Sustainability Committee as one of the advisory bodies to the Executive Committee. The committee deliberates on key challenges related to sustainability and reports the results to the Executive Committee and the Board of Directors. In addition, the Group identified its materiality, including “Promoting a Decarbonized Society” and “Realizing a Circular Economy”, which are related to climate change and natural capital, through deliberations at the Sustainability Committee and the Executive Committee and by resolution of the Board of Directors. We will continue to enhance governance toward addressing these challenges.

Risk management

The Group has established processes to appropriately identify, assess, and manage environmental and social risks and negative impacts. By conducting its business responsibly, the Group seeks not only to avoid or mitigate adverse environmental and social risks, but also to contribute to the achievement of the Sustainable Development Goals (SDGs) and the goals of the Paris Agreement.

To appropriately manage these risks, the Group has established the Guidelines for Transactions with a Potential Negative Impact on the Environment and Society and related procedures and applies them appropriately in line with its policies when considering individual transactions.

Transition risks arising from tighter laws and regulations, policy changes, technological innovation, and other developments associated with the transition to a decarbonized society, as well as physical risks such as increasingly severe extreme weather and natural disasters due to the effects of global warming, may affect the Group's operating results and financial position through impacts on the economy, including deterioration in customers' business performance and financial position and declines in the value of assets owned by the Group.

The Group recognizes climate change risk as one of the critical risks in Group-wide risk management, and is developing a framework to identify, assess, and manage this risk within its existing integrated risk management framework and reflect it in business strategies and other areas as necessary. The Group also regards the transition to a decarbonized society as a business opportunity and will contribute to addressing social issues.



Climate Change and Natural Capital

Strategies

Strategy related to climate change

The Group conducts scenario analysis on transition risks and physical risks to understand the risks and opportunities that future climate change could have for its business. By taking short-term to long-term measures, the Group works to minimize risks and maximize opportunities related to climate change.

Transition Plan toward the Realization of a Carbon-neutral Society

To further enhance the effectiveness of promoting a decarbonized society, the Group has compiled its Scope 1 and 2 initiatives and progress, as well as the process for achieving its interim Scope 3 target and formulated the Transition Plan toward the Realization of a Carbon-neutral Society. In the transition plan, priority is given to assets and businesses that emit large amounts of greenhouse gases when setting targets. Through these initiatives and their enhancement, the Group will work to realize a carbon-neutral society by 2050, including across the supply chain.

Strategy related to natural capital

The Group operates diverse businesses, and its business activities are directly and indirectly related to natural capital, including land use, energy resources, and surrounding ecosystems.

With reference to the LEAP approach¹ advocated by the TNFD, the Group conducts assessments and analyses of dependencies and impacts by selecting priority sectors considered to have significant relationships with nature and identifies nature-related risks and opportunities that it regards as important.

Going forward, based on the results of these analyses, the Group will promote measures to reduce the identified risks and measures to realize opportunities.

1. A nature-related risk and opportunity analysis process presented by the TNFD, consisting of *Locate, Evaluate, Assess, and Prepare*.

Metrics and targets

The Group recognizes the realization of a decarbonized society as an urgent issue, and sets targets based on the ideal state of the Group defined based on Our FY2031 Vision and other factors, as well as through analyses of its relationship with natural capital, which began in FY2025.

The Group's metrics include greenhouse gas emissions and the percentage of new-generation aircraft in the aircraft portfolio, as well as metrics based on the relationship with climate change and natural capital, such as the percentage of green buildings in the real estate portfolio and the reuse/recycling rate of off-lease properties.

	FY2025 (results)	Medium term (to FY2028)	Long term (to FY2050)
GHG emissions (Scope 1, 2)	-71.8% vs. FY2019	-67% vs. FY2019	Net zero
Percentage of new-generation aircraft in the aircraft portfolio ³	78.9% ²	82%	—
Percentage of green buildings in the real estate portfolio ³	62%	61%	—
Reuse/Recycling rate of off-lease properties	96.0%	97.5%	—

2. Actual figure assured by a third party.

3. As assets turnover continuously in this business, we seek to raise the percentage over the medium to long term while allowing for fluctuations.

Web For details on information disclosure based on the TCFD and TNFD recommendations, please refer to the following.

• [TCFD recommendations: ESG Data Book](#)

• [TNFD recommendations: Natural Capital and Biodiversity Initiatives](#)

Human Rights

The Group regards upholding human rights as one of its key management challenges and has established the Human Rights Policy as part of its efforts to fulfill its responsibilities in all business activities. We respect and support international norms concerning human rights, labor, the environment, and anti-corruption, and strive to uphold the human rights of all stakeholders. In addition, we will respond sincerely and appropriately to human rights risks related to our business and meet the expectations placed on us as a global company.

Human rights due diligence

Our Group launched a Company-wide “Human Rights Project” in FY2022 and began implementing human rights due diligence for the Company on a non-consolidated basis in FY2023. Subsequently, we expanded the scope of these initiatives in stages and completed their introduction at Group companies in Japan and overseas in FY2025.

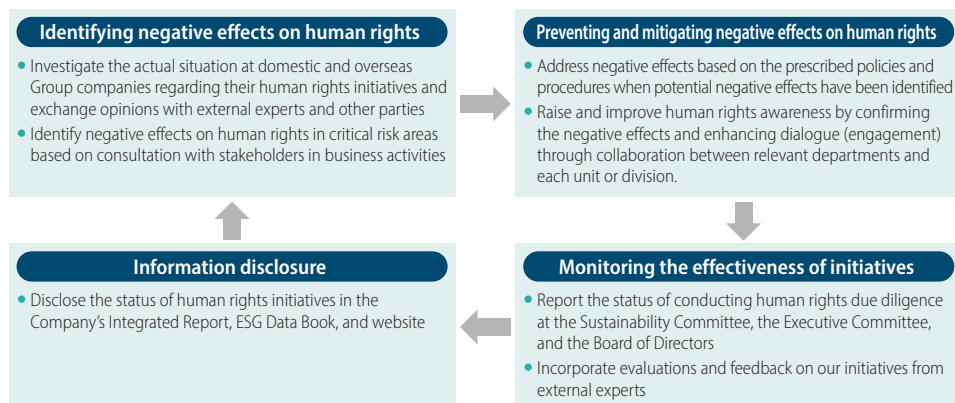
Through human rights due diligence, we implement the following two activities.

- 1 Screening business partners based on information regarding concerns about human rights risks
- 2 Engagement with business partners to mitigate human rights risks

These initiatives are implemented as part of the day-to-day consideration of individual transactions, both when starting transactions and each time a decision is made on whether to continue transactions.

Going forward, we will continue to prevent and mitigate human rights risks through screening and engagement with business partners, while further promoting awareness of human rights.

Processes of conducting human rights due diligence



Human rights consultation and grievance mechanism

Our Company receives consultations concerning human rights from employees, including those of Group companies, through the Harassment Helpline, an internal whistleblowing system. For consultations, inquiries, and other communications related to human rights from all stakeholders outside the Company, we have in place a multilingual human rights reporting hotline provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). In FY2025, we received three complaints. In coordination with relevant departments, we investigated the facts, discussed responses, and communicated with the parties involved.

Both hotlines give due consideration to protecting whistleblowers, and anonymous reports are also accepted.

[Web](#) [Web: JaCER's Reporting Form \(external website\)](#)

*This hotline gives due consideration to the protection of whistleblowers and accepts anonymous reports.

Human rights training and awareness

Every year, in addition to conducting e-learning courses on the basics of human rights and compliance for all employees, the Company conducts integrity training for managers, in which participants discuss harassment cases. In FY2025, we also conducted, for the first time, a compliance awareness survey for all employees and sustainability training for new employees that included content on respect for human rights.



Program		No. of participants, etc.	No. of courses/sessions, etc.
e-learning	Basics of human rights, compliance, etc.	Approx. 26,400 participants in total	10 courses
Group training	Training by organizational level, diversity-related training, etc.	491 participants in total	15 sessions
Awareness activities	Solicitation and recognition of human rights slogans	No. of applicants: 205	No. of award recipients: 48
	Publication of two Company-wide web magazines	—	16 issues

[Web](#) [For details on our human rights initiatives, please visit our website.](#)

Compliance

The Group recognizes that the trust and confidence of its customers and society form the foundation of its existence, and places great importance on conducting business activities based on a strong sense of mission and high ethical standards. From this perspective, the Group has established the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct and compliance-related policies, as basic principles for sharing its fundamental values and ethical standards and putting them into practice in day-to-day operations.

Mitsubishi HC Capital Group Code of Ethics and Code of Conduct

Human Rights Policy

Principles for Compliance
with Competition LawsBasic Policy on Anti-social
ElementsPrinciples for Money-Laundering
PreventionPersonal Information Protection
PolicyPrinciples for National
Security Export ControlPrinciples for Prevention of
Bribery and Corruption

Compliance management framework

In the Group, under the leadership of the chief compliance officer (CCO), who has overall responsibility for the compliance management framework, the Legal & Compliance Department plays a central role in planning and operating the compliance management framework. Based on the Code of Ethics and Code of Conduct and various policies, the department provides guidance and supervision to each division and Group company and takes corrective actions in response to violations.

The Group has also established and operates a whistleblowing system through which executives, employees, and others can report or seek consultation on wrongdoings, harassment, and other forms of misconduct. Through this system, the Group works to prevent compliance violations and promote self-correction and improvement. If a compliance violation occurs, our basic response policy is to ensure prompt reporting to top management, fulfillment of social responsibility, prevention of further harm, and thorough prevention of recurrence.

Compliance efforts

We promote adherence to the Code of Ethics and Code of Conduct by preparing a compliance manual that provides concrete explanations of their content and by making it available and known to all Group executives and employees so they can refer to it at any time.

The Group also conducts training to embed integrity (maintaining the highest standards of ethics and constantly returning to the basics), which is our action principle, and annually provides education on and measures levels of understanding regarding various business laws under which the Group is registered or licensed, as well as key compliance priorities. In addition, through periodic monitoring using awareness surveys and self-checks, we work to ensure that these matters are fully understood and adhered to.

Exclusion of anti-social elements and strengthening global financial crime countermeasures

The Group is implementing global financial crime countermeasures, including the exclusion of anti-social elements, prevention of money laundering and terrorist financing, and compliance with economic sanctions.

Furthermore, taking into account changes in the global environment and regulatory trends, the Group is enhancing its customer due diligence (CDD) and customer management framework and utilizing digital technology such as eKYC¹ in line with financial crime risks.

1. eKYC stands for "electronic Know Your Customer" and refers to a mechanism that completes identity verification electronically.

TOPICS

Integrity initiatives in our Group

To promote behavior grounded in integrity, the Group continuously implements integrity initiatives that encourage officers and employees to reflect on questions such as: "What is integrity?", "How can it be practiced?", and "What actions have I taken to demonstrate integrity?" Through training programs and dialogue, these initiatives help employees view integrity as a personal responsibility and foster proactive behavior based on high ethical standards.



Message from the Chairman of the Board



Takahiro Yanai
Director, Chairman

Enhancing Board effectiveness from both “offense” (growth) and “defense” (oversight) perspectives toward realizing Our FY2031 Vision

For the Board of Directors to fulfill its role effectively

For the Board of Directors (hereinafter the “Board”) to fulfill its role in enhancing the corporate value of the Group, it is important that the executive team provide the Board with necessary input in a timely and appropriate manner and that discussions at Board meetings be free and open. Regarding the former, I draw on my past experience leading business execution as CEO to stay alert to matters the Board should be aware of and matters that warrant thorough discussion, and I request the executive team to take necessary actions as appropriate. Regarding the latter, I strive to run meetings in an open manner so that outside directors can fully leverage their expertise—streamlining where possible while securing sufficient time to deliberate the agenda items that call for deeper discussion.

I also make it a priority to continually enhance Board effectiveness by incorporating the opinions received from each director at every Board meeting and through the annual Board effectiveness evaluation. In this evaluation, we conduct a survey of all directors. This fiscal year, to conduct a more multifaceted evaluation, we also carried out individual interviews with outside directors, as well as separate discussions involving the CEO, myself, and each outside director. By steadily reflecting the opinions and proposals received from each director to date, the Company’s governance has

evolved year by year. Matters requiring revisions to rules and other internal regulations, such as reviewing the criteria for matters to be submitted to the Board, were addressed by the end of the previous fiscal year. Building on these efforts, we have received new opinions for further improving Board operations, and we will therefore continue to address each of these matters carefully and continuously to enhance Board effectiveness.

Looking back on FY2025

The most important theme in FY2025 was the formulation of the new medium-term management plan (the 2028 MTMP). Based on opinions received through the previous fiscal year’s effectiveness evaluation and at Board meetings, we aligned with the executive team in advance on the schedule for discussions throughout the year. At the beginning of the fiscal year, we conducted an assessment of the Company’s current situation, including analyses of the internal and external environment and capital market perspectives, as well as the direction of the business portfolio in light of those analyses. Subsequently, during the summer, we discussed the overall picture of the 2028 MTMP, including measures to improve ROE with a view to enhancing corporate value over the medium to long term. From the end of the year, discussions expanded to include more specific matters, leading to formal approval this April. At Board meetings, directors actively expressed views on proposals presented by the executive team, and I believe we were able to discuss them so thoroughly that the originally planned timing of formal approval had to be postponed.

During this period, when deliberating on individual matters, we also held meaningful discussions from the perspective of “defense” (oversight) aimed at enhancing corporate value, such as by utilizing insights gained from follow-ups on matters that presented challenges in subsequent decision-making.

Priority themes for FY2026

This fiscal year is the first year of the 2028 MTMP. At Board meetings, we will proactively monitor our progress, primarily in relation to the four key elements of the 2028 MTMP, and support steady implementation of the plan. In addition, likely from the second half of the fiscal year onward, taking into account opinions received through the effectiveness evaluation, I would like to begin discussions on a new long-term vision for the next decade, looking beyond the 2028 MTMP.

Going forward, the Board will continue to fully exercise its functions from both the “offense” (growth) and “defense” (oversight) perspectives to meet the expectations of shareholders, investors, and other stakeholders.

Roundtable Discussion Among Independent Outside Directors

The role of the Board in supporting the Group's challenges toward realizing Our FY2031 Vision



How do you evaluate the process and discussions involved in formulating the 2028 MTMP?

Kawamura I realized that formulating the 2028 MTMP, which marks the transition from *hop* to *step* toward realizing Our FY2031 Vision, was a highly challenging initiative that required a

transformation in employees' mindsets. The Board held numerous rounds of discussion, and through that process, I believe the Company as a whole was able to establish a shared understanding across the Company—not only of the direction in which we should transform the Company going forward, including revisions to our numerical targets and executive compensation, but also of the concrete measures to realize that transformation.

Saito I believe the most important message of the 2028 MTMP is that we have shifted our management focus from

asset-driven growth to capital efficiency and profitability. It is highly significant that ROE has been positioned as the top priority KPI and that profit, capital efficiency, shareholder returns, and even the executive compensation system have been organized into an integrated framework.

Since we fell short of the 10% ROE target under the 2025 MTMP, I believe quite a few shareholders and investors may be skeptical about whether we can achieve it. That is precisely why, under the 2028 MTMP, it is important to clearly present our business portfolio

Roundtable Discussion Among Independent Outside Directors

transformation—what we will grow and what we will reassess—and to set out effective actions to deliver on our ROE target.

Nakata The 2028 MTMP is a coherent plan in which the top priority KPI—a 10% ROE—is aligned with other numerical targets and measures. The key point is that it combines a top-down ROE target with a bottom-up approach built on improvements and initiatives across each business. I see this dual approach to enhancing corporate value as both a defining feature and a strength of the 2028 MTMP. During the formulation process, repeated careful discussions with the executive team helped deepen my understanding of the overall picture, including the thinking behind how the plan was structured. Looking ahead, however, I feel there is still room to present the relationship between the 2028 MTMP and Our FY2031 Vision more clearly.



Kaneko I find the 2028 MTMP highly convincing overall. We receive detailed updates on the status of businesses and front-line operations on a regular basis, and from that perspective, I feel the plan appropriately reflects our current challenges. At Board meetings, we were able to spend adequate time on careful discussion. In particular, the *evolution and layering of business models* is an ongoing initiative carried over from the 2025 MTMP. Its significance lies in adding the perspectives of *create*

and *close the loop* to the existing perspective of *use*. It is also important that business portfolio restructuring has been presented clearly in numerical terms. The next challenge is how to instill an understanding of the 2028 MTMP in each employee and how to communicate them to stakeholders. Employees need to take ownership of it. It will also be necessary to monitor progress and make adjustments in response to changes in the environment and other factors.

Kawamura For the 2028 MTMP, the key challenge ultimately comes down to our ability to execute it as intended. The pace of change in the external environment is faster than expected, and there will inevitably be times when things do not exactly proceed as planned. When that happens, the ability to make necessary course corrections quickly will be extremely important. Therefore, at Board meetings, we will appropriately monitor the progress of the 2028 MTMP and changes in the external environment and support the Company in ensuring the steady achievement of the 2028 MTMP targets.

Please share your views on discussions surrounding management with a focus on the cost of capital, stock price, and P/B ratio.

Kawamura With regard to our stock price and P/B ratio, I believe it is important to focus not on short-term increases through measures such as share buybacks, but on fundamentally enhancing our corporate value through the initiatives under the 2028 MTMP, including business portfolio restructuring, and thereby improving how the market values the Company as a result.

Kaneko We always discuss matters with the cost of capital, stock price, and corporate value enhancement in mind. This applies not only to discussions on the medium-term management plan but also on other issues. For companies with very high equity ratios, share buybacks may be a rational option in some cases. In our case, however, I believe it is appropriate to enhance corporate value through business portfolio restructuring while maintaining financial soundness, and I do not believe this is the right time for share buybacks. As an outside director, I would like to continue these discussions with a strong focus on maximizing value for all shareholders, including minority shareholders.



Saito It is important to clearly show investors our thoughts on the balance between growth potential, return on capital, and financial soundness, as well as capital allocation. On that basis, continuing to present our strategy for what we will strengthen and reassess, along with KPIs, will help build trust. We also need to instill this thinking in employees and use it to enhance their motivation.

Nakata Each employee plays a key role in achieving our numerical targets. Therefore, I believe it is extremely important to raise employee engagement in order to enhance corporate value. I also feel that the Company approaches various initiatives with diligence and care. I think it would be even better if that attitude could be communicated more effectively externally.

Roundtable Discussion Among Independent Outside Directors

The Company revised its executive compensation system as part of the evaluation framework supporting the strategies of the 2028 MTMP.

Saito The executive compensation system should not be set on an ad hoc basis; it should be strategically designed as a mechanism to support improved profitability. It should also be linked to employee compensation and motivation and help create a sense of unity across the Company toward value creation. Going forward, I believe the level of compensation, taking global standards into account, will be an important theme for discussion.

Nakata When considering executive compensation, it is necessary to take into account both the theoretical aspect of alignment with strategies and compensation levels in external markets. From that perspective, this revision is consistent with Our Mission and targets, and I believe it was an appropriate revision. However, this is not the goal, so I believe ongoing monitoring and review will remain important.

Kaneko I also believe it is important for the executive compensation system to be aligned with Our Mission and the 2028 MTMP, and to contribute to securing high-caliber talent and enhancing medium- to long-term motivation. I view this revision as appropriate because it is designed to align with the 2028 MTMP and management strategies, including raising the variable compensation ratio, emphasizing efficiency indicators, and introducing non-financial targets. Going forward, optimizing compensation and talent allocation across Group companies, including those overseas, will be a key challenge.

Kawamura I believe it was appropriate to revise the compensation system in conjunction with the formulation of the 2028

MTMP. In particular, incorporating employee engagement metrics made the design better balanced. What is important is to continue monitoring how these changes to the compensation system affect executives' and directors' behavior and organizational performance. Also, while there are differences in the compensation approach at overseas subsidiaries, finding a way to better align compensation systems across the Group will be a key challenge going forward as we move toward implementation.

Please share your views on how the Board should function and on its effectiveness evaluation.

Kaneko Regarding the Board's effectiveness evaluation, I feel that responses to identified challenges are steadily progressing and that the PDCA cycle is functioning well. In that sense, I consider the current internal evaluation process appropriate. Because business characteristics and the way boards should operate differ from company to company, evaluations should be conducted with an understanding of those differences. From that perspective, I do not currently see much need to engage an external evaluator.

Nakata As an independent outside director, I am provided with ample opportunities to express my views, and the Company takes those views seriously and translates them into concrete improvements. Taking these points into account, I feel that the current effectiveness evaluation is functioning appropriately.

In my own role as chairperson of the Compensation Committee, I also felt that the discussions were not conducted

with predetermined conclusions; rather, the discussions themselves were clearly linked to decision-making. I also felt that the executive team responded very thoughtfully to each of our views as directors. I believe the steady accumulation of these efforts is helping enhance the effectiveness of the Board.

Saito I share the same view on the methods and processes for effectiveness evaluation. I believe that the atmosphere for discussion is important for making a board highly effective, and the Board is able to hold very open and candid discussions. For that same reason, I believe its effectiveness is sufficiently ensured. Accordingly, I also do not feel the need to engage an external evaluator at present.



Kawamura I recognized that the PDCA cycle is functioning appropriately and that autonomous improvement is being achieved. At present, I believe there is limited need to engage an external evaluator, and the additional benefits of doing so would also be limited. Regarding discussions at Board meetings, I also recognize that, with each member bringing different skills and expertise, diverse perspectives are appropriately reflected, and constructive discussions take place in a way that draws on each member's strengths. Appointing outside directors as committee chairpersons can provide an opportunity to add new perspectives to conventional assumptions in both the way

Roundtable Discussion Among Independent Outside Directors

discussions are conducted and the preparation stage. I believe the continued accumulation of these perspectives will further enhance the quality of discussions at Board meetings.

Nakata Based on the skill matrix, the Board comprises members with diverse expertise, and I feel that we are able to communicate with one another while taking each other's backgrounds into account. As a result, my impression is that discussions are substantive rather than formal.

Kaneko I feel that the current Board has a well-balanced composition in terms of expertise and other qualities. Non-independent outside director also possesses strong qualifications, as well as extensive experience and expertise in investment, management, and overseas business, and I believe his comments contribute to enhancing the Company's corporate value. In addition, the network and insights of the Mitsubishi Group are useful for the Company's growth and also serve the interests of minority shareholders. This has never happened, but if any recommendation were ever made that prioritized the interests of major shareholders due to a conflict of interest, all independent outside directors would oppose it, so I hope stakeholders feel assured on that point. Of course, I also believe that the composition of the Board needs to be reviewed continuously in light of changes in the environment and other factors.

Saito Rather than focusing on whether there is a non-independent outside director, what truly matters is that the Board is fundamentally a strong team, and I believe that it is. Each member fulfills their respective role, so I do not see any issue with the presence of a non-independent outside director.

Kawamura Regarding the composition of the Board, I believe what matters is not formality, but substance—whether members have the skills and experience the Company needs. In fact, the Company's non-independent outside director provides appropriate advice based on his own experience, and I believe that he

makes valuable contributions to discussions at Board meetings.

I also believe the current composition of directors is ideal. At the same time, I recognize that the absence of women and non-Japanese nationals among executive officers remains an area that needs to be addressed. I believe organizations with diverse leaders are stronger, so I hope the executive team will foster such a culture.



Finally, please share a message with our stakeholders.

Kawamura FY2026 is a pivotal year as the 2028 MTMP begins in earnest. While further refining the Company's strengths, realizing Our FY2031 Vision will not only require executing strategies but also developing an organization and talent capable of flexibly responding to a rapidly changing environment. As an independent outside director, I will leverage my expertise in IT, DX, and AI to support the enhancement of the Company's corporate value over the medium to long term from the perspectives of both governance that supports transformation and talent development.

Saito Technological innovation, including AI, has reached an important stage that will determine productivity and competitiveness. I believe that competitive advantage in the future will come not from following change but from creating it ourselves. Based on this understanding, I would like to appropriately demonstrate to investors and other stakeholders, through both strategy and execution, that the Company is one that continues to take on challenges.

Nakata The Company's strength lies in its willingness to face external opinions and feedback head-on and in its steady commitment to improvement through careful processes. I believe this attitude is not merely a characteristic but an important strength that supports corporate value over the long term. The Company operates at a high level not only in terms of its performance and output but also in terms of the reliability of the processes that lead to them. I would like employees to take pride in the Company's attitude, and I believe that, on this foundation, continuing to think for themselves and take on challenges will lead to the next stage of growth.

Kaneko As an independent outside director, I place importance on deeply understanding the Company while monitoring business development and risk management from an independent standpoint and a long-term perspective. Leveraging my expertise in accounting and auditing and the perspectives I have gained through comparisons with many companies, I will continue to provide constructive advice. In an era of rapid change, it is important to learn, think, and take action, without being bound by past successes. I would like to support employees who embrace change, take initiative, and continue to take on challenges.

Category	Skill	Reason for Selection
Matters Related to Overall Management	Corporate management	Achieving Our FY2031 Vision, which serves as a milestone toward realizing the Company's management philosophy, requires accurately identifying materiality (material issues) and addressing them through management initiatives. To that end, we believe it is essential to have the ability to boldly drive company-wide transformation, including SX, ¹ DX, ² and business portfolio transformation, as well as the ability to oversee these initiatives. We also believe it is essential to have the ability to build and promote systems that support sound corporate management rooted in compliance, as well as the ability to oversee these activities. 1. Sustainability transformation 2. Digital transformation
	Finance	We believe it is essential to have a deep understanding of the Company's business as a financial services provider, as well as deep insight into domestic and international finance, and the ability to apply that expertise to the promotion and oversight of the Company's management and business strategies.
	Global	The Company operates a wide range of businesses globally, and we believe it is essential to have deep insight into global business, including cross-cultural and geopolitical considerations, as well as the ability to apply that insight to the promotion and oversight of management.
	Sustainability	We believe it is essential to have the ability to promote and oversee sustainability management, which balances the resolution of social issues with the sustainable enhancement of corporate value.
Matters Related to Earnings Growth	Sales/Marketing	To strengthen earning power through a shift to high value-added businesses and the development of new businesses, we believe it is essential to have the ability to leverage sales and marketing capabilities to build and promote business strategies such as the evolution and layering of business models, as well as the ability to oversee these activities.
Matters Related to Strengthening Corporate Functions	IT/DX	To realize the creation and enhancement of customer value through the use of data and digital technology, we believe it is essential to have the ability to apply advanced knowledge of IT and DX to management and its oversight.
	Finance/Accounting	We believe that advanced expertise in accounting is essential to support the Company's globally developed business through effective management and oversight. Furthermore, to achieve sustainable growth, we believe it is essential to have the ability to promote and oversee a financial strategy that balances the three key elements of financial soundness, return on capital, and growth potential.
	Risk management/Legal affairs	We believe it is essential to have the ability to build and promote a risk management framework that supports growth strategies through enhanced risk control, as well as the ability to oversee these activities. Furthermore, we believe that advanced expertise in legal affairs is essential to identify key risks in business activities from a legal perspective and to apply that insight to management and its oversight.
	Talent management	We believe it is essential to have the ability to build and promote a talent strategy that secures, develops, and utilizes talent in order to fulfill a talent portfolio that supports management strategies and to create a workplace that is both comfortable and motivating. This includes the ability to oversee such activities.

Corporate Governance

Composition of the Board of Directors and committees as well as skills possessed by each Director

●: Chairperson ●: Member ●: Skills held

Name	Position	Board of Directors	Audit & Supervisory Committee	Governance Committee	Nomination Committee	Compensation Committee	Corporate management	Finance	Global	Sustainability	Sales/Marketing	IT/DX	Finance/Accounting	Risk management/Legal affairs	Talent management
Takahiro Yanai	Director, Chairman	●		●	●	●	●	●	●	●	●		●	●	●
Taiju Hisai	Representative Director, President & CEO	●		●			●	●	●	●	●		●	●	●
Aiichiro Matsunaga	Representative Director, Deputy President	●		●			●	●	●	●	●			●	●
Kazumi Anei	Director, Deputy President	●					●	●	●	●	●				
Kazuyoshi Kawakami	Director, Managing Executive Officer	●					●	●	●	●			●		
Hiroyasu Nakata	Director (Independent Outside Director)	●		●	●	●								●	
Junko Takata	Director (Independent Outside Director)	●		●	●	●			●		●				
Shota Kondo	Director (Outside Director)	●		●	●	●	●		●	●	●				
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	●	●	●			●	●			●		●	●	
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Independent Outside Director)	●	●	●	●	●							●	●	
Masayuki Saito	Director, Audit & Supervisory Committee Member (Independent Outside Director)	●	●	●	●	●	●		●	●			●	●	●
Kayoko Kawamura	Director, Audit & Supervisory Committee Member (Independent Outside Director)	●	●	●	●	●					●	●			

Protection of minority shareholders

The Company is an affiliate of Mitsubishi UFJ Financial Group, Inc. and Mitsubishi Corporation (hereinafter “the two companies”), both of which are listed on the Prime Market of the Tokyo Stock Exchange.

The Company and Mitsubishi UFJ Financial Group, Inc., and the Company and Mitsubishi Corporation, regard each other as strategically important partners and aim to enhance corporate value through diverse forms of collaboration.

The two companies respect the Company's independence as described below and have established a framework that does not impair the interests of the Company or its minority shareholders.

- As a listed company, the Company makes management decisions and conducts business execution independently under its own responsibility.
- If a proposal involving a conflict between the interests of the Company and those of another company where a director concurrently serves is submitted to the Board of Directors, the director will not participate in either the resolution or the deliberation.

Succession plan

The Nomination Committee, the majority of whose members are independent outside directors, deliberates on the succession plan for the President & CEO, the selection of director candidates, and other matters.

As part of the succession plan for the President & CEO, the Company has established selection criteria³ for its President & CEO, defining the qualities required for the position. Based on these selection criteria, multiple candidates are discussed and narrowed down over multiple Nomination Committee meetings, and the next President & CEO is selected by resolution of the Board of Directors.

In addition, director candidates are selected by resolution of the Board of Directors after prior deliberation by the Nomination Committee based on the selection criteria⁴ (the Company's internal regulations stipulate that, when adopting resolutions, the Board of Directors shall respect the Nomination Committee's resolutions to the fullest extent possible). Candidates for directors who are Audit & Supervisory Committee members are also deliberated by the Nomination Committee and resolved by the Board of Directors after obtaining the consent of the Audit & Supervisory Committee.

3. President & CEO selection criteria

A person who, in addition to meeting the director selection criteria, is deemed to possess the following qualities and capabilities in particular:

1. Ability to envision a future vision for the Group as a whole and strategic thinking
2. Strong leadership to lead the Group as a whole
3. Decisiveness to respond quickly to global changes and issues
4. Ability to develop human resources
5. High personal integrity, with a consistently positive, fair, and impartial mindset

4. For details on the selection criteria, please visit the following webpage.

<https://www.mitsubishi-hc-capital.com/english/sustainability/governance/corporate-governance.html>

Corporate Governance

Assessments of the effectiveness of the Board of Directors

The Company has continued efforts to further improve the effectiveness of the Board of Directors based on annual reviews and assessments conducted by all directors at the Board of Directors throughout the year for the purpose of maintaining and enhancing the functions of the Board of Directors.

Major initiatives and an overview of the effectiveness of the Board of Directors for FY2025 are as follows.

Major initiatives in FY2025

Issues in FY2024	Response to issues
Improving agenda items and the content of deliberations	- Discussed growth strategies, resource allocation, and other matters that contribute to the enhancement of corporate value over the medium to long term in the process of formulating the 2028 MTMP - Discussed the level and ratio of officers' compensation in consideration of the optimal incentives in the 2028 MTMP (revisions to KPIs, evaluation weights, etc.) - Followed up on important matters and investment projects that posted losses - Verified the effects of the revisions to the criteria for matters to be submitted to the Board of Directors implemented in the previous year. Reconfirmed the roles and purposes of the Board of Directors and other committees and clarified items for deliberation - Considered further accelerating the disclosure of the annual securities report
Enhancing communication	- Held roundtable discussions and opinion exchange meetings attended only by independent outside directors - Held opinion exchange meetings between independent outside directors and the chairman and the President & CEO - Held communication sessions between outside directors and executive officers - Held communication sessions between outside directors and the management personnel and employees of overseas Group companies, etc.
Improving the information provision system	- Visits to domestic and overseas offices by outside directors - Reporting of the current status of each unit and each business division

Training policy for directors

The Company provides training opportunities, etc. to directors as below so that they can adequately fulfill their duties and responsibilities, engage in effective discussions at the Board of Directors, and sufficiently exercise supervisory functions. The Company bears the full cost related to the training of directors.

- For all directors, the Company holds study sessions on governance by inviting external lecturers and provides information on seminars on the latest trends in corporate governance, DX, sustainability, and other topics. In addition, as initiatives to deepen understanding of the Company's businesses and strategies, the Company provides outside directors with opportunities for dialogue and exchange of opinions with business execution divisions in Japan and overseas.
- When outside directors assume their positions, business execution divisions brief them on matters including our corporate mission, business conditions, and corporate governance, and conduct an orientation to deepen their understanding of the Group.

Assessment of the effectiveness of the Board of Directors in FY2025

Assessment method				
Governance Committee		March-April 2026 Carried out the survey and interviews	Governance Committee	Board of Directors
February 2026	March 2026		April-May 2026	May 2026
- Decided the method of assessing effectiveness - Deliberated on questionnaire item	Decided questionnaire items		Deliberated on issues and response measures based on analysis results of the survey and interviews	Summarized the results of assessing the effectiveness in FY2025

Results

- The major results of the assessment are shown below.
 - It was determined that the Company's Board of Directors is sufficiently performing its role.
 - In the formulation of the 2028 MTMP, the Board of Directors was able to allocate sufficient time to discuss important points, such as the analysis of internal and external environments, measures to drive the enhancement of corporate value over the medium to long term, and key strategies including the restructuring of our business portfolio.
 - Through follow-up on important matters and investment projects that posted losses, the Board of Directors reviewed the background, assumptions, and decision-making criteria at the time of decision-making and obtained lessons and insights to be applied to future investment policies and frameworks, etc.
 - In terms of the Board's operation, improvements were implemented, including timely and appropriate agenda setting to promote substantive discussions and a review of presentation templates. Initiatives such as discussions among independent outside directors only and communication between the Board of Directors and executive officers were also evaluated as effective.
 - It was determined that the Company's Governance Committee, Nomination Committee, and Compensation Committee are sufficiently performing their roles.
 - The Governance Committee steadily advanced measures to address issues identified in the previous year's effectiveness assessment, while also engaging in discussions on corporate governance and risk management frameworks aimed at strengthening the Company's earnings power.
 - The Nomination Committee discussed the consideration of the skills matrix, the nomination of new director candidates, etc. while the Compensation Committee discussed increasing the proportion of variable compensation in officers' compensation as an incentive to enhance corporate value over the medium to long term, as well as the performance indicators and weighting linked to the key performance indicators of the 2028 MTMP.
 - As the issues to be addressed in FY2026, it was confirmed that the Board of Directors will discuss our new 10-year vision and Company-wide themes (such as DX) while continuing to discuss talent development, the role and approach to corporate governance, etc. In addition, by continuing to refine operational practices to further enhance the effectiveness of the Board of Directors and the committees, we will further strengthen governance.

Corporate Governance

Compensation of directors

Basic policy

- The Company's compensation of officers is designed to enhance corporate value over the medium to long term through the execution of business strategies, and is set at an appropriate level with respect to the roles and responsibilities of each officer by also taking market levels into consideration.
- Also taking into account incentives for officers, the ratio of fixed remuneration and variable compensation, key performance indicators (KPIs), and their respective weightings are appropriately determined.

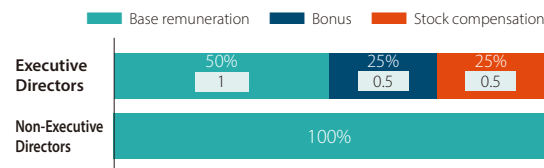
Compensation system

In principle, executive directors' compensation, etc., consists of base remuneration, short-term incentive compensation (performance-based monetary compensation), and medium- to long-term incentive compensation (performance-based stock compensation). As short-term incentive compensation, cash is paid as a bonus, while medium- to long-term incentive compensation is paid in the Company's shares, etc. using a trust framework.

To serve as an incentive to enhance corporate value over the medium to long term and business performance over the short term, the ratio of fixed remuneration (base remuneration) to variable compensation (bonus and stock compensation) is set at approximately 1:1 (the ratio of base remuneration to bonus to stock compensation is set at approximately 1:0.5:0.5).

Bonuses and stock compensation, which represent incentive compensation, are not paid to non-executive directors (excluding persons who are Audit & Supervisory Committee members) from the standpoint of ensuring the effectiveness of their supervisory functions.

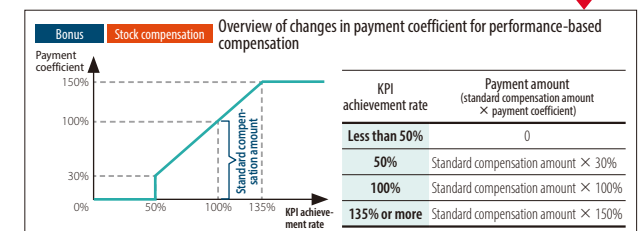
Composition of compensation



Compensation system for Executive Directors

Type of compensation	Details of compensation	Percentage of compensation	KPIs for evaluation / Evaluation weight			Range of payment coefficient based on KPI achievement
Fixed	Base remuneration Fixed remuneration according to position	50% 1	-			-
Variation	Bonus (Short-term incentive) Performance-based - Amount determined based on the consolidated business performance of the previous year, etc. - KPIs for performance evaluation are set in line with MHC's numerical targets - Regarding responsible duties, quantitative and qualitative evaluations are conducted from the perspective of performance and the level of contribution	25% 0.5	KPI \ Position	Representative Director	Other	0-150%
			ROE ³	40%	28%	
			ROA ⁴	30%	21%	
			Net income attributable to owners of the parent	30%	21%	
			Responsible duties	-	30%	
	Stock (Medium- to long-term incentive) Performance-based Amount determined based on the level of achievement during the three-year period of the Medium- term Management Plan	25% 0.5	ROE ³	30%		0-150%
			ROA ⁴	20%		
			Net income attributable to owners of the parent	20%		
			TSR ² growth rate vs. TOPIX	10%		
			GHG emissions (Scope 1 and 2) ³ vs. FY2019	10%		
	MHC Engagement ⁹	10%				

- Return on equity
- Return on assets
- Total shareholder return
- The FY2028 target has been set as a milestone for achieving the FY2050 net-zero target, based on a constant linear decrease from the FY2024 result.
- The percentage of organizations where employee engagement survey results meet a certain high standard (the percentage of organizations where more than half of respondents have both high *initiative* and *diversity* scores).



Dialogue with shareholders and investors and feedback to the Board of Directors

With the recognition that it is one of its social responsibilities to ensure transparent and sound management while emphasizing initiatives to achieve sustainable corporate growth and the enhancement of its corporate value over the medium to long term, members of the Company's management including the President & CEO, as well as the Corporate Communications Department actively engage in dialogue with shareholders and investors.

Opinions and concerns expressed in the dialogue with shareholders are promptly reported to the Company's management. In addition, such matters are regularly reported to the Board of Directors so that the information is shared with independent outside directors as well.

Implementation status in FY2025

Dialogue opportunities	Financial results briefings, business segment briefings, conferences hosted by securities companies, individual meetings, IR events and seminars for individual investors, and other opportunities
Major themes of dialogue	- Growth strategies to enhance ROE over the medium to long term - Financial strategies including shareholder return and other capital allocation policies - Initiatives for the <i>evolution and layering of business models</i> and their progress - The business portfolio we are aiming for with our business portfolio transformation
Feedback to the Board of Directors	Reporting on the content of dialogue with shareholders, investors, etc. (twice a year)

Directors and Executive Officers (as of June 25, 2026)



1 Takahiro Yanai

Director, Chairman

Born: May 4, 1958
Number of Company shares owned:
28,300 (207,700)*

2 Taiju Hisai

Representative Director, President & CEO

Born: April 27, 1962
Number of Company shares owned:
8,000 (55,600)*

3 Aiichiro Matsunaga

Representative Director, Deputy President, overall operations

Born: March 14, 1963
Number of Company shares owned: 11,700*

4 Kazumi Anei

Director, Deputy President, in charge of the Customer Solutions Unit

Born: September 18, 1960
Number of Company shares owned:
65,700 (55,600)*

Executive Officers

*Executive officers acting concurrently as directors

President & CEO

Taiju Hisai*

Deputy Presidents

Aiichiro Matsunaga*
Kazumi Anei*
Daisuke Ejima

5 Kazuyoshi Kawakami

Director, Managing Executive Officer, CFO, Deputy Head of Corporate & Strategic Planning Division, Director and Chairman of MHC America Holdings Corporation, Chairman of Mitsubishi HC Finance America LLC

Born: June 9, 1969
Number of Company shares owned: 0*

6 Hiroyasu Nakata

Director (Independent Outside Director)

Born: August 29, 1951
Number of Company shares owned: 5,000*

7 Junko Takata

Director (Independent Outside Director)

Born: December 28, 1968
Number of Company shares owned: 3,000*

8 Shota Kondo

Director (Outside Director)

Born: September 27, 1967
Number of Company shares owned: 0*

Senior Managing Executive Officers

Hiroshi Ikebe Kazuhiko Takeuchi

Managing Executive Officers

Nozomu Naruse
Makoto Sawada
Masahiko Tanimura
Katsuji Okamoto
Toru Fukuyama
Takashi Yamaguchi
Naoshi Ogikubo
Yasuyuki Kusakari
Koji Goto
Isao Someya
Keigo Nakamura
Makoto Nishio
Toshiaki Maekawa
Takafumi Oka
Kazuyoshi Kawakami*
Masaru Koike
Rui Koike
Manabu Yamada

9 Yoshitaka Shiba

Director, Audit & Supervisory Committee Member (full-time)

Born: July 25, 1961
Number of Company shares owned: 3,700*

10 Hiroko Kaneko

Director, Audit & Supervisory Committee Member (Independent Outside Director)

Born: March 28, 1958
Number of Company shares owned: 5,000*

11 Masayuki Saito

Director, Audit & Supervisory Committee Member (Independent Outside Director)

Born: November 8, 1954
Number of Company shares owned: 5,000*

12 Kayoko Kawamura

Director, Audit & Supervisory Committee Member (Independent Outside Director)

Born: July 12, 1964
Number of Company shares owned: 900*

* Number of shares held as of March 31, 2026. Figures in parentheses represent the number of potential shares. This states the number of shares subject to stock acquisition rights under the stock compensation-type stock option system granted in the past.



For details on the career histories of officers, please refer to the Corporate Governance Report or the Annual Securities Report.

• [Corporate Governance Report](#) • [Annual Securities Report](#)



Data

This section presents key financial and non-financial data that show the results of the Group's value creation. It also introduces the history through which we have built our current business foundation and the diverse assets that will support future growth.

Section

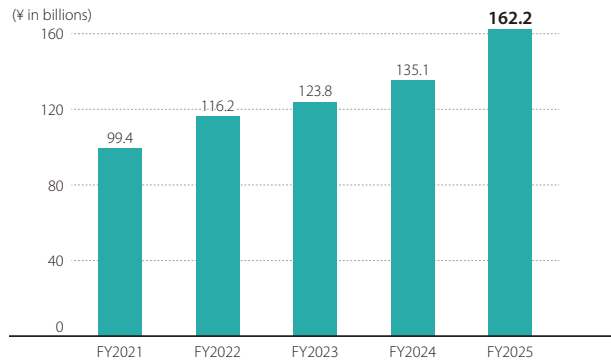
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- 84** Corporate Information
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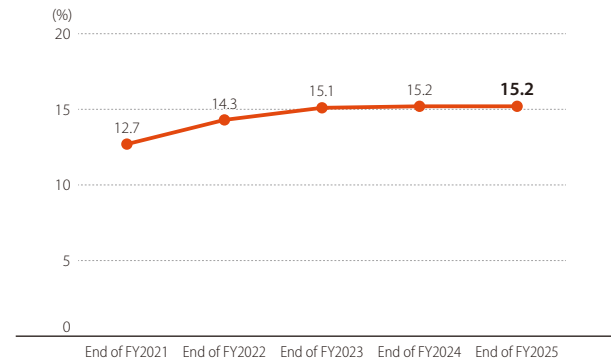
Financial Highlights

Net income attributable to owners of the parent



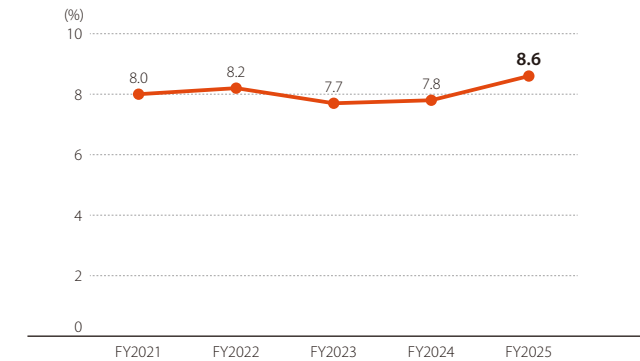
In the Real Estate segment, profit increased due to recording gains on several large sales, while the Aviation segment performed strongly and credit costs decreased in the Global Customer Business segment. Mainly due to this, net income increased ¥27.0 billion year-on-year to ¥162.2 billion, marking a record high for the fourth consecutive fiscal year.

Equity ratio



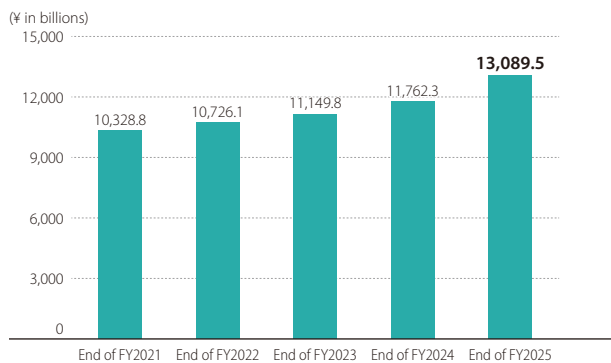
After ensuring a balance between growth potential, return on capital, and financial soundness, we aim to realize an optimal capital structure in response to the increase in risk volume associated with business portfolio restructuring.

ROE



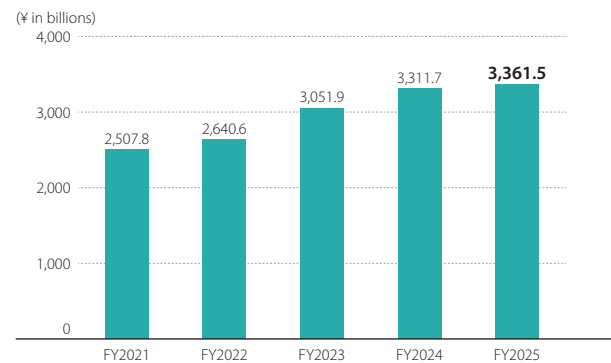
ROE improved by 0.8 percentage points year-on-year to 8.6% due to the increase in net income. However, the exchange rates applied in FY2025 reflected a weaker yen than initially assumed, resulting in equity increasing more than expected, while net income remained in line with the initial target. As a result, ROE fell short of the initial target of 8.8%.

Total assets



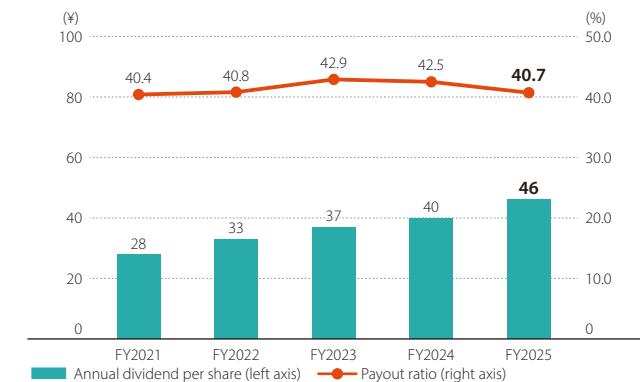
Total assets increased ¥1,327.2 billion year-on-year to ¥13,089.5 billion, mainly due to the foreign exchange impact of yen depreciation, as well as the buildup of assets in the European business of the Global Customer Business segment and in the Aviation and Real Estate segments.

New transactions volume



Although there was a reactionary decrease following the large-scale investments made in the Logistics segment in the previous fiscal year, new transactions increased in the European business of the Global Customer Business segment, as well as in the Customer Solutions and Real Estate segments. As a result, new transactions volume remained at the same level as the previous fiscal year, at ¥3,361.5 billion.

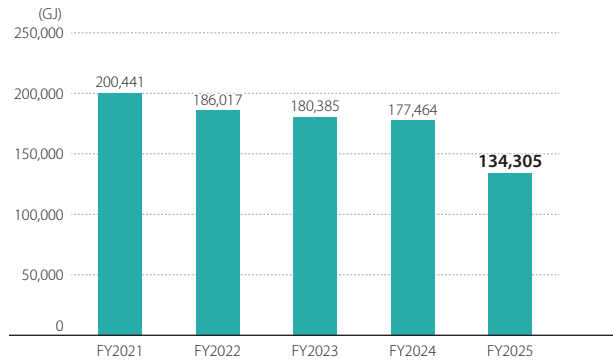
Dividend per share / Payout ratio



As a general rule, the Company returns profits to shareholders through dividends. During the 2025 MTMP period (FY2023-2025), the Company set a dividend payout ratio target of 40% or higher, raised the total dividend amount through profit growth, and achieved a dividend increase for the 27th consecutive fiscal year.

Non-financial Highlights

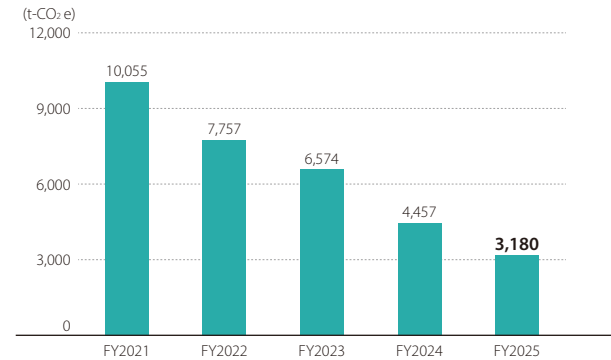
Total energy usage (consolidated)



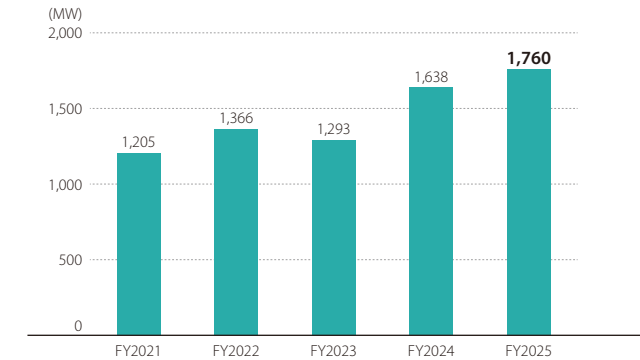
We are steadily working to reduce total energy usage by switching to low-emission commercial vehicles, such as EVs and FCVs,¹ in line with regulations in each country to phase out gasoline-powered vehicles, and by consolidating and reducing business sites.

1. Fuel cell vehicles.

GHG emissions (consolidated) Scope 1 and 2 total (market basis)

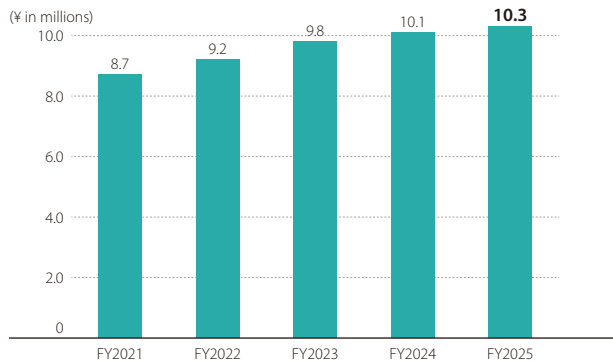


Renewable power generation capacity in operation (consolidated)



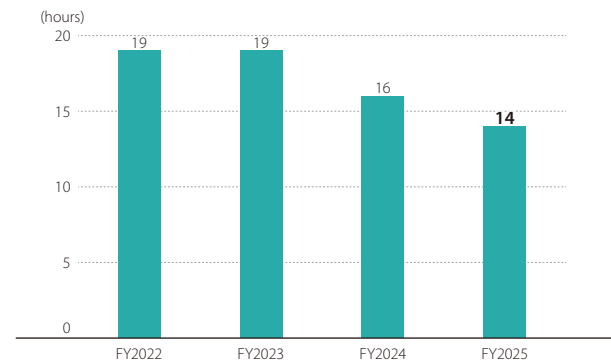
Our solar power generation capacity in Japan and overseas increased, rising by 121MW year-on-year to 1,760MW.

Average annual salary per employee (all employees)
(non-consolidated)



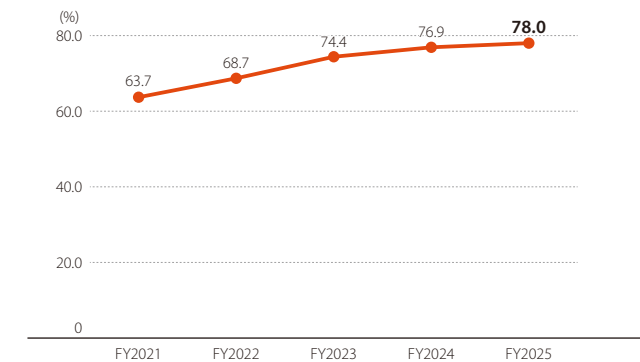
With a view to creating a virtuous cycle between the sustainable growth of the Japanese economy and the growth of the Company's business, we implemented wage increases, including base pay increases, for the third consecutive year.

Average monthly overtime hours per employee (non-consolidated)



Monthly average overtime hours have steadily decreased through DX-driven operational streamlining and other initiatives.

Percentage of annual paid holidays taken² (non-consolidated)



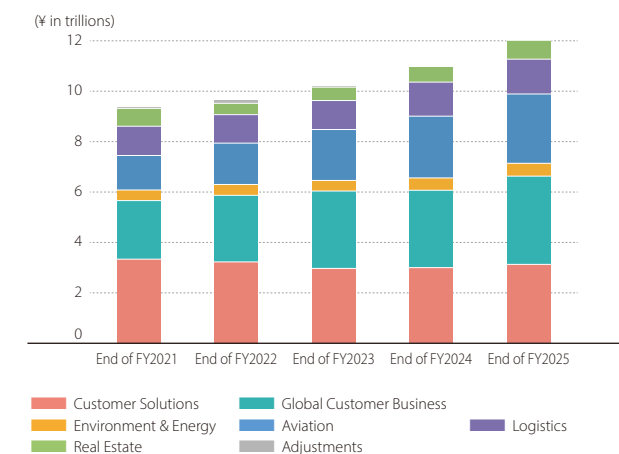
The percentage of annual paid holidays taken by employees has continued to improve, showing that initiatives to help employees lead healthy and fulfilling lives are steadily taking root.

2. Calculated by dividing the total number of annual paid holidays taken by the total number of annual paid holidays granted during the fiscal year.

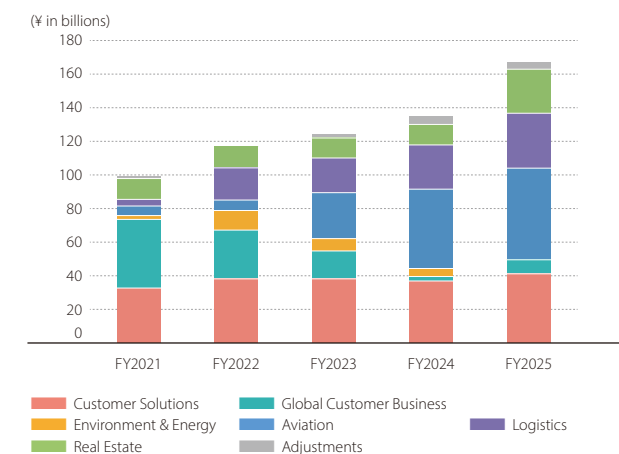
Financial Information

	FY2021	FY2022	FY2023	FY2024	FY2025
Revenues (¥ in millions)	1,765,559	1,896,231	1,950,583	2,090,808	2,215,384
Gross profit (¥ in millions)	334,661	357,327	380,095	462,637	500,163
Operating income (¥ in millions)	114,092	138,727	146,176	187,126	240,428
Recurring income (¥ in millions)	117,239	146,076	151,633	193,594	236,089
Net income attributable to owners of the parent (¥ in millions)	99,401	116,241	123,842	135,165	162,206
Total assets (¥ in millions)	10,328,872	10,726,196	11,149,858	11,762,332	13,089,557
Segment assets (¥ in millions)	9,345,376	9,632,966	10,179,473	10,935,652	12,034,972
Interest-bearing debt (¥ in millions)	8,066,082	8,236,106	8,439,792	8,840,797	9,880,377
Total equity (¥ in millions)	1,333,467	1,551,029	1,705,345	1,804,523	2,008,779
Cash flows (¥ in millions)					
Operating activities	195,845	46,752	(49,128)	(296,884)	(367,537)
Investing activities	(107,879)	(127,322)	143,336	(96,977)	(33,938)
Financing activities	(192,157)	(8,948)	(222,977)	353,628	469,373
Cash and cash equivalents at the end of the year (¥ in millions)	520,083	460,486	335,307	290,805	346,045
Equity ratio (%)	12.7	14.3	15.1	15.2	15.2
ROE (%)	8.0	8.2	7.7	7.8	8.6
ROA (%)	1.0	1.1	1.1	1.2	1.3
New transactions volume (¥ in billions)	2,507.8	2,640.6	3,051.9	3,311.7	3,361.5
Per-share indicators					
Earnings (¥)	69.24	80.95	86.30	94.19	112.98
Equity (¥)	912.19	1,064.46	1,174.88	1,246.64	1,385.22
Dividend (¥)	28.0	33.0	37.0	40.0	46.0
Payout ratio (%)	40.4	40.8	42.9	42.5	40.7

Segment assets



Segment profit (net income attributable to owners of the parent)



* The asset balance and profit of the Logistics segment include the assets and profit of the Mobility segment prior to the segment reclassification.

Non-financial Information

Environment

		FY2021	FY2022	FY2023	FY2024	FY2025
Total energy usage (GJ) (consolidated)		200,441	186,017	180,385	177,464	134,305
GHG emissions (t-CO ₂ e) (consolidated)	Scope 1	3,449	3,211	3,092	3,093	2,127* ¹
	Scope 2 (location basis)	7,880	6,786	5,777	4,930	3,732* ¹
	Scope 2 (market basis)	6,606	4,546	3,482	1,365	1,053* ¹
	Scope 1 + 2 total (market basis)	10,055	7,757	6,574	4,457	3,180
	Scope 3 total	18,565	18,302	6,644,227	8,057,896	^{**1*2} 13,353,062
Output of renewable energy in operation (MW) (consolidated)	Total	1,205	1,366	1,293	1,638	1,760
	Solar power generation	907	1,020	920	1,102	1,217
	Wind power generation	298	340	343	507	503

1. Actual figures assured by a third party.

2. Started calculating categories 13 and 15 from FY2023.

Society

		FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees (non-consolidated)	Total	2,235	2,182	2,140	2,102	2,111
	Male	1,361	1,307	1,261	1,240	1,247
	Female	874	875	879	862	864
Composition of employees (by country or region) (people) (non-consolidated)	Total	2,235	2,182	2,140	2,102	2,111
	Japan	2,229	2,174	2,130	2,086	2,093
	Europe	0	0	0	0	0
	The Americas	4	5	7	15	16
	China	0	0	0	0	0
	ASEAN	2	3	3	1	2
Percentage of female managers (%) (non-consolidated)		14.0	14.0	16.0	18.3	22.1
Average annual salary (all employees, ¥ in millions) (non-consolidated)		8.7	9.2	9.8	10.1	10.3
Gender wage gap of regular employees (female average wage / male average wage) (%) (non-consolidated)		-	64.9	64.6	64.2	66.3

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of new graduates hired (non-consolidated)	58	30	46	73	84
Percentage of mid-career hires (%) (non-consolidated)	37.0	49.2	56.6	56.3	47.5
Percentage of people with disabilities employed (annual average, %) (non-consolidated)	2.4	2.5	2.7	2.8	2.7
Turnover rate (voluntary) (%) (non-consolidated)	3.4	2.4	2.4	2.1	1.7
Percentage of employees who took child- care leave (male) (%) (non-consolidated)	82.3	97.1	113.0	81.7	81.7
Percentage of employees who took child- care leave (female) (%) (non-consolidated)	103.3	97.4	103.0	105.9	92.3
Annual total working hours per employee (non-consolidated)	-	1,945.5	1,962.6	1,909.3	1,865.1
Annual working hours exceeding the statu- tory limit per employee (non-consolidated)	-	232.6	225.6	189.4	169.3
Monthly average overtime hours per employee (non-consolidated)	-	19	19	16	14
Percentage of annual paid holidays taken (%) (non-consolidated)	63.7	68.7	74.4	76.9	78.0
Annual average hours of training per employee (non-consolidated)	-	30.1	29.4	49.6	46.2
Annual average cost of training per employee (¥) (non-consolidated)	-	99,407	180,230	135,721	128,127

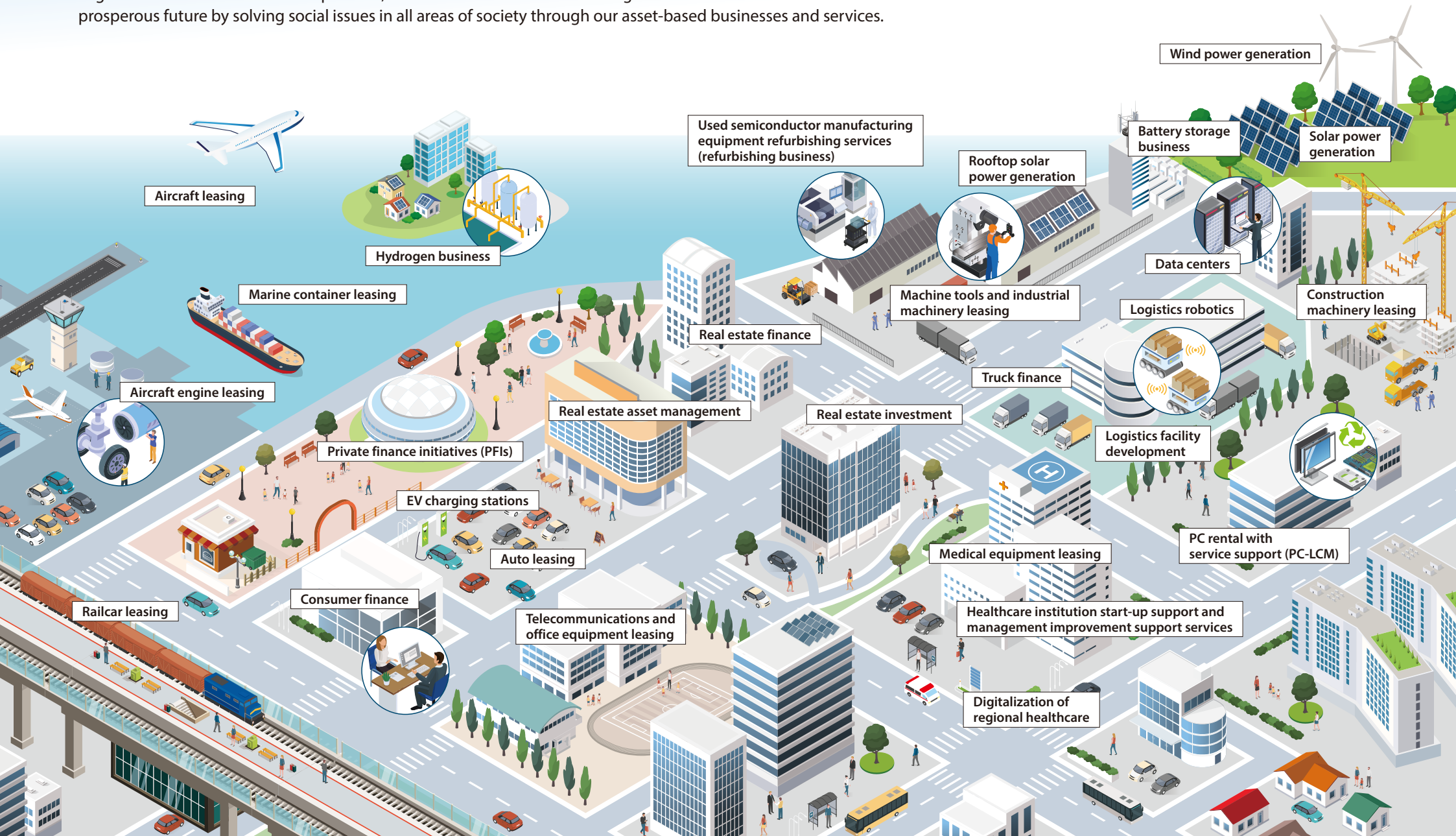
Governance³

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of directors	15	14	12	12	12
Number of outside directors	7	7	6	6	6
Number of female directors	2	2	2	3	3

3. As of June 30 for each fiscal year.

Power to Support Society with Diverse Assets

Together with our customers and partners, we are committed to contributing to the realization of a sustainable and prosperous future by solving social issues in all areas of society through our asset-based businesses and services.



Corporate Information

Corporate profile (as of April 1, 2026)

Company name	Mitsubishi HC Capital Inc.
Head office	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-6525, Japan
Representative	Representative Director, President & CEO Taiju Hisai
Number of employees	Consolidated: 7,950 Non-consolidated: 2,111 (as of March 31, 2026)
Main business activities	Lease, installment sales, various types of financing, etc.
Stock listings	Tokyo Stock Exchange (TSE) Prime Market
Paid-in capital	¥33,196 million



Marunouchi Office

External evaluations

External credit ratings (as of March 31, 2026)

Rating agency	Long-term	Short-term
S&P	Long-term issuer rating: A- Euro MTN program: A- Issuance limit: Equivalent to US\$12.5 billion	Short-term issuer rating: A-2
Moody's	Long-term issuer rating: A3	—
Fitch	Long-term issuer default rating A-	Short-term issuer default rating: F1
Japan Credit Rating Agency (JCR)	Long-term issuer rating: AA Issued registered bond preliminary rating: AA Planned issuance amount: ¥600 billion Planned issuance period: 2 years from September 4, 2025 Euro MTN program: AA Issuance limit: Equivalent to US\$12.5 billion	Commercial papers Issuance limit: ¥1,300 billion Rating: J-1+
Rating and Investment Information (R&I)	Long-term issuer rating: AA Issued registered bond preliminary rating: AA Planned issuance amount: ¥600 billion Planned issuance period: September 4, 2025 to September 3, 2027	Commercial papers Issuance limit: ¥1,300 billion Rating: a-1+

Selection as an index stock for SRI (socially responsible investment)

FTSE Russell

The Company has been selected as a constituent of the FTSE4Good Index Series, FTSE JPX Blossom Japan Index, FTSE JPX Blossom Japan Sector Relative Index, which are performance indexes of Japanese companies that excel in addressing ESG issues, developed by global index broker FTSE Russell.



S&P/JPX Carbon Efficient Index

The Company's stock has been included in an ESG index (stock price index) since 2018, the year it was launched jointly by S&P Dow Jones Indices (S&P), a global index provider, and the Tokyo Stock Exchange, a member of the Japan Exchange Group (JPX).



Sompo Sustainability Index

The Company has been selected for Sompo Sustainability Index established by Sompo Asset Management, a composite of about 300 companies that are making remarkable efforts in ESG.



Participation in initiatives

Signatory to the UN Global Compact

We will contribute to the realization of a sustainable society by adhering to the 10 principles in the four areas of human rights, labor, environment, and anti-corruption advocated by the United Nations Global Compact (UNGC), and by promoting sustainability initiatives.



Note: The Company's use of the titles or logos of these indexes does not constitute a sponsorship, endorsement, or promotion of the Company by the external rating agencies or their affiliates operating these indexes. These indexes are the exclusive property of the external rating agencies, and their titles and logos are the external rating agencies' or their affiliates' trademarks or service marks.

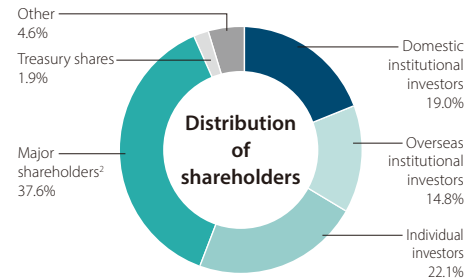
[Web](#) Please visit our website for details about external evaluations and participation in initiatives.

Shareholder Information

Stock information (as of March 31, 2026)

Number of authorized shares	4,800,000,000
Number of issued shares	1,438,317,418 (excluding 28,594,826 treasury shares)
Number of shareholders ¹	714,926

1. The number of shareholders includes shareholders who hold less than one unit.



2. Major shareholders are Mitsubishi Corporation, Mitsubishi UFJ Financial Group, MUFG Bank, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Morgan Stanley Securities.

Major shareholders

Name	Shares held (thousand shares)	Ownership (%) ³
Mitsubishi Corporation	264,044	18.35
Mitsubishi UFJ Financial Group, Inc.	208,345	14.48
The Master Trust Bank of Japan, Ltd. (trust account)	135,023	9.38
Custody Bank of Japan, Ltd. (trust account)	61,603	4.28
MUFG Bank, Ltd.	50,348	3.50
Mitsubishi UFJ Trust and Banking Corporation	28,431	1.97
Meiji Yasuda Life Insurance Company	27,990	1.94
STATE STREET BANK AND TRUST COMPANY 505001	12,291	0.85
JP MORGAN CHASE BANK 385781	12,117	0.84
STATE STREET BANK AND TRUST COMPANY 505103	11,568	0.80

3. The ownership percentage is calculated excluding treasury shares.

Statement of Authenticity



Kazuhiko Takeuchi

Senior Managing Executive Officer
Head of Corporate & Strategic Planning Division
Chief Strategy Officer

This Integrated Report has been prepared to communicate to stakeholders, from both financial and non-financial perspectives, the direction of medium- to long-term value creation that our Group aims to pursue and the initiatives to implement it.

The 2028 MTMP, which started in FY2026, sets out the Group's transition to a new stage in which we will accelerate the enhancement of corporate value by placing greater emphasis on profitability than ever before and further advancing corporate culture transformation. In this report, we explain specifically what the Group will do to improve ROE, including initiatives for business portfolio transformation to improve ROE—the top priority KPI of the 2028 MTMP—and initiatives to embed a mindset of transformation and taking on challenges as part of our corporate culture.

This report was prepared through a fair and transparent process under the leadership of management, with the Corporate Communications Department taking a central role and working closely with relevant departments. The information contained herein is based on reliable internal and external data, and every effort has been made to ensure accuracy, consistency, and completeness.

As the head of the Corporate & Strategic Planning Division, responsible for the preparation of this report, I hereby declare that the contents of this report appropriately reflect important matters concerning the Group's business activities and value creation, are based on facts, and have been prepared with integrity and authenticity. Going forward, we will continue to engage in dialogue with all stakeholders and strive to sustainably enhance corporate value and create social value.

