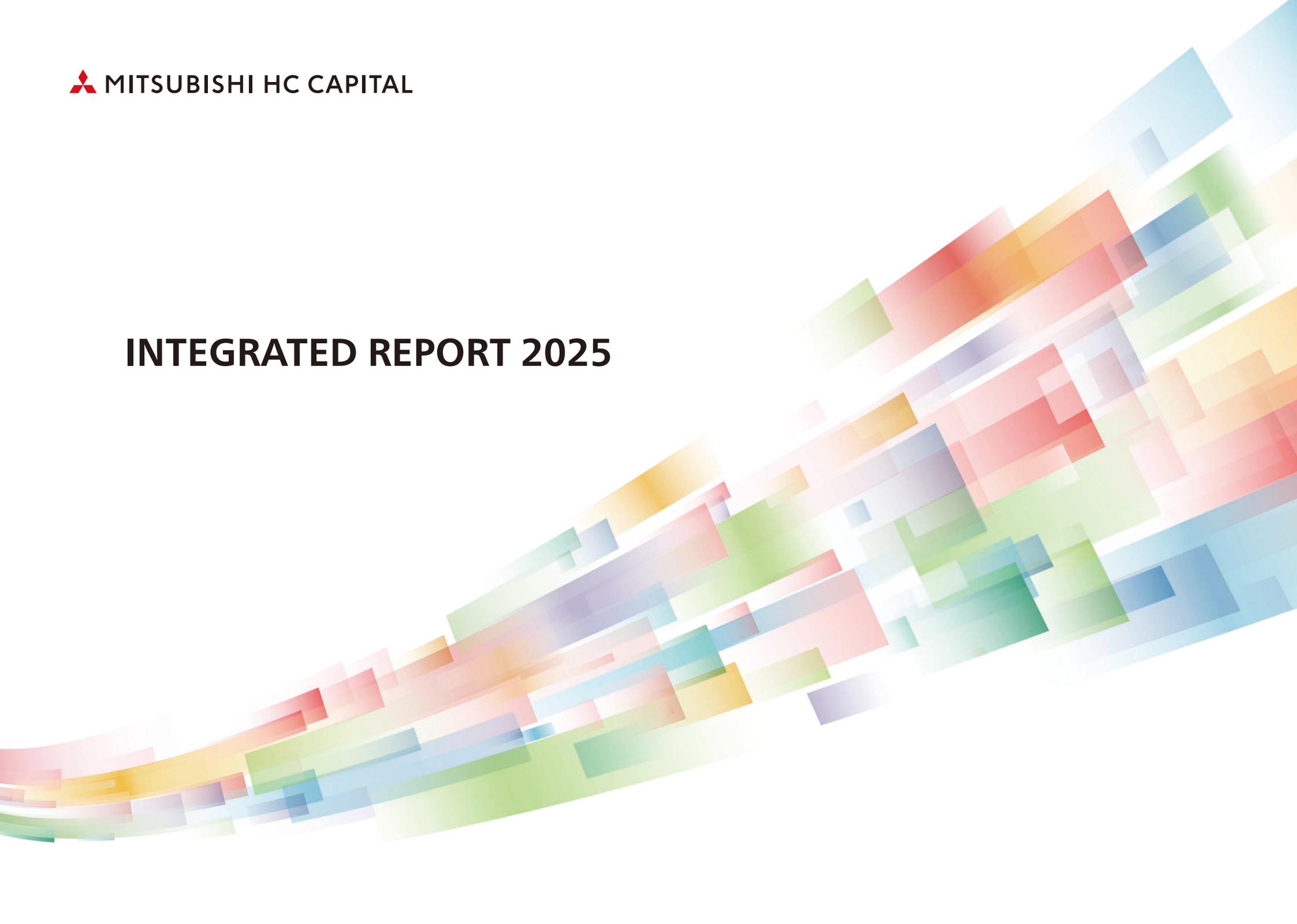


# INTEGRATED REPORT 2025



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## Editorial Policy

The Mitsubishi HC Capital Group (hereinafter “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, 2025 (April 2024 to March 2025) (Some descriptions include information on activities before and after the reporting period.)

### Reporting scope

Mitsubishi HC Capital (hereinafter “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.

### Contact

Corporate Communications Department, Mitsubishi HC Capital Inc.  
5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-6525, Japan  
TEL: +81-3-6865-3002

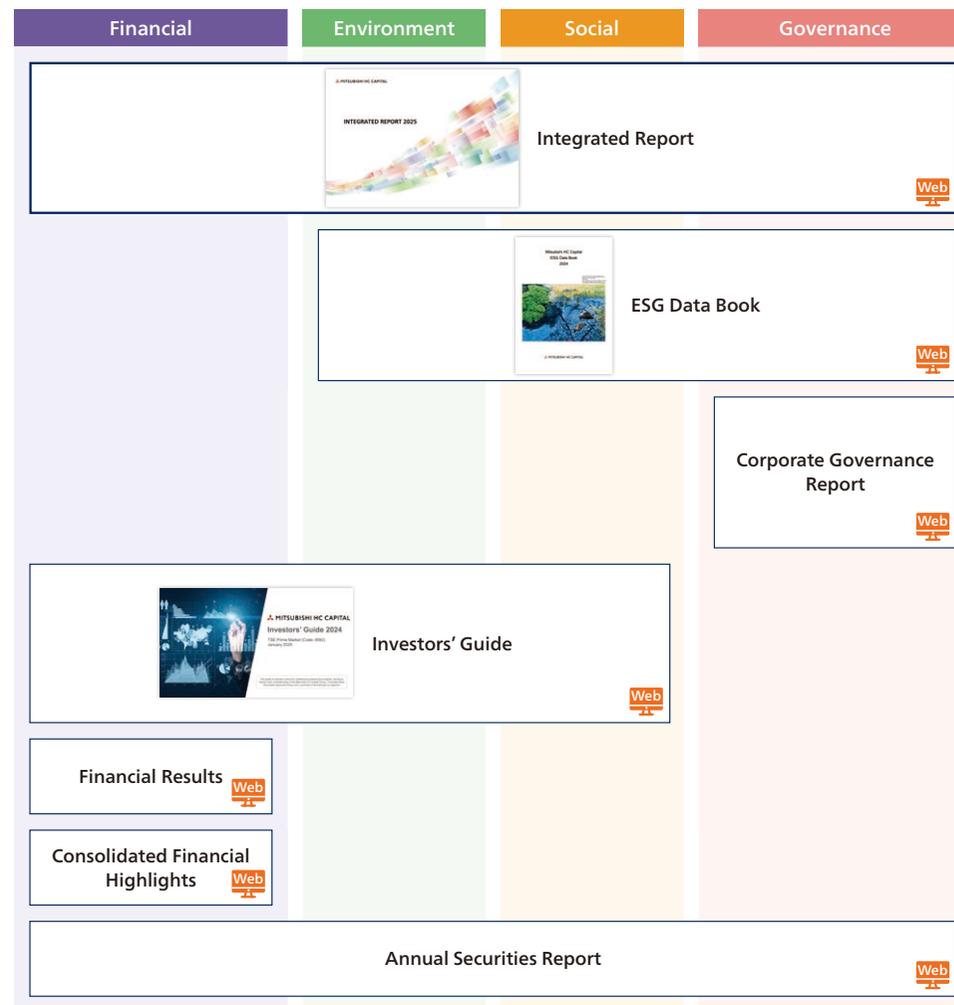
### Corporate website

<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.



# Mitsubishi HC Capital Supports Society through Asset Businesses

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 businesses.



Aircraft engine leasing

Aircraft leasing

Wind power generation

Battery storage business

Construction machinery leasing

Marine container leasing

Hydrogen business

Machine tools and industrial machinery leasing

Used semiconductor manufacturing equipment refurbishing services (refurbishing business)

Solar power generation

Logistics robotics

Shared warehouses

Real estate finance

Truck finance

Real estate asset management

Real estate investment

Private Finance Initiatives (PFIs)

Rooftop solar power generation

PC rental with service support (PC-LCM)

EV charging stations

Auto leasing

Medical equipment leasing

Integrated EV services

Healthcare institution start-up support and management improvement support services

Railcar leasing

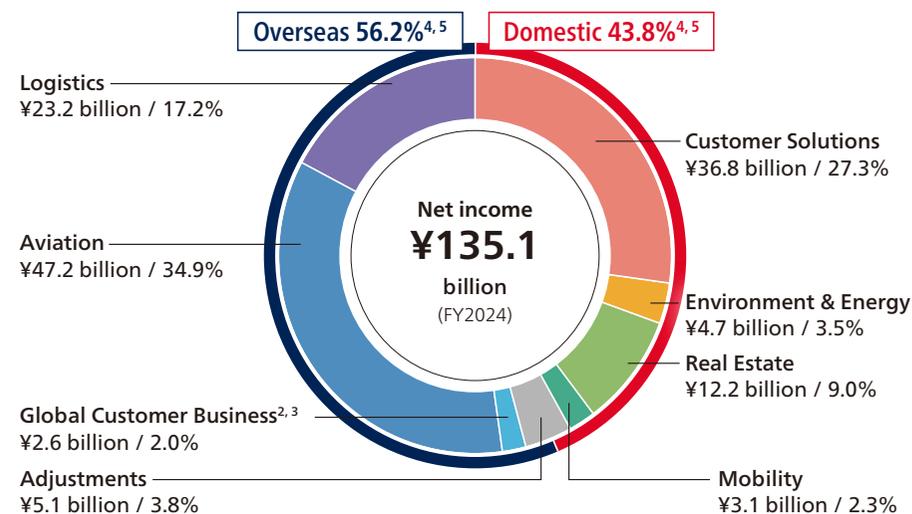
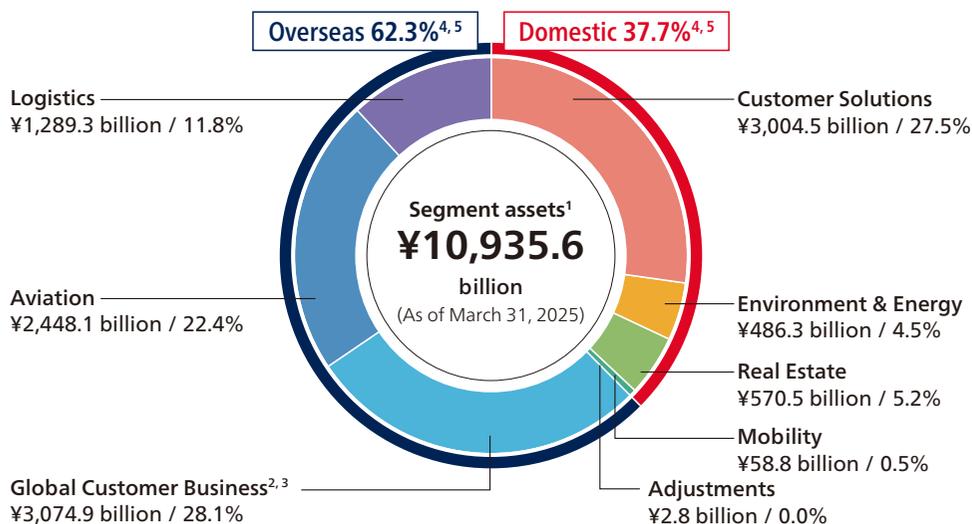
Consumer finance

Telecommunications and office equipment leasing

Digitalization of regional healthcare

## At a Glance

### Composition by segment



1. Operating assets + equity method investments + goodwill + investment securities, etc.  
 2. The Global Business segment will be called the Global Customer Business from FY2025.  
 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. Approximate percentages are shown by counting the Customer Solutions, Environment & Energy, Real Estate, and Mobility segments as domestic, and the Global Customer Business, Aviation, and Logistics segments as overseas, but some segments include both domestic and overseas assets and profits, and actual percentages differ from the above.  
 5. "Adjustments," which represent company-wide expenses and income not allocated to any reportable segment, have been excluded in the calculation.

### Mitsubishi HC Capital Group in figures (FY2024)

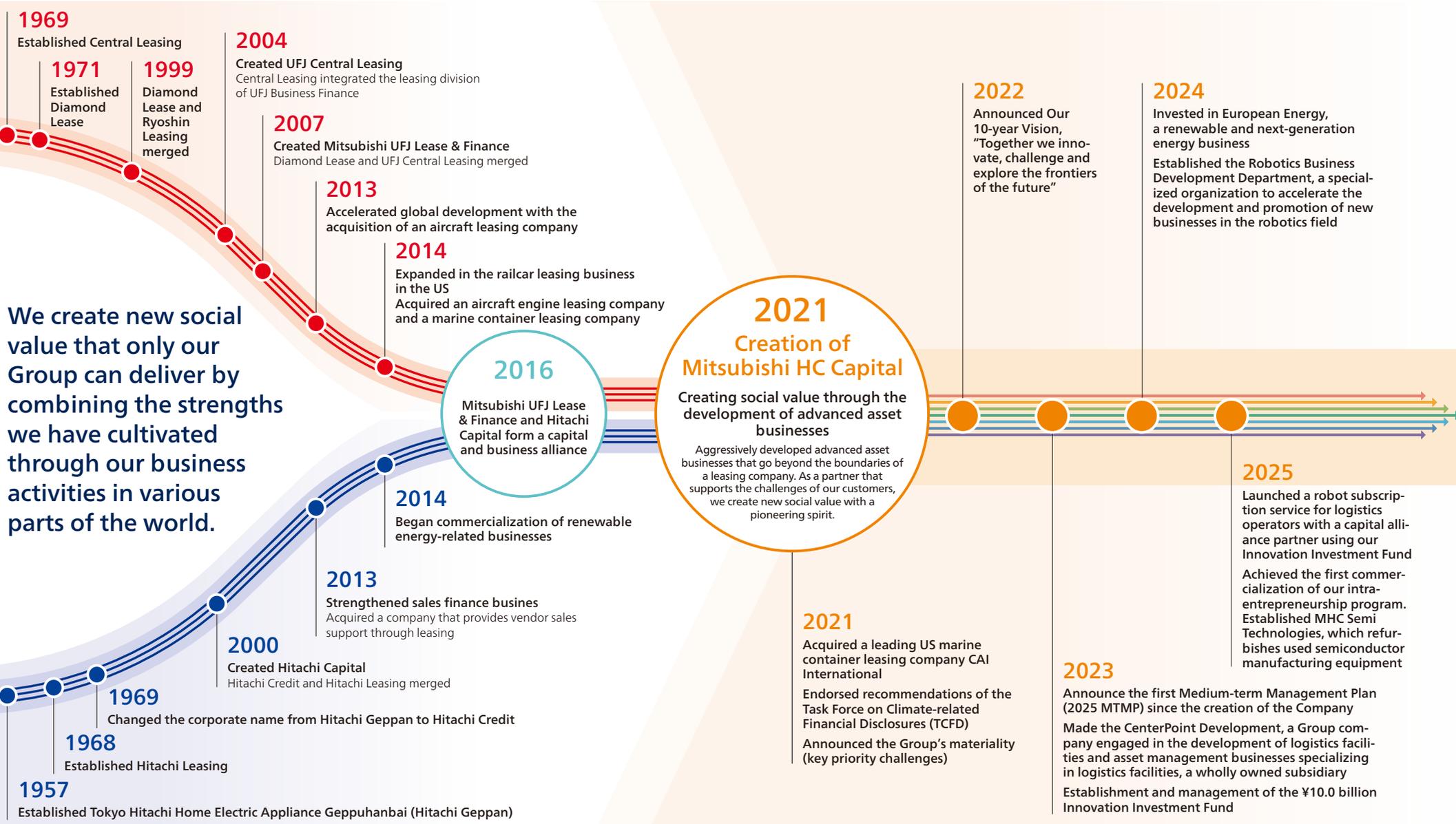
Business Strategies ▶ PP.27-46

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

Market capitalization and ranking (as of March 31, 2025)		Global network	Number of employees	
Market capitalization	Ranking <sup>6</sup>	Business operations	Consolidated	
<b>¥1,477.9 billion</b>	<b>120<sup>th</sup></b>	in more than <b>20</b> countries and regions around the world	<b>8,380 people</b>	
6. Rank among companies listed on the Tokyo Stock Exchange Prime Market (common stock only)				
Shareholder return		Ratings by external agencies		
Increased dividends consecutively for 26 fiscal periods	Payout ratio	S&P	Moody's	Japan Credit Rating Agency (JCR)
	Dividend per share	<b>A-</b>	<b>A3</b>	<b>AA</b>
	<b>42.5%</b>			Rating and Investment Information (R&I)
	<b>¥40</b>			<b>AA</b>

# History of Our Group

We create new social value that only our Group can deliver by combining the strengths we have cultivated through our business activities in various parts of the world.

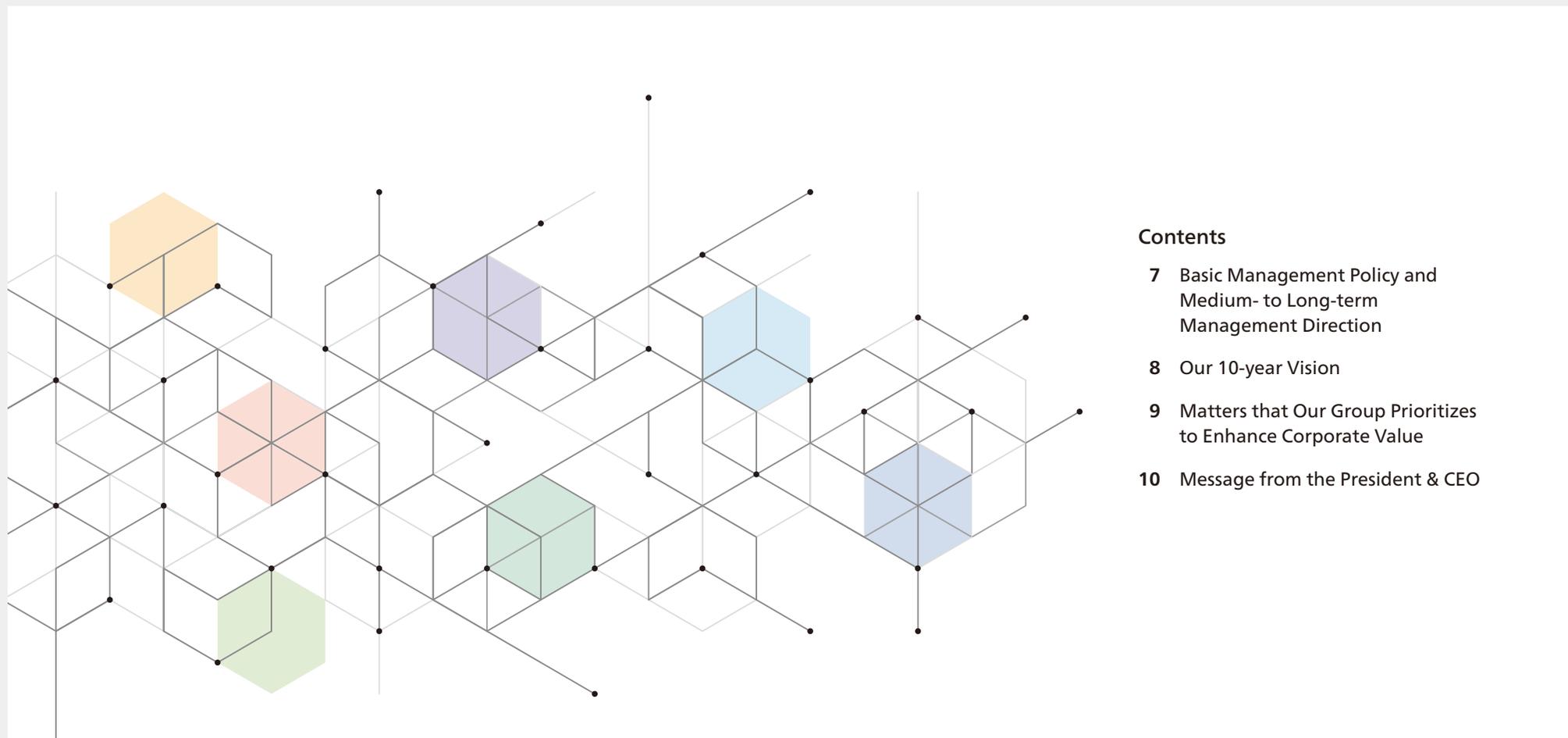


Section

1

# Our Medium- to Long-term Vision

Our entire Group is united and committed to achieving transformation toward realizing Our 10-year Vision: “Together we innovate, challenge and explore the frontiers of the future.” This section introduces our management strategy for the sustainable enhancement of our corporate value, which is supported by the President’s leadership approach in promoting transformation together with employees.



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- 7 Basic Management Policy and Medium- to Long-term Management Direction
- 8 Our 10-year Vision
- 9 Matters that Our Group Prioritizes to Enhance Corporate Value
- 10 Message from the President & CEO

## Basic Management Policy and Medium- to Long-term Management Direction

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.

### Basic Management Policy

**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–

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

### Medium- to Long-term Management Direction

**Our 10-year Vision**



CX: corporate transformation

SX / DX	Business portfolio transformation
<p><b>Sustainability transformation (SX)</b></p> <p>Achieve co-existence and co-prosperity with environmental and social value and sustainable growth through efforts for materiality (priority key challenges) and a solid management base.</p> <ol style="list-style-type: none"> <li>1 Business strategies based on materiality</li> <li>2 Strong corporate functions strategies that support sustainable growth</li> <li>3 Building a relationship of trust with stakeholders (improving engagement)</li> </ol> <p><b>Materiality</b> ▶ P.17 </p>	<p><b>Portfolio management</b></p> <p>Withdraw decisively from businesses that will not contribute to enhancing corporate value in the future and optimize the business portfolio, thus achieving sustainable growth and medium- to long-term enhancement of corporate value.</p> <ul style="list-style-type: none"> <li>• Review what our businesses should be like from a medium- to long-term perspective and promote new investments through strategic allocation of management resources.</li> <li>• Evolve management with recognition of capital cost to create medium- to long-term returns.</li> <li>• Pursue capital efficiency through balance sheet optimization with an awareness of the finite nature of management resources (including capital, funds, and talent).</li> </ul>
<p><b>Digital transformation (DX)</b></p> <p>Achieve creation and qualitative improvement of customer value by utilizing data and digital technologies and making strategic investments in a customer-oriented, future-oriented manner.</p> <ol style="list-style-type: none"> <li>1 Developing and acquiring DX talent</li> <li>2 Developing a base for DX frameworks</li> <li>3 Building frameworks for aggressive DX</li> <li>4 Developing new businesses</li> </ol>	<p><b>Evolution and layering of business models</b></p> <ol style="list-style-type: none"> <li>I Enhance profitability and efficiency of existing businesses</li> <li>II Shift existing businesses to high value-added services</li> <li>III Develop new businesses</li> </ol>

## Our 10-year Vision

As a milestone to the Group’s long-term aspirations, we have formulated a 10-year Vision.

We aim to reach this goal through three Medium-term Management Plans representing the “hop,” “step,” and “jump” phases.

### Financial targets of the Medium-term Management Plan (2025 MTMP)

	FY2021	FY2022	(Period of the 2025 MTMP)		
			FY2023 results	FY2024 results	FY2025 targets
Net income attributable to owners of parent	¥99.4 billion	¥116.2 billion	¥123.8 billion	¥135.1 billion	¥160.0 billion
ROA <sup>1</sup>	1.0%	1.1%	1.1%	1.2%	Approx. 1.5% <sup>2</sup>
ROE <sup>1</sup>	8.0%	8.2%	7.7%	7.8%	Approx. 10% <sup>3</sup>
Payout ratio	40.4%	40.8%	42.9%	42.5%	40% or higher (for the duration of the 2025 MTMP)
Financial soundness	A rating	A rating	A rating	A rating	Maintain A ratings

1. ROA and ROE are based on net income  
 2. Forecasted ROA for FY2025: 1.4%  
 3. Forecasted ROE for FY2025: 8.8%

## Our 10-year Vision Together we innovate, challenge and explore the frontiers of the future

To achieve Our Mission, continue to be an “innovator (who ventures into unexplored fields and creates innovation)” who challenges the frontiers of the future without being bound by precedents.

Anticipate the changes in society and the business environment including changes in global industrial structures, accelerating digitalization and increasing importance of sustainability, and continue addressing social issues that can be solved only by us through approaches such as SX and DX with customers and partners.

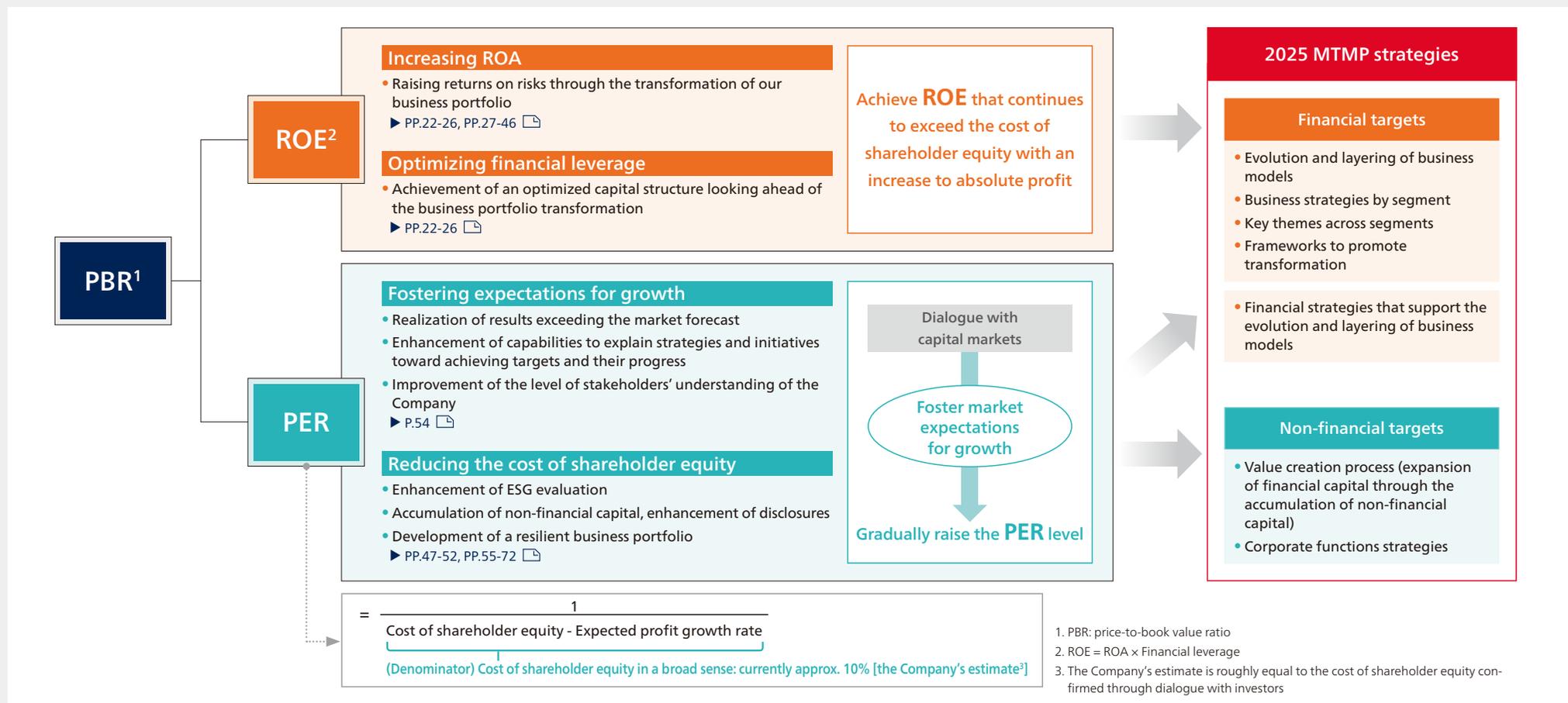
**Jump**  
 2031 MTMP  
 FY2029 to FY2031

**Step**  
 2028 MTMP  
 FY2026 to FY2028

**Hop**  
 2025 MTMP  
 FY2023 to FY2025

## Matters that Our Group Prioritizes to Enhance Corporate Value

Among the elements that constitute corporate value, the Group considers ROE to be particularly important. Rather than limiting ourselves to traditional leasing and finance, we will achieve ROE improvement by increasing ROA through business portfolio transformation to expand our business domains into high value-added businesses and raise returns on risks, as well as optimizing financial leverage that balances securing the capital necessary to support maintaining financial soundness and aggressive investment strategies with shareholder returns. Furthermore, through dialogue with capital markets, we will work on improving growth expectations and reducing the cost of shareholder equity to achieve higher price-to-earnings ratio (PER) levels. We are incorporating these major strategic directions into the 2025 MTMP and aiming to achieve both financial and non-financial targets.



## Message from the President & CEO



Accelerating transformation  
to enhance corporate value  
over the medium to long  
term and achieve sustainable  
growth

A handwritten signature in white ink, appearing to read 'Tajiri', followed by a stylized flourish.

Representative Director  
President & CEO

## Message from the President & CEO

### Feeling the transformation mindset take hold

Our 10-year Vision is encapsulated in the phrase, “Together we innovate, challenge and explore the frontiers of the future.” This represents our desire to be an innovator that forges the future without being caught up in past precedents, a company that continues to pioneer and innovate in areas that no one has ever ventured into before. At the same time, behind this vision is a strong sense of crisis that our Group may not even exist in 10 years if we continue to just follow the status quo.

It may not be the best idea to start this message with such negative talk, but I cannot get this sense of crisis out of my mind. It is easier said than done for a company to have a sense of crisis when business is going well. Yet, as someone who has been in the financial industry both at home and abroad for the past four decades, I have seen many companies fail due to complacency when things were going well. That is why, since taking office as President & CEO in April 2023, I have been strongly pushing ahead with Company-wide transformation.

In order to advance our transformation, each and

every employee must take ownership of this transformation, take on new challenges, and change themselves. New efforts will be accompanied by failure, but I have personally experienced that learning from such failures leads to one’s growth and development. I would even go so far as to welcome failures that lead to the next step, and I take every opportunity to directly communicate this sentiment to employees.

Based on this thinking, when we rolled out the 2025 MTMP, we launched initiatives to promote transformation, such as the Zero-Gravity Venture Lab (going by the name “ZERO-GRA”), **1** which includes calling for new business ideas and an intra-entrepreneurship program, and the Innovation Investment Fund (an investment facility totaling ¥10 billion), **2** which delegates investment decision authority to business departments and encourages speedy and responsible investment in startup companies.

ZERO-GRA’s intra-entrepreneurship program has led to the establishment of its first new company after a year of business feasibility assessment. Under the Innovation Investment Fund initiative, a new subscription service has been launched in collaboration with an investee of the fund. These two examples showcase that we are gradu-

ally seeing concrete results from these initiatives.

To further accelerate this wave of transformation, further instill a culture that encourages employees to take on challenges, and bring together the ideas and energy of our employees, in FY2024, we launched a project we call “Top Gun,” which I have directly led. This project aims to create new business models, solutions, and schemes that will increase our ability to provide added value to customers. We will accomplish this by sharing opinions based on free, outside-the-box thinking and by utilizing our comprehensive strengths to command the various functions within the Group beyond organizational boundaries. **3** When we started this project, we called for participants and received applications from over 2,000 employees, which is about 60% of our Group’s workforce in Japan. This made us keenly aware of our employees’ commitment to transformation. After narrowing down the number from these 2,000 or so employees, we formed several teams, which have held lively discussions with the management team, including myself.

Amid these various initiatives and daily interactions with many employees on various occasions, I have repeatedly emphasized the need for transformation, and

“ To advance our transformation, I want each and every employee to take ownership of our transformation and take on new challenges. ”



**1** Zero-Gravity Venture Lab ▶ P.21

As one of our initiatives to promote transformation, we are calling for new business ideas and implementing an intra-entrepreneurship program.



**2** Innovation Investment Fund ▶ P.21

We are promoting the creation of new services and the development of new businesses through open innovation with startup companies, beginning with investment in such companies.



**3** Top Gun ▶ P.21

This Company-wide project for innovation, directly led by the President & CEO, attracted applications from 2,149 employees, or about 60% of our Group’s workforce in Japan.

## Message from the President & CEO



I feel that a mindset toward transformation has gradually taken hold within the Group.

### Progress of the 2025 MTMP and formulation of the 2028 MTMP

Starting from its origins in the domestic leasing business, the Group has steadily achieved profit growth by expanding business domains and the geographical reach of its operations through M&As, and by increasing its asset base while accumulating quality assets. Following our business integration in April 2021, we have grown into a company with total assets of ¥11.7 trillion and interest-bearing debt of ¥8.8 trillion. We are now gradually reaching the time when we must shift away from our conventional growth strategy based on expanding the balance sheet.

**“ We will shift away from our growth strategy based on expanding the balance sheet and transform our business portfolio into one comprising more profitable and value-added businesses. ”**

For this reason, we recognize the need to shift our business portfolio to one comprising more profitable and value-added businesses while limiting the growth of our balance sheet to a more gradual pace than in the past. **As a key strategy of the 2025 MTMP, we have named this shift “the evolution and layering of business models” and have been promoting the transformation of our business portfolio.** **4** I believe that we are making steady progress in this effort.

In terms of financial results, we were able to achieve our net income targets in both the first and second years of the 2025 MTMP. In the second year, FY2024, we recorded an unexpectedly large amount of credit costs in the Americas business of the Global Customer Business segment, and a one-time loss in the Environment & Energy segment, but net income reached a record high thanks to the strong performance in the Aviation segment and Logistics segment. While it was a challenging year with mixed results for our business segments, we believe that it demonstrated the strengths of the business portfolio that the Group is aiming for, which I will explain later.

For the financial targets for FY2025, the final year of the 2025 MTMP, we aim to further surpass our previous

record high and achieve net income of ¥160 billion as announced. However, despite the yen being weaker than expected when the 2025 MTMP was formulated, the increase in profits, including the effect of the weak yen, was not sufficient, and unfortunately, we expect ROA and ROE to fall short of their original targets. Although the business environment is uncertain due to factors such as US tariff measures and geopolitical risks, we will continue our efforts to finish off the 2025 MTMP.

In FY2025, we are also formulating our next Medium-term Management Plan (the 2028 MTMP), which is positioned as the “step” phase of the “hop,” “step,” and “jump” phases we are taking toward realizing Our 10-year Vision. Although the business environment both in Japan and overseas is rapidly changing and difficult to predict, we intend to formulate a Medium-term Management Plan that is understandable to all stakeholders and under which we will achieve sustainable growth even in such circumstances.

FY2025 is a very important year: we will cap off the 2025 MTMP and formulate the 2028 MTMP in parallel. All employees of the Group will work together to tackle this challenge.



**Progress of the Medium-term Management Plan (2025 MTMP) ▶ P.19**

We are shifting to a more profitable business portfolio and advancing our transformation.

**Web** [For details about our Medium-term Management Plan, please visit our corporate website.](#)

## Message from the President & CEO

### Working to enhance corporate value over the medium to long term

Our price-to-book value ratio (PBR) is still below 1.0 (as of June 30, 2025). We intend to achieve a stable PBR of over 1.0 as soon as possible in order to enhance our corporate value over the medium to long term. Toward this end, the Group is focusing on achieving an ROE that sustainably exceeds the cost of shareholder equity it recognizes (approximately 10%), as well as increasing our price-to-earnings ratio (PER) by reducing our cost of shareholder equity and fostering growth expectations. **5**

As mentioned earlier, ROE is expected to fall short of the target set in the 2025 MTMP. In this regard, some shareholders and investors have been critical, saying that there seems to be less focus on achieving the ROE target than on the net income target. However, I would like to reiterate that we are managing our business with a strong awareness of achieving an ROE that exceeds the cost of shareholder equity in the short term and further improving ROE over the medium to long term.

In order to improve ROE, we need to both grow profits and optimize our capital structure. With regard to profit growth, we are placing greater emphasis on improving profitability in addition to increasing the amount of profit. Under the 2025 MTMP, we have incorporated not only the amount of net income, but also ROA and ROE into the KPIs for officers' remuneration. As I mentioned at the

beginning of this message, to simultaneously improve the amount of profits and profitability, it is essential to transform the entire Company, including changing the mindset of employees, and the evolution and layering of business models set out in the 2025 MTMP is an important strategy for this purpose. Each employee must be able to fully utilize the strengths of the Group to help solve the challenges faced by our customers, without being confined to the framework and fixed ideas of a leasing company.

In terms of optimizing the capital structure, we will make strategic investments to grow profits and retain the earnings necessary to maintain our financial soundness, while also allocating the portion that exceeds the required amount of capital to shareholder returns, taking into account the progress of the evolution and layering of business models. We have been highly praised for increasing dividends for 26 consecutive years, and we will continue to consider shareholder returns that will satisfy our shareholders.

Regarding the PER, in order to share the Group's growth story to the capital markets and foster expectations for growth while reducing the cost of shareholder equity, we need to have our shareholders understand what the Group is aiming for in the medium to long term, how it will achieve this goal, and the path and strategy leading to it.

To reduce the cost of shareholder equity, we will strengthen our risk management capabilities to limit

fluctuations in our performance resulting from the recognition of large amounts of credit costs and impairment losses that occurred over the two-year period from FY2023 to FY2024. We will also more proactively incorporate ESG elements, such as environmental measures, human rights, and compliance, into our management, and further enhance information disclosure.

We also recognize that further nurturing growth expectations is an important challenge. I believe this is a challenge not only for our Group, but for the entire leasing industry in Japan. Because our businesses are so diverse, we sometimes hear from shareholders and investors both in Japan and overseas that it is difficult to get an overall picture of what businesses the Mitsubishi HC Capital Group engages in and what our strengths are.

Based on these opinions, in FY2024, we took advantage of various opportunities, including the General Meeting of Shareholders, to clearly explain the business portfolio that our Group aims for, described below, using an illustration. In addition, in July 2024, we held our first Business Segment Meetings for our Aviation and Logistics segments with the aim of providing a deeper understanding of our business operations and creating opportunities for direct communication between the heads of our units and business divisions and investors. **6** These efforts were well received by the shareholders and investors who participated.

In addition, although we have set the goal "Together we innovate, challenge and explore the frontiers of the

5



#### Message from the CFO ▶ P.22

Realizing medium- to long-term growth and maximizing corporate value by managing business with an awareness of the cost of shareholder equity

6



#### Web Business Segment Meetings

We held our first Business Segment Meetings to explain our Aviation and Logistics segments to stakeholders. In July 2025, we also held a Business Segment Meeting focusing on our Real Estate segment.

## Message from the President & CEO

future” as Our 10-year Vision, more than a few have said that this is somewhat abstract and the specific details are difficult to understand. We recognize that this is a major issue, and that we need to respond appropriately to such feedback in the 2028 MTMP.

We will continue to enhance information disclosure and communication with our shareholders and investors in order to foster a better understanding of the Group.

### Building a robust business portfolio that combines profitability, growth potential, and stability

To help you further understand the Group, I would like to touch on the business portfolio that we are aiming for, which I consider to be of great importance.

The Group’s business portfolio can largely be divided into two categories: (1) traditional leasing and finance for domestic and overseas customers, and (2) leasing, finance, and investment in specialized businesses, such as Environment & Energy, Aviation, Logistics, Real Estate, and Mobility.

Looking at (1), although the Global Customer Business segment has experienced relatively large fluctuations in performance in recent years due to one-off factors, compared to (2), this category has relatively lower volatility, and it is a stable revenue base. Also, (1) is positioned as a

base for creating new businesses that can build strong relationships with various customers.

On the other hand, (2) is subject to market conditions and therefore has relatively higher volatility than (1), but its profitability is also correspondingly higher. In addition, the timing and magnitude of market fluctuations concerning each specialized business are not necessarily the same, so the volatilities of the specialized businesses offset each other. This is a distinctive characteristic of category (2).

By combining these two types of business portfolios, the Group as a whole has a business portfolio with low volatility and stable profitability. Looking back at the first and second years of the 2025 MTMP, although large amounts of credit costs and impairment losses were recorded in different segments, the profitability of other segments made up for these negative factors, and we reached our net income target.

However, in order to enhance our corporate value over the medium to long term as mentioned on the previous page, in other words, to quickly achieve an ROE that exceeds the cost of shareholder equity, which is an urgent issue, and to improve the PER by reducing the cost of shareholder equity and fostering growth expectations, the key will be to further improve and grow the quality of the business portfolio that we have built to date. In the area of category (1), in addition to quickly restoring the profitability of the Americas business, we are increasing profitability overall by adding a variety of

Mitsubishi HC Capital Group’s business portfolio



value, such as data utilization, to existing businesses both in Japan and overseas and thereby improving profitability, while divesting and withdrawing from businesses both in Japan and overseas that do not achieve the expected profitability. In the area of category (2), while carefully assessing market conditions, we continue to make bold large-scale investments in European Energy, an overseas renewable and next-generation energy company, as well as in aircraft and marine containers.

In order to maintain a robust business portfolio that combines profitability, growth potential, and stability, we must upgrade our portfolio while controlling business risks through careful and thorough risk management. We will continue to work on these efforts. 7



**Risk management** ▶ P.60

Realizing Our 10-year Vision through effective enterprise risk management and a sound risk culture adapted to an increasingly uncertain business environment

## Message from the President & CEO

“ There is no end to our transformation, and we must constantly keep changing. ”

### Providing maximum support for employees to take on new challenges and achieve self-realization, encouraging their growth, and rewarding their achievements

Finally, I would like to share my thoughts on our strategy to strengthen human capital. Naturally, for the Group to advance our transformation and sustainably enhance corporate value, the growth of each employee is essential. To encourage employees' growth and self-realization, we place the right people in the right positions and provide opportunities for employees to acquire the necessary skill sets. As an investment in our human capital, training costs per employee are among the highest in the industry.\* In addition, we have established the Career Challenge Program, which creates opportunities for employees to realize their desired careers. Through these efforts, we have created an environment in which employees can be highly motivated and maximize their abilities by being assigned to the departments or jobs of their choice.

In addition, we intend to create an open and lively work environment to encourage the emergence of new synergies that cannot be created by individuals alone. Whenever I visit our Group's offices around the world, I

repeatedly emphasize the importance of communication by saying "Communication, communication, and communication!" I am particularly conscious of respecting each other and eliminating guessing at their intentions and bias when communicating with employees.

Furthermore, we properly reward employees' efforts and achievements through clear and transparent evaluations and compensation. With regard to compensation, we have implemented a base pay increase for three consecutive years since 2023, resulting in a total wage increase of about 20% over those three years.

Based on my belief that human resources are our most irreplaceable asset, in this Integrated Report, the section on our strategy to strengthen human capital is included as part of our value creation story, just like our business strategies. 8

### Continuing our transformation and contributing to a sustainable and prosperous future

So far, I have been talking about how the entire Group is working on transformation due to my strong sense of crisis. Through initiatives such as ZERO-GRA and Top Gun,



which I introduced at the beginning, the mindset and behavior of employees are visibly changing. Collaborative activities that stem from communication beyond organizational walls and activities to take on challenges without fear of failure are also actually taking place. On the other hand, the business environment surrounding the Group is constantly changing, symbolized by rising interest rates and changes to lease accounting standards in Japan, heightening geopolitical risks overseas and US tariff measures, and concerns about a global economic downturn due to these factors. As a result, the future is becoming increasingly uncertain.

Indeed, there is no end to our transformation, and we must constantly keep changing as there is no future for the Group if we continue on with the status quo. As stated in Our Mission, we will continue to transform ourselves and contribute to a prosperous and sustainable future by creating social value that is unique to the Group.

\*FY2023 basis



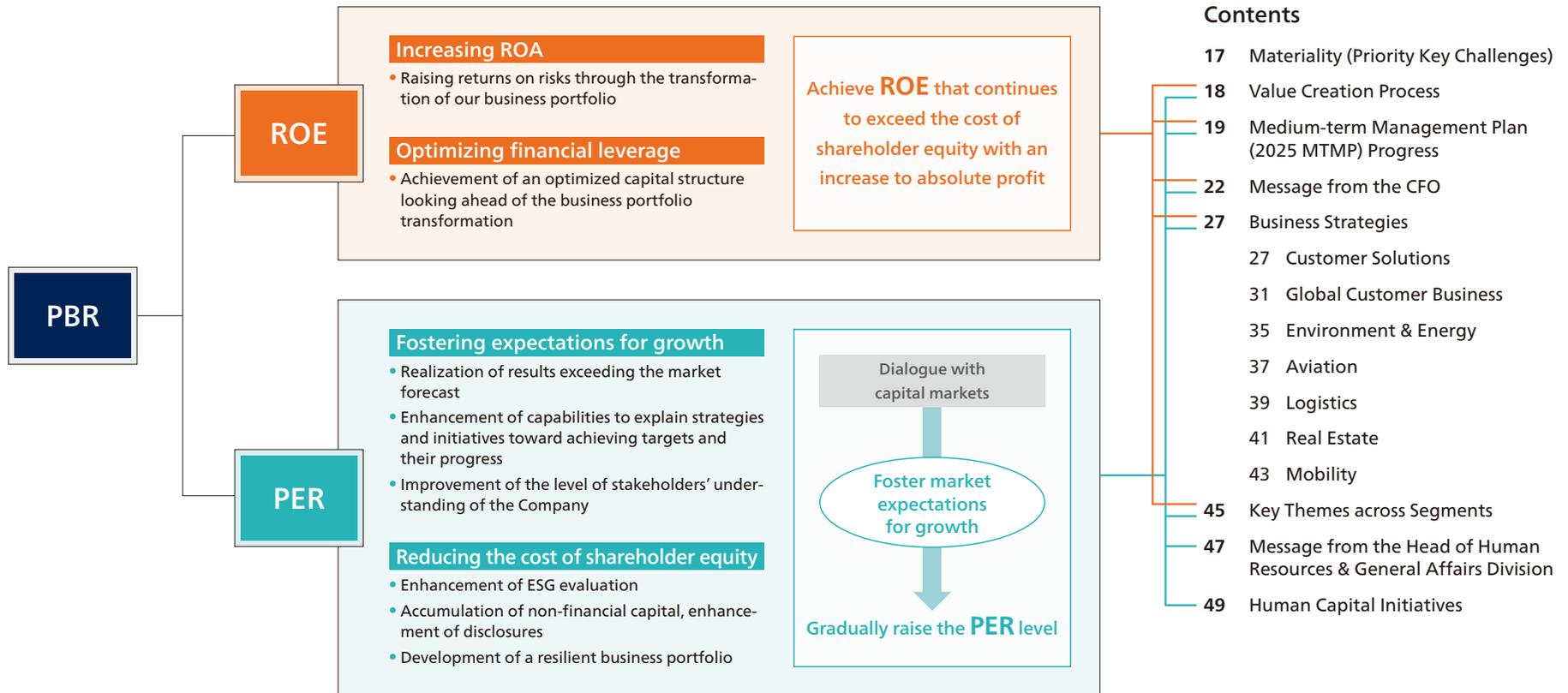
Message from the Head of Human Resources & General Affairs Division ▶ P.47

Aiming to become an organization where the Company and each employee can take on new challenges and grow

Section **2**

# Value Creation Story

This section introduces our Group’s value creation story aimed at creating both social value and economic value. We will explain our business strategies, financial strategies, and human resources strategies based on our 2025 MTMP toward realizing Our 10-year Vision.



## Materiality (Priority Key Challenges)

Against a backdrop of megatrends on a global scale, such as climate change driven by global warming, population growth, urbanization, and a scarcity of resources in recent years, not only our personal lives but also social environments have been drastically changing worldwide. Under such circumstances, companies are expected to make efforts to solve numerous issues, such as promoting a decarbonized society and building a circular economy. In our Group, we are committed to effective management and business activities to resolve issues based on appropriate understanding of materiality.

### Materiality of the Group

Materiality	Why the Group treats as highly material challenges	Related SDGs
Promote a decarbonized society	<ul style="list-style-type: none"> <li>Efforts to realize a decarbonized society have been globally recognized as an urgent issue and the Group can significantly contribute to solving this challenge through its services and solutions, such as renewable energy investment and EV promotion.</li> <li>It is quite a few impact on but is significant for the Group to distinct its business from the business not solving social issues.</li> </ul>	
Realize the circular economy	<ul style="list-style-type: none"> <li>The Group aims to contribute to creating a circular economy by reducing waste, not only in the Group but also within society through maximizing the potential of assets as a leading leader in the leasing industry. The Group treats this challenge as material.</li> <li>The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners.</li> </ul>	
Establish resilient social infrastructure	<ul style="list-style-type: none"> <li>Large parts of the infrastructure within Japan need to be repaired. The Group also recognizes the business has huge potential opportunities to support the development of infrastructure in overseas countries with active collaboration between various partners and create a smart city.</li> <li>The Group will contribute to the business being diversified, enhanced and efficient through establishing the system and providing services for supporting the collaboration of various companies.</li> </ul>	
Realize healthy lifestyles that promote positive wellbeing	<ul style="list-style-type: none"> <li>It is vital for its stakeholders that the Group recognizes the importance of health, safety, mental and physical wellbeing for realizing the prosperous future.</li> <li>Valuable human resources are key. Personal development and attraction and retention of talent is significant for the Group members.</li> </ul>	
Create businesses utilizing the latest technologies	<ul style="list-style-type: none"> <li>Both financing for the purpose of digital transformation of customers and providing solution by internal and external digital technologies urge to develop new business models.</li> <li>Including establishing a supply chain with utilizing with new alternative energies, the Group identifies material one as the opportunity.</li> </ul>	
Collaborate with partners locally and globally	<ul style="list-style-type: none"> <li>Social issues differ by countries and regions. It is significant that the Group aims to solve these issues by collaborating with local partners to ensure the Group is meeting individual needs through local community-based communication.</li> <li>The Group can realize mutual benefits in developing society by utilizing the integrated capability in the Group.</li> </ul>	

### Relationship between materiality, Our Mission and Our Vision (Basic Sustainability Policy)

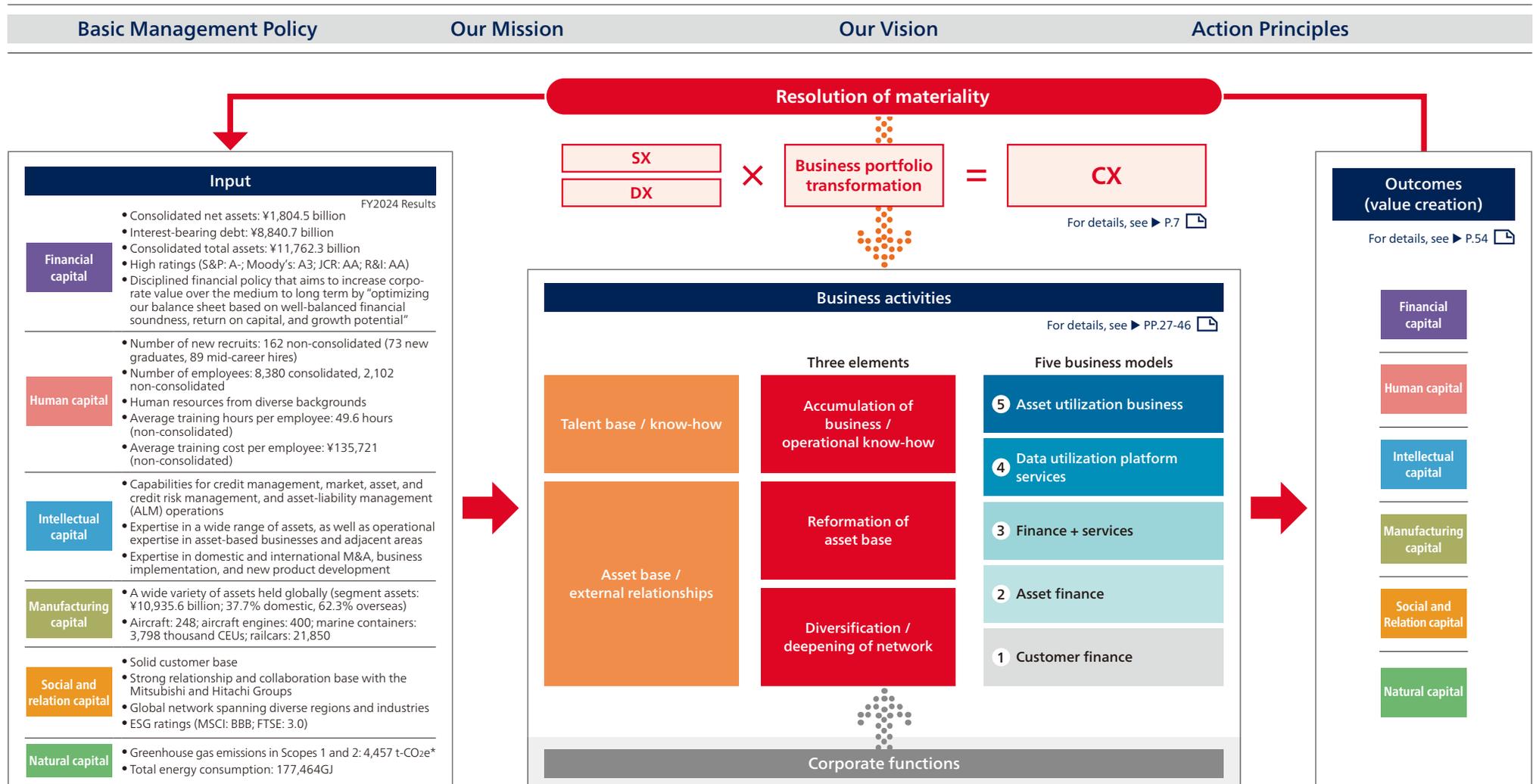
Our Group has set forth its aspiration as stated in Our Mission, which is to contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets together with our customers and partner companies. In order to realize these aspirations, we have established Our Vision. Our Mission, Our Vision, and our integrated approach to identified material issues constitute the Group’s Basic Sustainability Policy.

### How materiality relates to Our Mission and Our Vision



# Value Creation Process

Our Group will achieve corporate transformation (CX) toward Our 10-year Vision by leveraging our diverse global assets and strong customer base to create value with stakeholders through our business activities. This value creation process is the Company-wide common guideline and language of our Group.

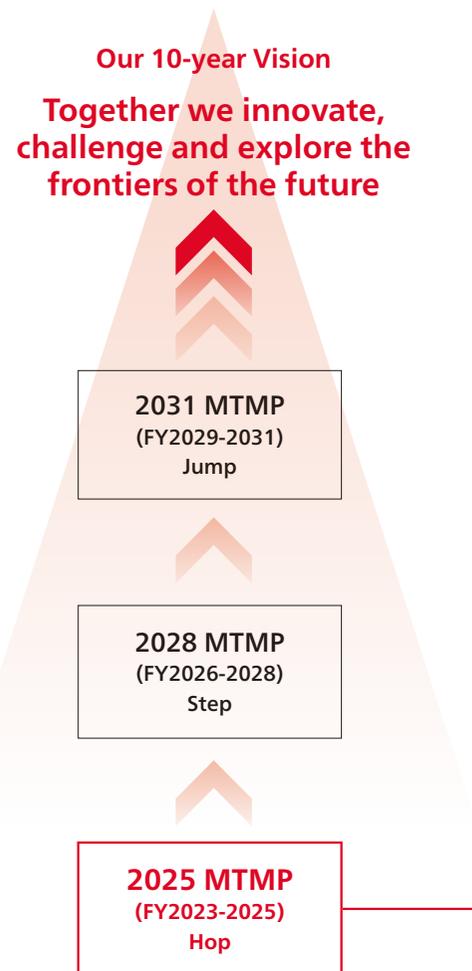


\* Preliminary figures prior to obtaining third-party certification. Actual results after obtaining third-party certification will be disclosed on our website at a later date.

## Medium-term Management Plan (2025 MTMP) Progress

### Overview of the 2025 MTMP

The FY2023-2025 Medium-term Management Plan (2025 MTMP) is positioned as the “hop” phase of our “hop,” “step,” and “jump” plans aimed at realizing Our 10-year Vision, “Together we innovate, challenge and explore the frontiers of the future.” We will promote the evolution and layering of business models while steadily engaging in “sowing seeds” for new domains and “gaining a solid foothold” by redeveloping and redefining existing domains, which will both lead to a leap to the “step” and “jump” plans, to enhance our corporate value over the medium-to-long term.



#### 2025 MTMP outline

- Increase profitability by promoting the evolution and layering of business models (the accumulation of business types 3, 4, and 5 (see the figure below) is a key theme).
- Aim to achieve an optimal balance sheet based on a balance between growth potential, return on capital, and financial soundness.
- “Sowing seeds” and “gaining a solid foothold” leading to a leap to the “step” and “jump” plans are the keywords.

#### Major strategies

- Business strategies  
Implement Company-wide business strategies and business strategies by segment based on the evolution and layering of business models.
- Corporate functions strategies  
Foster and secure talent and bolster the financial base and internal organizational base.
- Frameworks to promote transformation  
Promote reform in the awareness of employees to achieve transformation.

#### Vision of the evolution and layering of business models

- A Enhancing the profitability and efficiency of existing businesses
- B Shifting existing businesses to high value-added services
- C Developing new businesses

**Five business models**

- ⑤ Asset utilization business
- ④ Data utilization platform services
- ③ Finance + services
- ② Asset finance
- ① Customer finance

## Medium-term Management Plan (2025 MTMP) Progress

### Progress of the 2025 MTMP

FY2023- FY2024	Results	<ul style="list-style-type: none"> <li><b>Financial targets</b> Net income and ROA targets have been achieved as planned.</li> <li><b>Non-financial targets</b> Have steadily progressed with some targets achieved ahead of schedule.</li> <li><b>Business portfolio transformation</b> Business portfolio transformation and the replacement of assets have progressed smoothly toward the improvement of capital efficiency.</li> <li><b>"Sowing seeds" for the future</b> Started to work on developing projects associated with the key themes across segments and frameworks to promote transformation.</li> </ul>
	Challenges	<ul style="list-style-type: none"> <li><b>Evolution and layering of business models in all domestic businesses</b> Acceleration of the enhancement of collaboration with partner companies and the realization of businesses to provide high-value-added services.</li> <li><b>Americas business in the Global Customer Business segment</b> The restructuring of sales finance for commercial trucks and the early recovery of profitability through portfolio diversification.</li> </ul>

FY2025	Direction	<ul style="list-style-type: none"> <li><b>Financial targets</b> Compared to the targets of net income of ¥160.0 billion, ROA of approximately 1.5%, and ROE of approximately 10%, the forecast is net income of ¥160.0 billion, ROA of 1.4%, and ROE of 8.8%, with ROA and ROE falling short of expectations. Continue to strive to improve them toward the next MTMP. Specialized business segments including Aviation and Logistics continue to be our profit drivers. We will work to ensure an early recovery in the Americas business.</li> <li><b>Evolution and layering of business models</b> Replace assets on a Company-wide basis and continue to make growth investments. Accelerate collaborations with partner companies and promoting high-value-added businesses mainly in Customer Solutions.</li> <li><b>"Sowing seeds"</b> Continue to implement and expand initiatives from medium- to long-term perspectives.</li> </ul>
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FY2026 and beyond	Direction	<ul style="list-style-type: none"> <li>Harvest the fruit of "sowing seeds" initiatives launched during the 2025 MTMP period (begin contributing to profits on a full scale).</li> <li>Promote the above-mentioned and other initiatives, which contribute to enhancing our corporate value over the medium to long term (promote them after clarifying their details in the 2028 MTMP, which is planned to be formulated during FY2025).</li> </ul>
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### Financial targets

		FY2023 results	FY2024 results	FY2025 forecast	
<b>Net income attributable to owners of parent</b>		¥123.8 billion	¥135.1 billion	¥160.0 billion	
ROA <sup>1</sup>		1.1%	1.2%	1.4%	
ROE <sup>1</sup>		7.7%	7.8%	8.8%	
<b>Segment profit<sup>2</sup> and ROA<sup>3</sup></b>	Customer Solutions	Segment profit	¥38.1 billion	¥36.8 billion	¥43.7 billion
		ROA	1.2%	1.2%	1.3%
	Global Customer Business	Segment profit	¥16.6 billion	¥2.6 billion	¥9.8 billion
		ROA	0.5%	0.1%	0.3%
	Specialized businesses segments <sup>4</sup> (Environment & Energy, Aviation, Logistics, Real Estate, Mobility)	Segment profit	¥67.2 billion	¥90.5 billion	¥100.0 billion
		ROA	1.6%	1.9%	1.9%

1. ROA and ROE are based on net income attributable to owners of the parent.

2. The total figures for the Customer Solutions, Global Customer Business, and Specialized businesses segments are not equal to net income because they do not include "Adjustments" figures, which are recorded in the head office account.

3. Calculated by dividing the numerator (segment profit) by the denominator (average total assets during the term for each segment). Some figures are not equal to segment ROAs, which are calculated by using segment assets.

4. ROA is the weighted average of the Environment & Energy, Aviation, Logistics, Real Estate, and Mobility segments.

### Non-financial targets

Evaluation legend: ● Target met, ○ On schedule

	KPI (italicized brackets: scope [consolidated or non-consolidated])	Targets (for the duration of the 2025 MTMP)	FY2024 results	Evaluation
Human capital	Level of fulfillment of a talent portfolio in line with our management strategies ( <i>non-consolidated</i> )	Formulate the talent portfolio framework and visualize the level of fulfillment	Visualized our talent information and categorized necessary roles	○
	Results of the employee engagement survey ( <i>non-consolidated</i> )	Refine the survey content and enhance analysis	Refined analysis by quantifying survey results, etc. (75% of all departments are classified as a department with a high level of MHC engagement that satisfies a certain standard <sup>5</sup> )	○
	DX Assessment <sup>6</sup>	80% or more	85% (+38.0 pt YoY)	●
	Percentage of standard- or higher-level talent ( <i>non-consolidated</i> )			
Intellectual capital	Monthly average overtime hours (operational efficiency) ( <i>non-consolidated</i> )	14 hours or less	15 hours 47 minutes (-3.0 hours from the previous fiscal year)	○
	Rate of annual paid holidays taken by employees ( <i>non-consolidated</i> )	70% or more	76.9% (+2.5% pt from the previous fiscal year)	●
	GHG emissions amount (Scope 3) ( <i>consolidated</i> )	Analyze the categories that have a major impact and visualize Scope 3 emissions	Calculated GHG emissions (Scope 3) from transactions in Aviation and Real Estate, obtained third-party assurance, and disclosed the data	○
Manufacturing capital	GHG emissions amount (Scope 1, 2) ( <i>consolidated</i> )	-55% in FY2030 vs. FY2019 and net zero in FY2050	-60.5% (vs. FY2019) <sup>7</sup>	●
Social and relation capital	Energy consumption (domestic) ( <i>non-consolidated + Group companies in Japan</i> )	-1% YoY continually	-4.3% (YoY) <sup>7</sup>	●
Natural capital				

5. When employees work together to create value, the situation is defined as having a high level of MHC engagement. Departments are classified into three categories according to indicators showing the level of their engagement, and the departments classified into the top two categories with their employees working together to create value are deemed to have a high level of MHC engagement (MHC: Mitsubishi HC Capital).

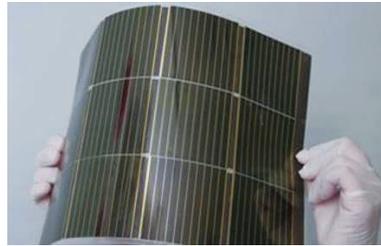
6. DX Assessment: A tool provided by an external vendor for measuring levels of DX literacy. Employees are categorized into three levels: beginner, standard, or expert.

7. Preliminary figures prior to obtaining third-party assurance. Actual results after obtaining third-party assurance will be disclosed on our website at a later date.

## Medium-term Management Plan (2025 MTMP) Progress

### Frameworks to promote transformation

In order to realize Our 10-year Vision, we need to achieve transformation that goes beyond simply staying on conventional paths. Under management leadership, our Group is working to transform with the following three approaches: 1) “Lay” the foundation of transformation (foster all employees’ awareness of transformation), 2) “Create” transformation (develop frameworks that contribute to transformation), and 3) “Promote” transformation (develop an agile discussion framework that promotes flexible and rapid decision-making).

<p><b>1</b></p> <p><b>“Lay” the foundation of transformation</b></p> 	<p><b>FY2024 results (major initiatives)</b></p> <ul style="list-style-type: none"> <li>• Held a Company-wide briefing session on the progress of the 2025 MTMP, considered measures for promoting transformation by conducting an employee survey.</li> <li>• Promoted the Top Gun project led by the President &amp; CEO.</li> </ul> <p><b>FY2025 plan (major initiatives)</b></p> <ul style="list-style-type: none"> <li>• Continue to hold the briefing session on the progress of the 2025 MTMP and to conduct the employee survey.</li> <li>• Consider initiatives to work on in the next MTMP period.</li> </ul>	<p><b>Example of initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Top Gun</b></li> </ul> <p>In FY2024, 2,149 employees, or about 60% of the approximately 3,700 domestic Group employees, submitted applications describing ideas for improving our value delivery capabilities. Subsequently, workshops were held several times, mainly for interested employees, and 75 employees proposed and discussed 17 new projects. A final activity report on the progress of the project was submitted in March 2025. We began full-scale consideration of several proposals in FY2025.</p>	 <p>A scene from the final activity report meeting</p>
<p><b>2</b></p> <p><b>“Create” transformation</b></p> 	<p><b>FY2024 results (major initiatives)</b></p> <ul style="list-style-type: none"> <li>• Regarding the Zero-Gravity Venture Lab (commonly known as “ZERO-GRA”), screened project applications and assessed the commercialization of projects.</li> <li>• Launched an internal website that introduces examples of challenges taken on, including those that failed.</li> </ul> <p><b>FY2025 plan (major initiatives)</b></p> <ul style="list-style-type: none"> <li>• Continue with ZERO-GRA (commercializing selected projects and screening new projects) and enhance business development capabilities.</li> <li>• Build frameworks for collaboration between organizations to demonstrate the Group’s combined strengths to the fullest.</li> </ul>	<p><b>Example of initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Zero-Gravity Venture Lab (commonly known as “ZERO-GRA”)</b></li> </ul> <p>ZERO-GRA is one of our initiatives to accelerate new business development. Three ZERO-GRA projects passed the final internal screening and are under consideration for commercialization under the Founder Program, where the originator of the idea becomes the owner and aims to commercialize the idea. One of the three projects established a new operating company in February 2025, which engages in refurbishing semiconductor manufacturing equipment.</p> <p><b>Taking on the challenge of the evolution and layering of business models</b> ▶ P.28 </p>	 <p>Used semiconductor manufacturing equipment</p>
<p><b>3</b></p> <p><b>“Promote” transformation</b></p> 	<p><b>FY2024 results (major initiatives)</b></p> <ul style="list-style-type: none"> <li>• Continued with the Innovation Investment Fund, an internal investment facility.</li> <li>• Delegated approval authority to lower layers across the board.</li> </ul> <p><b>FY2025 plan (major initiatives)</b></p> <ul style="list-style-type: none"> <li>• Discuss the sustainability of the Innovation Investment Fund, accelerate new business development by collaborating with startups.</li> <li>• Formulate a plan for the decentralization and delegation of authority in the next MTMP period.</li> </ul>	<p><b>Example of initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Innovation Investment Fund</b></li> </ul> <p>For the Innovation Investment Fund, the authority to execute investments is delegated to sales organizations in the Group, thereby speeding up decision-making and driving transformation. We have been increasing investments mainly in growth areas such as robotics, environment (decarbonization), healthcare, real estate, and mobility, with a cumulative total of 19 investments (¥2.86 billion) as of the end of March 2025.</p>	 <p>Perovskite solar battery</p>

## Message from the CFO



# Realizing medium- to long-term growth and maximizing corporate value by managing business with an awareness of the cost of shareholder equity

## Haruhiko Sato

Director, Managing Executive Officer  
CFO  
Deputy Head of Corporate & Strategic  
Planning Division

### Enhancing corporate value ahead of our next phase

As a result of the business integration in April 2021, our Group now has total assets of ¥11.7 trillion and interest-bearing debt of ¥8.8 trillion. This means that we are shifting from the current phase, in which we achieved profit growth while expanding our balance sheet by accumulating assets, to the next phase, in which we are shifting our focus to practicing management with a stronger awareness of profitability and efficiency, with the aim of sustainably enhancing our corporate value through further effective utilization of capital.

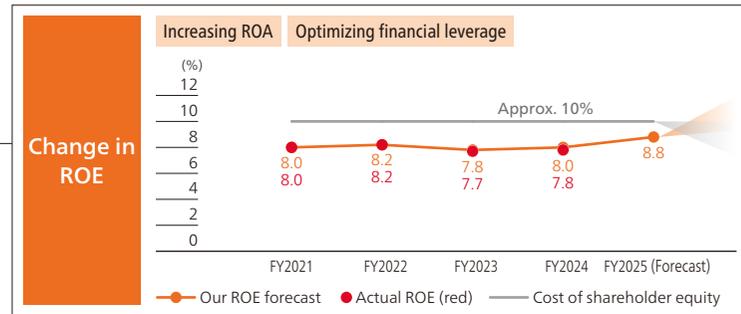
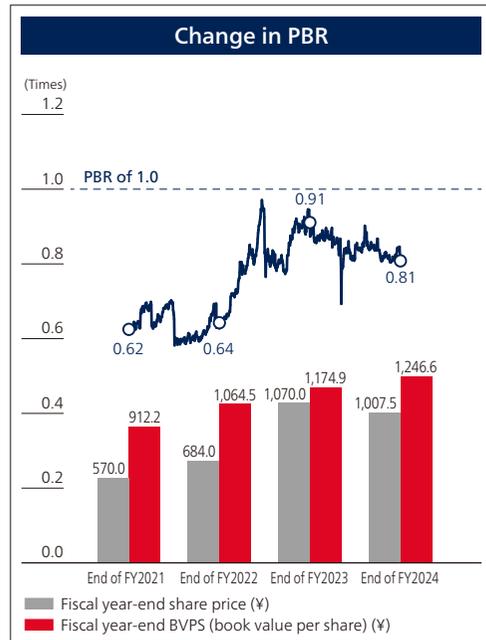
Furthermore, given that the price-to-book value ratio (PBR) of our Group is still below 1.0 (as of June 30, 2025), we strongly recognize the need to further accelerate our efforts to sustainably enhance our corporate value. Therefore, we believe it is necessary to pursue two objectives simultaneously: achieving profitability that sustainably exceeds the cost of shareholder equity by managing business with greater emphasis on ROE, and improving our price-to-earnings ratio (PER) by raising growth expectations and reducing the cost of shareholder equity.

In addition, in order to further raise growth expectations and reduce the cost of shareholder equity, it is necessary to make efforts to help shareholders and investors

fully understand the growth story of our Group. We have set forth a medium- to long-term growth story titled Our 10-year Vision, and in order to facilitate stakeholders' understanding of the direction our Group is heading as well as our goals, we are holding repeated discussions on further crystalizing this vision as part of our ongoing discussions on the formulation of our next Medium-term Management Plan (2028 MTMP).

Through efforts such as these, we will continue to enhance information disclosure and dialogue so that our stakeholders can have confidence in the medium- to long-term growth of our Group.

## Message from the CFO



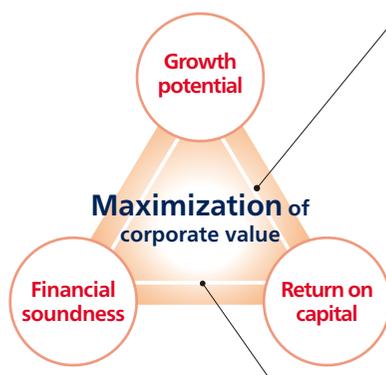
## Financial strategy and capital allocation based on three perspectives

The basic financial strategy for realizing Our 10-year Vision is to strike a balance between the three perspectives of financial soundness, return on capital, and growth potential, and we believe that diligently implementing this strategy will lead to the sustainable enhancement of our corporate value.

Currently, we are maintaining financial soundness with a view to upholding our A credit ratings and are conducting stable and high-quality funding. We have established a funding structure centered on Japan, the Americas, and Europe. One of our Group's strengths is our ability to procure high-quality funds, including foreign currencies. With regard to funding, we believe it is important to maintain an ALM framework that can withstand unexpected situations such as financial crises, as a company that conducts business requiring large amounts of funds mainly for providing leases. In addition, the well-diversified portfolio that we have built over a long period of time not only ensures stable profits but also serves as an important foundation for financial soundness.

In terms of return on capital, we will improve asset efficiency (ROA) through business portfolio transformation based on the evolution and layering of business models,

### Balance between the three perspectives



#### Concept of cash allocation

- Actively invest cash flows after paying dividends in high-value-added businesses, including the development of new businesses.
- Pursue the generation of ongoing expected returns and an increase in absolute revenue by transforming the business portfolio and the quality of assets in the medium to long term, with an awareness of the cost of shareholder equity.

#### Achievement of an optimal balance sheet to maximize our corporate value

- Optimize our capital/debt structure according to changes in asset risks, in the course of transforming the quality of assets in the medium to long term by the evolution and layering of business models.
- Give consideration to both financial soundness (maintain A ratings) required for stable funding and return on capital (ROE).

### Maintaining one of the highest ratings in the industry

	S&P	Moody's	JCR	R&I
Issuer rating (outlook)	A- (stable)	A3 (stable)	AA (stable)	AA (stable)
Short-term rating	A-2	—	J-1+	a-1+

## Message from the CFO

and improve ROE by making more effective use of capital through portfolio management with an awareness of the cost of shareholder equity. In this regard, rather than using segment-level data, we set a business-specific WACC based on the amount of risk for each business, and visualize return on capital, thereby enabling us to manage business with an awareness of the cost of capital in a more precise manner. Through these steady efforts, looking back on the four years since the business integration, we have sold approximately ¥0.6 trillion of relatively low-profitability non-core assets and replaced them with approximately ¥0.8 trillion of high-profitability focus assets in our portfolio. Although these are

reference values, the average ROA for new assets is 1.8%, while that for sold assets is 1.0%, giving us a sense that profitability is steadily improving.

In addition, with regard to growth potential, we are actively considering and implementing organic and inorganic investments that contribute to the evolution and layering of business models. Even looking only at the period after the business integration, we have executed large-scale M&A deals, including the acquisition of CAI International, a US marine container leasing company, the full acquisition of CenterPoint Development, an asset management company specializing in logistics real estate, and the strategic investment in European Energy,



a renewable and next-generation energy company. As organic investments, we have also made upfront investments such as large-scale investments in marine containers through CAI International and large orders by aircraft leasing company Jackson Square Aviation and aircraft engine leasing company Engine Lease Finance. We will continue to maintain growth potential by combining flexible asset replacement with new investments.

However, as the proportion of medium-risk, medium-return businesses increases, instead of low-risk, low-return businesses, in order to improve profitability through the evolution and layering of business models, it is by no means easy to improve ROE while maintaining financial soundness. Capital allocation is key to achieving these goals, and as such, we are currently engaged in internal discussions regarding the level of equity capital necessary to maintain financial soundness and to allocate capital for growth investments and shareholder returns. Through these efforts, we hope to increase the clarity of our Group's capital allocation plans for the 2028 MTMP.

In this regard, our current policy is to return profits to shareholders in the form of dividends in principle, taking into consideration securing the capital buffer necessary

Major divestment deals		Impact of deconsolidation <sup>1</sup>
2023	Sale of Diamond Asset Finance, a real estate finance company	Approx. ¥210.0 billion
2024	Sale of DFL Lease and Shutoken Leasing, bank-affiliated leasing companies	Approx. ¥223.0 billion
2024	Sale of Sekisui Leasing, a manufacturer-affiliated leasing company	Approx. ¥52.0 billion
2024	Sale of Miyuki Building, a real estate rental company	Approx. ¥77.0 billion

Major investment deals		Impact of consolidation <sup>1</sup>
2021	Acquisition of CAI International, a marine container leasing company	Approx. ¥460.0 billion
2023	Full acquisition of CenterPoint Development, an asset management company specializing in logistics real estate	Approx. ¥27.0 billion
2024	Investment in European Energy, a renewable and next-generation energy company	Approx. ¥130.0 billion
2024	Major investment in marine containers (largest in the industry in 2024) through CAI International	Approx. ¥200.0 billion
2025	Order for 50 new-generation narrow-body aircraft through aviation leasing company Jackson Square Aviation (delivery in 2031 or later)	—
2025	Order for 50 new-generation aircraft engines through aircraft engine leasing company Engine Lease Finance (delivery in FY2026 or later)	—



1. Impact on the balance sheet at the time of sale or investment.

2. Net income + total assets (in the case of a sale: using financial figures from one fiscal year prior to the sale; for an investment: financial figures for FY2024. CAI International's large investment in marine containers is included in CAI's financial results and thus excluded in this calculation).

## Message from the CFO



for profit growth and financial soundness. Based on this policy, we have set a payout ratio of 40% or more for shareholder returns during the 2025 MTMP. We plan to consider the future direction for shareholder returns through discussions on capital allocation for the formulation of the 2028 MTMP, taking into account trends in total return ratios and other factors.

### A well-diversified portfolio that has delivered three consecutive years of record profits and 26 consecutive years of increased dividends

The financial results for FY2024 were net income of ¥135.1 billion, ROA of 1.2%, and ROE of 7.8%. In addition, the annual dividend per share was ¥40, marking the 26th consecutive year of dividend increases.

In FY2024, despite significant downside factors including sizable credit costs due to the deterioration of market conditions in the Americas transportation sector in the Global Customer Business segment and large credit costs related to a domestic renewable energy project in the Environment & Energy segment, the strong performance

of the Aviation segment and Logistics segment significantly exceeded their initial targets and offset the downside. As a result, net income exceeded the initial target of ¥135.0 billion, marking a record high for the third consecutive period.

Overall, we achieved our earnings forecast thanks to the strengths of our well-diversified portfolio, as mentioned in the explanation of our financial soundness. However, we recognize that the deterioration in the performance of our Americas business in the Global Customer Business segment, which is positioned as a stable profit base in our Group's portfolio, is a serious and urgent issue for our global consolidated management, and we are currently working Company-wide to recover from this situation.

Specifically, we are working to reduce business risk by lowering the proportion of our truck finance-related portfolio in our Americas business, which is subject to market fluctuations, while at the same time striving to achieve a stable profit base by diversifying our businesses into high-

value-added areas such as SDGs and equipment as a service. In addition, we are implementing various measures to reduce credit costs, including revising screening criteria, strengthening governance frameworks, and strengthening systems for selling repossessed collateral assets. Through these efforts, we aim to achieve profitability in our Americas business at an early stage, thereby contributing to the sustainable growth of our Group.

### Achieving the 2025 MTMP and the early realization of ROE exceeding the cost of shareholder equity

The financial forecast for FY2025, the final year of the 2025 MTMP, is net income of ¥160.0 billion, ROA of 1.4%, and ROE of 8.8%. In addition, we expect to provide an annual dividend per share of ¥45 to shareholders and anticipate a 27th consecutive year of dividend increases.

FY2025 will be the final year of the three-year 2025 MTMP, and we anticipate revenue growth and a recovery from previous negative trends in many segments, including the Customer Solutions segment, Global Customer Business segment, Environment & Energy segment, Logistics segment, and Real Estate segment. While it will be a significant leap from FY2024, we aim to achieve the initial target of ¥160.0 billion in net income set in the 2025 MTMP.

On the other hand, ROA and ROE for FY2025 are expected to fall short of their targets set in the 2025 MTMP. With regard to ROE, the denominator (equity capital) has increased due to the yen's depreciation since the time the 2025 MTMP was formulated. However, the numerator (net income forecast) remains at the same level

#### Financial status

(¥ in millions)

	FY2022	FY2023	FY2024
Revenues	1,896,231	1,950,583	2,090,808
Recurring income	146,076	151,633	193,594
Net income attributable to owners of the parent	116,241	123,842	135,165
Total assets	10,726,196	11,149,858	11,762,332
Segment assets	9,632,966	10,179,473	10,935,652
Interest-bearing debt	8,236,106	8,439,792	8,840,797
ROE (%)	8.2	7.7	7.8
ROA (%)	1.1	1.1	1.2
Payout ratio (%)	40.8	42.9	42.5

## Message from the CFO

as when the plan was formulated, due to uncertainties that were not taken into account at the time, such as the ongoing restructuring of the Americas business.

We recognize that our Group’s cost of shareholder equity is currently around 10%, and although the expected ROE for FY2025 is below this level, as mentioned in the explanation of corporate value enhancement, we are highly conscious of improving ROE among our various financial targets. First, we will strengthen our recognition that achieving ROE that exceeds the cost of shareholder equity will lead to an increase in our PBR and corporate value, and continue to strive to achieve this goal.

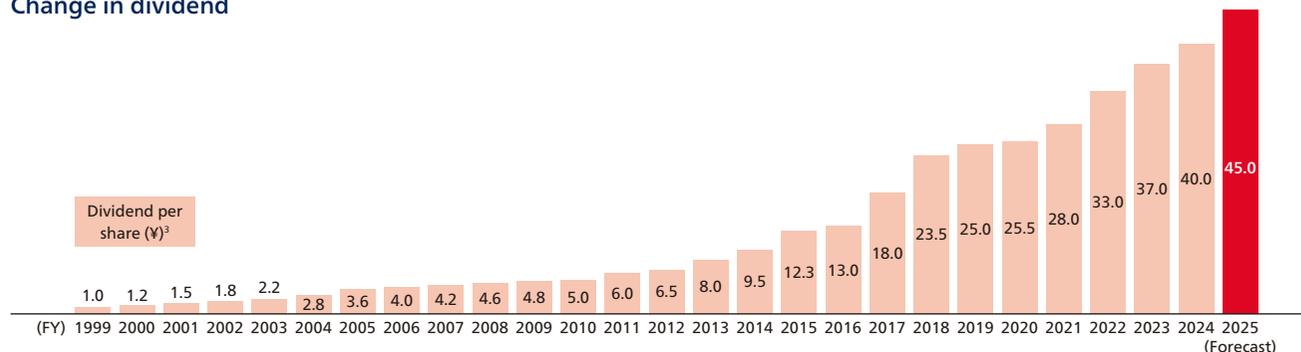
In addition, downside risks are expected in FY2025 due to US tariff measures and protectionist policies. We will continue to gather information and monitor the impact on our business on a daily basis.

## To our stakeholders

Throughout my career, I have always believed that management requires a multifaceted and fair perspective when making judgments.

In that sense, through daily dialogue with stakeholders, including investors and shareholders, I strongly recognize the following three points as issues: improving the clarity of specific measures to increase profitability, clarifying capital allocation in our financial strategy, and, based on these points, ensuring that our stakeholders feel confident about the enhancement of our corporate value. As we continue to increase opportunities for dialogue with our stakeholders and actively discuss the growth story of our Group, we would appreciate your continued support.

### Change in dividend



3. 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

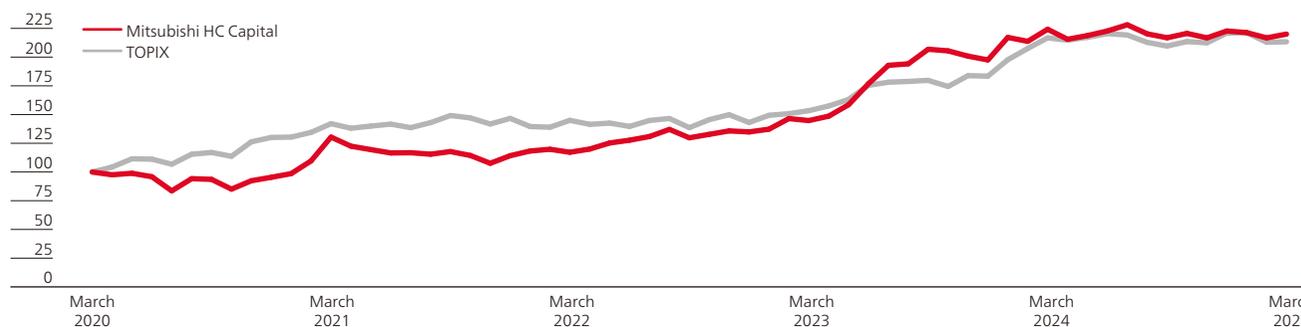
	1 year	3 years		5 years	
		Cumulative	Annualized	Cumulative	Annualized
Mitsubishi HC Capital	-2.1%	+96.1%	+25.2%	+120.1%	+17.1%
TOPIX	-1.5%	+47.2%	+13.8%	+113.4%	+16.4%

Notes 1. Total shareholder return (TSR): Total return on investment including capital gains and dividends.

2. TSR is calculated for Mitsubishi HC Capital based on accumulated dividends and stock price fluctuations, and for TOPIX based on a stock price index including dividends (prepared by the Company based on Bloomberg data, etc.).

3. The values in the graph are indexed to the market value based on TSR, with the closing price data as of March 31, 2020 as 100 (holding period is until March 31, 2025).

### TSR (5-year history)



Note: Figures for FY2019-FY2020 are results for Mitsubishi UFJ Lease & Finance.

## Business Strategies

### Customer Solutions



#### Kazumi Anei

Director, Deputy President  
In charge of the Customer Solutions Unit

### Contributing to solving customers' challenges with new businesses that enhance the value of assets

The Customer Solutions Unit is a core business function of the Group and generates stable revenue mainly through leasing and financing. In line with the 2025 MTMP, we are actively working to strengthen our existing businesses and create new businesses that go beyond leasing and financing. MHC Semi Technologies, launched in February 2025, is a new company born from an intra-entrepreneurship program. It is engaged in businesses including the refurbishment<sup>1</sup> of used semiconductor manufacturing equipment in the semiconductor field, which is a strength of the Customer Solutions Unit. As a business that contributes to the realization of a circular economy, our customers have high expectations of us. In addition, in the field of robotics, which we are focusing on as a new field, we are developing businesses in collaboration with several partner companies as a solution to labor shortage.

The source of the Customer Solutions Unit's competitiveness lies in the solid customer base we have built over more than 50 years, our strong network of partners including our major shareholders Mitsubishi UFJ Financial Group, Mitsubishi Corporation, and Hitachi, as well as our professional human resources who possess a wealth of knowledge about assets. To achieve the 2025 MTMP targets, we will improve the efficiency of existing leasing and financing businesses and aim to increase revenue by providing high value-added services based on keywords such as decarbonization, circular economy, and digitalization, logistics, and labor saving. In addition, we will create new services by analyzing and utilizing a wide variety of asset data through collaboration with our customers. We look forward to our stakeholders' continued support as the Customer Solutions Unit continues to grow and transform.

1. To service and recondition used equipment to a near-new condition.

#### Business overview

**Main business** Finance solutions business for companies and government agencies, energy-saving solutions business, sales finance business provided through collaboration with vendors, real estate leasing business, and financial services business

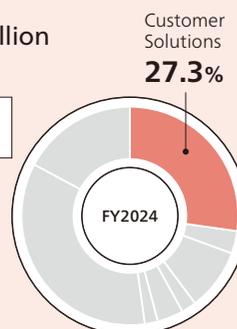
#### Strengths of Customer Solutions

- Extensive contacts and deep relationships with customers
- Strong bonds with partners, including Mitsubishi UFJ Financial Group, Mitsubishi Corporation, and the Hitachi Group
- Diverse assets and data associated with transactions with customers

#### Segment profit

¥36.8 billion

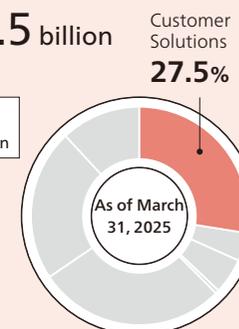
Group total  
¥135.1 billion



#### Segment assets

¥3,004.5 billion

Group total  
¥10,935.6 billion



#### Presence and potential

Total number of PCs with full support services

**2.2 million units**

Reuse/Recycling rate of off-lease properties

**97%**

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

**Approx. 1,800**

Transaction volume of high-performance semiconductor manufacturing equipment and devices

**Approx. ¥24.0 billion**

## Business Strategies

### Medium-term Management Plan progress

#### Core strategies in the 2025 MTMP

- 1 Further strengthen the customer base.
  - Enhance capabilities for providing finance solutions
  - Accelerate the creation of collaborative businesses that combine customers' services with the Group's capabilities
- 2 Provide new services leading to the evolution and layering of business models.
- 3 Pursue efficiency through the establishment of new sales processes that utilize data and digital technologies.

#### FY2024 review and progress

- 1 Conducted multiple PoCs<sup>2</sup> aimed at creating collaborative businesses with customers, including investments by the Innovation Investment Fund (eight companies in FY2024, 12 companies in total).
- 2 Made strides in behavioral changes toward transformation through the intra-entrepreneurship program and the Top Gun project.
- 3 Introduced a new CRM<sup>3</sup>/BI<sup>4</sup> system as a platform for sales process transformation. Accumulated customer and sales data, improved targeting accuracy through data utilization aimed at transforming sales styles, and promoted internal knowledge sharing.

2. Proof of concept: Verifying the feasibility of new ideas and technologies.  
 3. Customer relationship management: Managing customer information, activity histories, and customer relationships to build and promote good relationships with customers.  
 4. Business intelligence: Collecting, accumulating, analyzing, and processing the vast amounts of data accumulated by an organization to support decision-making.

#### Key initiatives for FY2025 and beyond

- 1 Leveraging our extensive customer base, approach our customers' management teams in order to develop and provide solutions and services for their management challenges other than financing.
- 2 Accelerate the evolution and layering of business models, such as finance + services, by creating new services and businesses that contribute to achieving decarbonization and a circular economy and solving logistics and other social issues.
- 3 Improve productivity and enable timely proposals to our customers by building new sales processes, such as through the digital transformation of customer contact points.

## Taking on the challenge

of the evolution and layering of business models

### Establishing MHC Semi Technologies: a new company that passed the first phase of the intra-entrepreneurship program

MHC Semi Technologies (MHCST) was established after approximately one year of business feasibility testing as a project that passed the first phase of the Zero-Gravity Venture Lab intra-entrepreneurship program.

Conventional semiconductors, along with advanced semiconductors, are essential to the infrastructure of a digital society, but the aging of manufacturing equipment and maintaining of their performance are issues that need to be addressed. In response, MHCST set up a simple clean room in an air-conditioned warehouse and formed a consortium with domestic and overseas technology companies. This enabled MHCST to provide one-stop refurbishment services that are both fast and cost-effective for our customers' needs, such as extending the life of equipment and modifying equipment to suit the devices to be manufactured. Through this initiative, we will contribute to strengthening the competitiveness of Japan's semiconductor industry and realizing a circular economy.

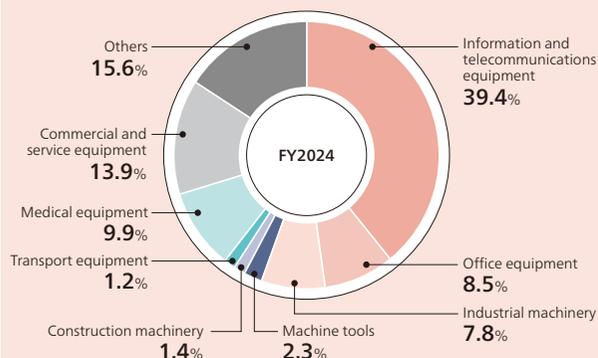
Maximizing the value of equipment with refurbishment services  
 (From right to left) Mitsuhiro Serita, Representative Director, and Suzuyo Kinoshita, General Manager, Corporate Management Department, both at MHC Semi Technologies



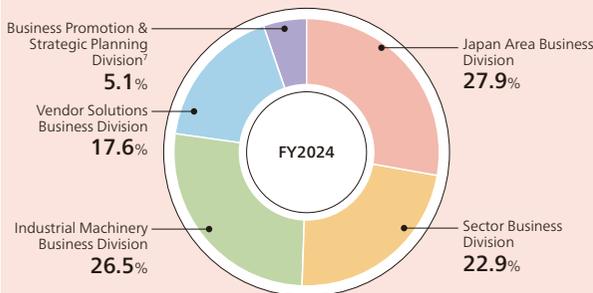
## Business Strategies

### Initiatives by division

Breakdown of Customer Solutions' leasing transaction volume by property type<sup>5</sup>



Breakdown of Customer Solutions' sales division transaction<sup>6</sup> volume



5. Leasing transaction volume at sales departments, main subsidiaries, etc. belonging to the Customer Solutions segment. Mitsubishi Auto Leasing, which mainly handles transportation equipment, is included in the Mobility segment and is therefore excluded from the above table.

6. Consolidation adjustments within Customer Solutions are not included.

7. The Business Promotion & Strategic Planning Division's figure includes the transaction volume of Sekisui Lease, which was sold in June 2024.

### Japan Area Business Division



**Area of responsibility**

Local companies and public organizations in the Tokyo metropolitan area, Chubu area, Kansai area, etc.

**Strategies**

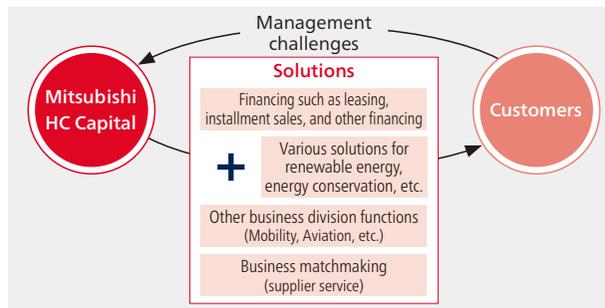
- Provide solutions for customers' management challenges and social issues through organized sales
- Establish an efficient sales structure by utilizing data obtained through extensive sales activities

**Business opportunities**

- Decarbonization (energy conservation, renewable energy, storage batteries)
- Manpower-saving and labor-saving improvements in response to labor shortages and demand for improved operational efficiency

**Business model**

Through organized sales utilizing our nationwide sales network, shareholder channels, and other means, we approach customers' management challenges and social issues and provide solutions by making use of our Group's capabilities and other diverse capabilities such as through business matchmaking.



### Sector Business Division



**Area of responsibility**

Major companies and public organizations

**Strategies**

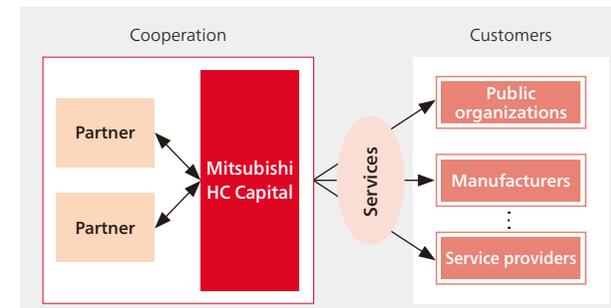
- Contribute to solving customers' management challenges and social issues through collaboration with partner companies (the Hitachi Group, financial companies, trading companies, etc.)
- Provide comprehensive services not limited to funding but ranging from equipment installation to maintenance and disposal

**Business opportunities**

- Capital investment toward achieving decarbonization targets
- DX-related IT investment (PCs, data centers, IT services)
- New services that contribute to improving customers' operational efficiency, such as manpower-saving and labor-saving improvements

**Business model**

By becoming indispensable for our partner companies in solving customers' management challenges, our Group provides services to society (customers) that go beyond financing.



## Business Strategies

### Initiatives by division

#### Industrial Machinery Business Division



**Area of responsibility**

Automobiles, telecommunications, logistics, machinery, real estate, semiconductors, healthcare, etc.

**Strategies**

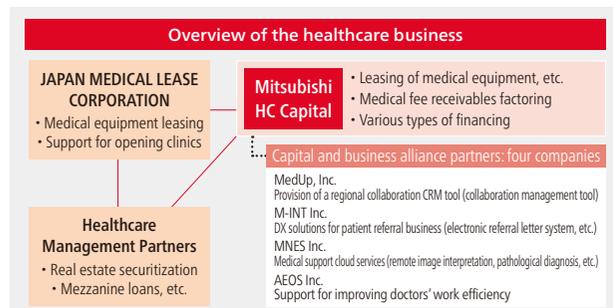
- Contribute to customers as a group specializing in telecommunications, logistics, real estate, semiconductors, healthcare, machine tools, etc.
- Utilize our advanced knowledge of the industries to solve social and industry issues and create new business models

**Business opportunities**

- Increased demand for labor saving and efficiency improvements due to labor shortages in the logistics field
- Labor shortages in regional healthcare, uneven distribution of doctors, and growing momentum for work style reforms
- Diversification of needs in the semiconductor and machinery fields in response to the transition to a circular economy

**Business model**

In the healthcare field, we offer a wide range of solutions, including medical equipment leasing, start-up support, and management improvement support. We also aim to promote medical DX and provide support for streamlining and advancing regional medical cooperation in order to contribute to the stability and improvement of regional medical care.



#### Vendor Solutions Business Division



**Area of responsibility**

Sales finance in alliance with dealers, manufacturers, etc.

**Strategies**

- Maintain and expand the largest market share in the vendor leasing market
- Establish an accurate and efficient operational structure utilizing data and digital technologies

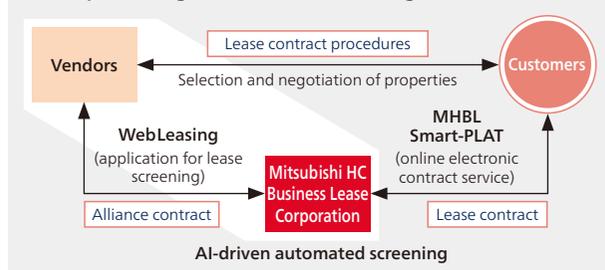
**Business opportunities**

- IT solutions field
- Agricultural field
- Medical equipment field

**Business model**

Our Group handles a variety of equipment, including information and telecommunications equipment, and support manufacturers' and trading companies' sales promotions through leasing, installment sales, and other types of financing.

**Conceptual diagram of vendor lease agreement**



#### Business Promotion & Strategic Planning Division



**Area of responsibility**

Sales promotion, business development promotion, back-office operations, etc.

**Strategy**

- Promote new business development in Customer Solutions and develop business in the robotics field
- Promote a circular economy through the reuse of returned leased items and reform sales and administrative processes by utilizing digital technologies

**Business opportunities**

- Needs for automation to address labor shortages caused by declining birthrates and aging populations
- Increased demand for reuse and recycling toward the realization of a circular economy
- Building data-driven businesses utilizing a new customer relationship management (CRM) system

**Business model**

We develop new services leading to the evolution and layering of business models that are not bound by leasing frameworks, and conduct supporting back-office operations.



Robot subscription service for logistics companies

## Business Strategies

### Global Customer Business



#### Osamu Muramoto

Senior Managing Executive Officer  
In charge of Global Customer Business Unit  
Head of Europe Division, Global Customer Business Unit

### Making the enhancement of "Customer Experience" the driving force behind our transformation and growth!

With 40 overseas offices in more than 20 countries and regions in Europe, the Americas, and Asia, we have one of the largest networks and top professionals among Japanese leasing companies, offering a wide variety of products and services globally.

Currently, the scale of overseas assets of the Global Customer Business Unit and each specialized business division combined has grown to account for approximately 60% of the total assets of the entire Group. One of the major characteristics and strengths of our global business is a diversified product and customer base that is supported by a diverse talent pool. We are expanding our global business by maximizing the use of these foundations and human resources.

Within our global business, the Global Customer Business Unit focuses on enhancing "Customer Experience" by leveraging digital technology and quickly providing leasing, sales finance, and other services based on a deep understanding of the diverse needs of local blue-chip customers and Japanese companies in each country.

At each overseas division, professionals who are familiar with the characteristics of their respective regions, business practices, and customers play a central role in business strategies and actions. In addition to expanding existing businesses, we are implementing various initiatives to realize a decarbonized society.

The Global Customer Business Unit will work to enhance "Customer Experience" while deepening cooperation with the Customer Solutions Unit and each specialized business division, thereby contributing to business portfolio transformation and increasing profitability.

#### Business overview

**Main business** Offer finance solutions in Europe, the Americas, China, and ASEAN, as well as sales finance and other services in collaboration with vendors

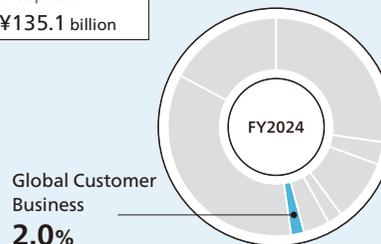
#### Strengths of Global Customer Business

- One of the largest global networks among Japanese leasing companies
- A diversified product, service, and customer base in the global business, supported by a diverse talent pool

#### Segment profit

¥2.6 billion

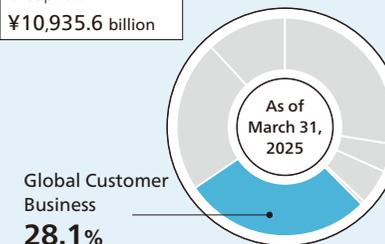
Group total  
¥135.1 billion



#### Segment assets

¥3,074.9 billion

Group total  
¥10,935.6 billion



#### Core strategies in the 2025 MTMP

Enhance "Customer Experience" and **differentiate ourselves from competitors** by addressing the management and social challenges faced by customers in each country and region.

**Increase added value** such as by digitalizing business processes and providing digital platforms to vendors and customers.

**Increase profitability** by enhancing decarbonization businesses such as EVs, charging stations, and solar power generation.

## Business Strategies

### Europe

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 personal finance, corporate finance, and vehicle leasing. The MHCUK Group operates in 11 European countries and continues to provide products, services, and excellent customer experiences that lead the UK and European markets.

#### Presence and potential

- Novuna Vehicle Solutions is the sixth largest vehicle leasing company in the UK (as of November 2024).  
Source: <https://www.fleetnews.co.uk/fleet-leasing/fn50-data/>
- Novuna ranked fifth in Asset Finance UK 50 (top 50 firms, including their corporate finance, vehicle leasing, and sales finance sections).  
Source: Asset Finance Connect, 2024

### Medium-term Management Plan progress

#### FY2024 review and progress

Even under a difficult business environment, MHCUK has accurately monitored its situation and taken appropriate action, resulting in high new transactions volume exceeding the previous year. We worked to improve profitability and streamline business processes through continuous system enhancements and digital investments, with the aim of increasing earnings. The vehicle leasing division is highly regarded for its ability to propose solutions that help customers achieve their net-zero goals and is leading the market as an innovative pioneer.



The vehicle leasing division has been recognized as the industry's leading leasing company, winning the Leasing Company of the Year award (for companies with more than 20,000 vehicles) for the sixth time since 2019.

#### Key initiatives for FY2025 and beyond

In addition to expanding our personal and corporate finance divisions and vehicle leasing division, we will strive to increase the profitability of our European mobility business through our expertise based on years of experience and data, as well as our decarbonization solutions. We will also continue to invest in digital technology and maintain high-quality services in a highly regulated environment.  
All of our business activities begin and end with our customers. That is why we strive to provide services that satisfy our customers at all times, with the aim of Novuna becoming the most trusted brand in the UK and Europe.

## Taking on the challenge

of the evolution and layering of business models

### Investment in digital solutions for business expansion

At MHCUK, we place “Customer Experience” at the heart of our business and are accelerating investment in innovative digital solutions to meet the needs and expectations of our customers and society. In the personal finance division, we are expanding transactions by improving our telephone system, strengthening our fraud detection system, and providing services quickly through the automation of business processes. Our vehicle leasing division handles a wide variety of vehicle types and models, offering our customers the most suitable fleet management solutions. Moreover, as a market leader in the decarbonization field, we support companies in their decarbonization efforts through the construction of charging networks and high-performance apps.

We will continue to expand our market shares in the UK and Europe by providing innovative solutions that address the challenges of our customers.



The team of business experts in MHCUK’s vehicle leasing division supporting the introduction of a new platform

## Business Strategies

### The Americas

The Americas business provides a wide range of financing solutions, including sales finance, operating leases, structured finance, and ABL\* and other types of lending for trucks, construction machinery, and other equipment in the United States and Canada.

\* Asset-based lending: A financing method that uses a company's inventory, accounts receivable, and other current assets as collateral

#### Presence and potential

- Monitor Daily (June 2024 issue): 28th place (based on FY2023 data) in the 100 Largest Equipment Finance/Leasing Companies in the U.S. (by assets)

### Medium-term Management Plan progress

#### FY2024 review and progress

Mitsubishi HC Capital America (MHCA) is now in its second year post-merger, with improved employee engagement and steady growth in its lending business. Meanwhile, the unexpectedly prolonged downturn in the North American transportation market resulted in significant credit costs. For this reason, we have focused on reviewing our business portfolio and strengthening our credit management system. Specifically, we improved our management capabilities across the entire value chain, from the initial stages of deals to their completion, by reviewing credit examination criteria and improving our capability to sell repossessed properties.

#### Key initiatives for FY2025 and beyond

We are working to rebuild our portfolio appropriately and contribute to stable earnings through the origination of new high-quality deals and the strengthening of our risk management system. We are also striving to improve employee satisfaction and enhance "Customer Experience" by gathering customer feedback. In addition, with a view to achieving Our 10-year Vision, we will emphasize focus areas such as sustainability and work with our business partners to gain new business insights and accumulate know-how, thereby growing our business and strengthening our competitiveness.

## Taking on the challenge

of the evolution and layering of business models

### Forming a business alliance with existing truck dealers for the resale and value enhancement of used trucks

We have formed a business alliance with existing truck dealers for the purpose of reselling and adding value to MHCA's managed assets (commercial trucks, construction machinery, etc.). Through this business alliance, we have internalized resale, repair, and maintenance operations, which were previously outsourced to third parties, leading to the strengthening of our commercial truck sales finance exit strategy, as well as improved asset knowledge and enhanced asset value-adding expertise. In the future, MHCA plans to leverage its expertise in asset management to explore new business areas, such as providing asset management services to third parties.



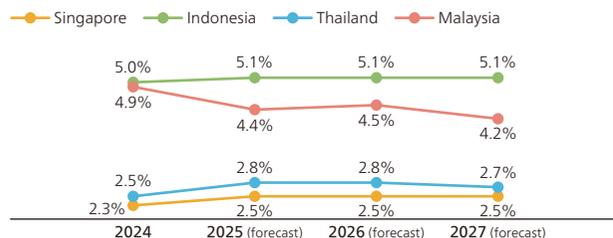
The signing ceremony for the business alliance agreement with truck dealers

## Business Strategies

### ASEAN and China

In Asia, we operate in five countries: Singapore, Indonesia, Thailand, Malaysia, and China. Our business activities are rooted in the local communities of each country, and we provide financing solutions that meet the needs of our customers and sales finance in alliance with vendors.

#### Presence and potential: GDPs of four ASEAN countries



Note: Figures are simple arithmetic averages of the figures published by the World Bank, International Monetary Fund, and Asian Development Bank. Note that the figures for Singapore for 2026-2027 are based on the assumption that they will remain unchanged from 2025.

### Medium-term Management Plan progress

#### FY2024 review and progress

In addition to providing asset financing for industrial equipment, automobiles, construction machinery, IT equipment, and other properties to blue-chip customers and Japanese companies in various Asian countries, we are promoting businesses that capture the needs of decarbonization-related businesses, such as renewable energy, energy conservation, and EV-related businesses.

Meanwhile, we are reviewing our portfolio and improving profitability by promoting the selection and concentration of businesses.

As with our alliance in the solar-related business with a state-owned electric power company's affiliate in Indonesia, we are promoting decarbonization-related businesses through alliances in various Asian countries.

#### Key initiatives for FY2025 and beyond

We will continue to strengthen our corporate finance and sales finance businesses by leveraging our customer base and network of partner companies that we have cultivated over the years. At the same time, we will build a stable revenue base through portfolio diversification and develop businesses based on the materiality set forth by our Group.

In Asia, in addition to promoting decarbonization-related businesses, we will promote asset businesses and service businesses that can generate ancillary revenue, such as construction machinery and IT equipment.

We will also accelerate efforts to transform our business portfolio through the strategic allocation of management resources and continue to improve profitability in Asia.

## Taking on the challenge

of the evolution and layering of business models

### Promoting decarbonization-related business efforts in Indonesia

Mitsubishi HC Capital and Finance Indonesia provides corporate finance services to local blue-chip customers and Japanese companies. In September 2024, we signed a business alliance agreement with an Indonesian state-owned electric power company's affiliate and began proposing rooftop solar power generation systems to local blue-chip customers and Japanese companies.

At the same time, we have focused on EV-related areas and have been promoting efforts related to EV buses in FY2024.

In decarbonization-related businesses such as renewable energy and energy conservation, we will continue to strengthen cooperation with local companies and utilize the expertise we have cultivated both in Japan and overseas to consider and promote efforts in service businesses that go beyond finance.



Signing ceremony for a business alliance agreement with an Indonesian state-owned electric power company's affiliate

## Business Strategies

# Environment & Energy



### Takuji Naruse

Managing Executive Officer  
Head of Environment & Energy Business Division

## Promoting a decarbonized society as Japan's leading renewable energy provider

It has been nearly five years since Japan declared its goal of achieving carbon neutrality by 2050. In alignment with this national goal, our division is working to promote the use of renewable energy by addressing related issues one by one.

Our division is engaged in the renewable power generation business, owning 1.6GW of mainly solar and onshore wind power plants in Japan and overseas. In Japan, we are involved in the battery storage business, which contributes to the stabilization of the power grid, as well as the aggregation business,<sup>1</sup> and the corporate PPA<sup>2</sup> business, which delivers electricity directly to customers who wish to adopt green power, continuing on our path as an industry leader while striving to enhance the value of our assets. Furthermore, focusing on the hydrogen market, which is expected to significantly expand from 2030 onward, we have started to study the possibility of implementing a demonstration project for manufacturing green hydrogen using solar power generation.

Meanwhile, in Europe where decarbonization is advancing, we established a business foundation by investing in a Danish company developing and operating renewable energy businesses in 2024. We are also exploring opportunities to enter the renewable energy market in the United States in the future.

We will fully leverage the experience and knowledge we have accumulated through our past initiatives and aim to generate synergies and proactively pursue new efforts that create social value and contribute to achieving a decarbonized society.

1. 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.

2. A mechanism that allows companies to purchase renewable electricity from generators or retailers through long-term contracts at fixed prices.

### Business overview

Main business Renewable energy business

#### Strengths of Environment & Energy

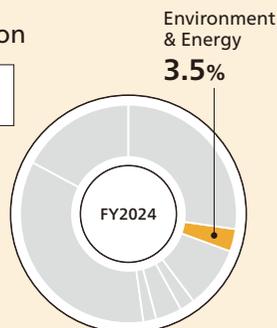
- In Japan, we maintain a leading position in renewable energy generation, with 1.2GW of capacity centered on solar and onshore wind plants.
- We are actively expanding into new businesses, including battery storage, aggregation, and FIP transitions.<sup>3</sup>
- Overseas, we invested in European Energy (EE) and began establishing a business foundation for renewable energy development.

3. Refers to transitioning 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.

### Segment profit

¥4.7 billion

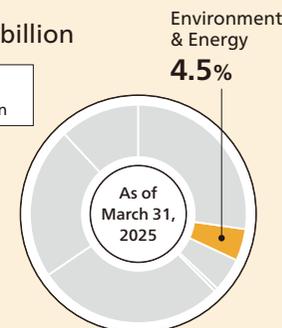
Group total  
¥135.1 billion



### Segment assets

¥486.3 billion

Group total  
¥10,935.6 billion



### Presence and potential

MHC's share of domestic wind power generation capacity in operation

3.2%

MHC's share of domestic wind capacity under the FIP scheme

48.1%

## Business Strategies

### Medium-term Management Plan progress

#### Core strategies in the 2025 MTMP

- ① Ensure a stable supply of electricity through renewable power generation in Japan and a strengthened revenue base through the expansion of power generation capacity.
- ② Enhance the value of our owned power plants through the development of new business initiatives, including a battery storage business, generation-side aggregation, and FIP transitions.
- ③ Evolve the business model from asset investment to business investment in Europe and the United States.

#### FY2024 review and progress

- ① In Japan, we promoted the expansion of our generation capacity by developing new projects, while securing earnings through the execution of asset divestments designed to improve portfolio quality and strengthening our power generation infrastructure.
- ② In addition to starting two battery storage projects, including our first project, our efforts in the aggregation business for onshore wind power plants got into full swing, generating a cumulative total capacity of 117MW.
- ③ In Europe, we have invested in EE and commenced a renewable power generation business with the company.

#### Key initiatives for FY2025 and beyond

- ① In Japan, we will further expand our power generation capacity by undertaking new development projects.
- ② We will steadily expand our business areas, including the battery storage business, aggregation, FIP transitions, and retail operations, with the aim of maximizing asset value.
- ③ To drive business development in Europe and the United States, we will accelerate EE's growth as planned and aim to establish a business foundation in the United States.

## Taking on the challenge

of the evolution and layering of business models

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

In July 2024, we launched our Group's first initiative in the grid-scale battery storage business. This project aims to stabilize power supply and demand by installing a 25MW, 50MWh battery storage system in Chitose City, Hokkaido to conduct charging and discharging operations. Mitsubishi HC Capital Energy, Mitsubishi Estate, Samsung C&T, and Osaka Gas jointly invested in a special purpose company to begin construction in April 2025, with the aim of commencing operations in January 2027.

With the increasing deployment of renewable energy, whose output is inherently variable depending on weather conditions, the importance of energy storage systems that can stabilize the supply of electricity has grown significantly. Through our battery storage business, our Group will contribute to expanding renewable energy by enhancing stable operation of the power grid, and work to build a decarbonized society.



Illustration of the battery storage facility

## Business Strategies

### Aviation



#### Yasuyuki Kusakari

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

## Driving growth and transformation with the industry’s leading business platform

As a unified Group, we provide a wide range of high value-added services throughout the entire life cycles of aircraft and aircraft engines, from their purchase to use and retirement.

Aircraft leasing company Jackson Square Aviation (JSA) placed a direct order for 50 Airbus A320neo Family aircraft in March 2025, expanded its range of finance products, and is expanding its business beyond its role as a leading SLB<sup>1</sup> lessor. Aircraft engine leasing company Engine Lease Finance (elfc) owns a wide range of aircraft engines, from new to used, and together with the parts sales business of used engine parts distributor inav, it has grown significantly as the largest independent engine lessor. By offering Japanese operating leases (JOL), we provide a competitive product to airlines around the world and investors in Japan.

The aviation industry continues to grow and decarbonize in the medium to long term. In light of this growth and change, we will exercise the collective strength of our Group in originating large-scale leasing deals, equipment trading, joint equipment purchases by Group companies, and other efforts to provide diverse and high value-added services to customers around the world. In addition, we will promote the replacement of aircraft with new-generation aircraft and advance the consideration of new decarbonization businesses such as through investments in and collaboration with the SAF<sup>2</sup> financing fund SAFFA Fund I, LP.

Through these efforts, we will continue to enhance the corporate value of our Group in the medium to long term using one of the industry’s leading business platforms.

1. Sales and lease back: A method of acquiring aircraft in which aircraft are purchased from customer airlines and then leased back to them.

2. Sustainable aviation fuel: Fuel produced from recycled raw materials.

#### Business overview

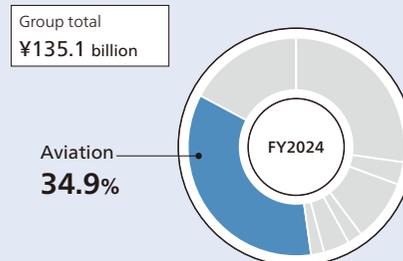
**Main business** Aircraft leasing, aircraft engine leasing and parts sales (engine dismantling and parts sales), Japanese operating leases, brokerage of aircraft and aircraft engine sales, etc.

#### Strengths of Aviation

- Ability to provide a wide range of services for aircraft and aircraft engines through integrated Group management
- A high-quality portfolio with 76.1% of the fleet being new-generation aircraft and the majority being narrow-body aircraft
- Industry leadership as the top independent aircraft engine leasing company, providing one-stop services including parts sales
- A Group culture of taking on new challenges, including hydrogen and SAF
- Risk management capabilities through Group governance

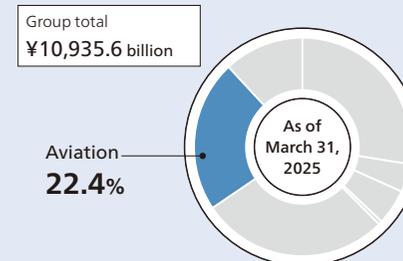
#### Segment profit

¥47.2 billion



#### Segment assets

¥2,448.1 billion



#### Presence and potential

Number of JSA aircraft

248

Number of elfc aircraft engines

400

## Business Strategies

### Medium-term Management Plan progress

#### Core strategies in the 2025 MTMP

- ① Through integrated Group management, leverage our comprehensive capabilities to strengthen our ability to solve customer issues, achieve sustainable growth in our high-quality business portfolio, improve profitability, and strengthen our risk management capabilities.
- ② By considering investments in and promoting the commercialization of next-generation aviation technologies, such as SAF and hydrogen, in anticipation of a decarbonized society, build a future business foundation with an eye toward portfolio transformation.
- ③ Establish a foundation for integrated global operations through the development of global human resources and an integrated business management system.

#### FY2024 review and progress

- ① We achieved business growth through proactive asset turnover (new acquisitions and sales) and improved utilization rates in line with market conditions, resulting in record profits of ¥47.2 billion and improved profitability.
- ② Working toward Our 10-year Vision, we reinforced the collective strength of our Group and enhanced our ability to provide solutions through the establishment of MHC Aviation Services (MHCAS), the origination of joint Group deals, a large-scale direct order for aircraft, and other efforts.
- ③ We sowed the seeds for sustainable growth in view of the future by conducting research on decarbonization businesses, such as SAF, and advancing the management of our Group through the establishment of an integrated business management system.

#### Key initiatives for FY2025 and beyond

- ① By strengthening cooperation between JSA, elfc-inav, MHCAS, and the Aviation Business Department, we will promote the provision of high value-added services and asset turnover, thereby further improving profitability.
- ② We will promote research and development in next-generation aviation technologies and decarbonization fields, such as SAF, and build a business foundation for the future.
- ③ We will develop global human resources through measures such as strategic rotation and enhance human resources and organizational capabilities by putting an integrated business management system to full use.
- ④ We will achieve profit growth and improved profitability to ensure sustainable growth.

## Taking on the challenge

of the evolution and layering of business models

### Placing an order for Airbus aircraft

We placed our first order for 50 Airbus A320neo Family aircraft. Airbus's best-selling new narrow-body aircraft offers higher environmental performance, such as reducing fuel consumption by more than 20% compared to older models.

By expanding our efforts to lease to airlines the aircraft JSA directly ordered from aircraft manufacturers, we aim to accelerate our business with airlines around the world and achieve sustainable growth accompanied by improved profitability and profit growth. In addition, we will contribute to the promotion of decarbonization in the aviation industry by increasing the percentage of new-generation aircraft with high environmental performance in our fleet.



Jackson Square Aviation executive team

## Business Strategies

### Logistics



#### Toshiaki Maekawa

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

### Continuously pursuing customer value and becoming a globally recognized operating company

The marine containers and railcars we handle are indispensable for maritime and rail logistics and are important infrastructure assets that support people’s lives and economic growth. In addition, both of these modes of transportation emit less carbon dioxide than other modes, and demand for them is increasing as we move toward a decarbonized society, making this a field with stable growth prospects in the medium to long term.

In our core marine container leasing business, we effectively respond to market changes and customer needs by promptly providing containers. We also leverage digital technology to efficiently manage over 4 million TEUs<sup>1</sup> of containers, continuously enhancing our competitiveness. In addition, we are actively engaged in the sale of used containers after lease expiration for secondary use in warehouses and housing, contributing to the realization of a circular economy.

In our railcar leasing business, we replenish part of our fleet each year through asset sales and new investments, and currently own and manage over 20,000 railcars. By constantly optimizing our portfolio, we strive to meet our customers’ needs and improve profitability.

Through these initiatives, we are contributing to reducing the environmental impact of the logistics industry and solving social issues. Since the leased assets of our division are intended for long-term ownership, we need to respond to changes in the business environment and maintain high profitability while managing risks. We will achieve sustainable growth by developing and securing specialized human resources and building organizational knowledge.

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

#### Business overview

**Main business** Marine container leasing business, railcar leasing business

#### Strengths of Logistics

##### Strengths of CAI International (CAI)

- Established a strong presence in the industry, backed by over 30 years of experience and a team of specialized professionals
- A solid business foundation, including global marketing and operational capabilities

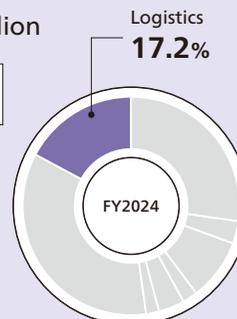
##### Strengths of PNW Railcars

- A well-balanced portfolio with strong risk resilience

#### Segment profit

¥23.2 billion

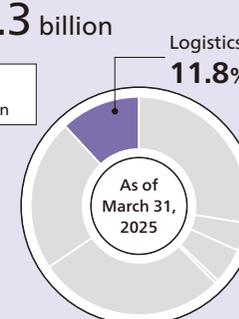
Group total  
¥135.1 billion



#### Segment assets

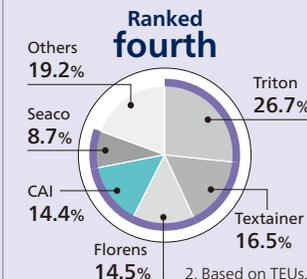
¥1,289.3 billion

Group total  
¥10,935.6 billion



#### Presence and potential

CAI's share in the global container leasing market<sup>2</sup> (as of December 31, 2024)



2. Based on TEUs.

## Business Strategies

### Medium-term Management Plan progress

#### Core strategies in the 2025 MTMP

- ① Leverage our world-class position in the marine container industry to enhance not only our leasing capabilities but also our container trading functions, while further reinforcing our business base through the use of digital technologies and other measures.
- ② Improve the profitability of the railcar leasing business by generating income and capital gains through portfolio optimization in terms of railcar types and customer composition and the shift to an asset turnover model that combines the sale of some of our owned assets and new investments.
- ③ Create new growth opportunities that contribute to realizing a decarbonized and circular society.

#### FY2024 review and progress

- ① In the marine container leasing business, we accurately captured the strong container demand driven by the impact of the detour to the Cape of Good Hope resulting from deterioration of the situation in the Red Sea and by active cargo movement. In response, we executed approximately ¥200 billion in new investment. In addition, by actively leasing existing assets and selling old containers, we maintained a high annual average utilization rate of approximately 99%.
- ② In the railcar leasing business, we secured favorable contracts through proactive sales activities that capitalized on the robust leasing market, and improved the utilization rate to approximately 99% through a conversion program for certain car types. In addition, we are working to improve profitability by capturing gains from the sale of owned railcars and their replacement with new ones.

#### Key initiatives for FY2025 and beyond

- ① Uncertainty surrounding the marine container leasing business in FY2025 is increasing due to the policy direction and other factors related to the new US administration. While continuing to focus on maintaining high utilization rates, we will carefully assess market trends and pursue flexible and agile new investments.
- ② In the railcar leasing business, we strive to maintain high utilization rates through sales activities that reflect market conditions. In addition, we will continue to promote an asset turnover model that combines the sale of some of our owned railcars with new investments, thereby optimizing our portfolio and steadily improving profitability.

## Taking on the challenge

of the evolution and layering of business models

### Efforts in the new container trading business

CAI is also engaged in the trading business of selling newly manufactured containers, leveraging its customer base and strong relationships with container manufacturers built over many years. This business contributes to improving ROA by enabling the company to generate profits efficiently without expanding its asset size. CAI has a team of specialists who are working to diversify revenue streams through business models beyond traditional leasing business. In addition, we are actively introducing digital technologies such as AI to enhance the operations and marketing of our container leasing business, thereby further strengthening our business foundation.



Grasping changes in market conditions and pursuing value for customers

## Business Strategies

### Real Estate



#### Katsuji Okamoto

Managing Executive Officer  
Head of Real Estate Business Division

### Contributing to a sustainable society by improving profitability and strengthening development and operational capabilities through portfolio transformation

In Our 10-year Vision, the Real Estate Business Division aims to become an industry player that can contribute to creating and maximizing the social and economic value of real estate and building sustainable social infrastructure through our three businesses of real estate investment, financing, and asset management.

In our real estate investment business, we engage in environmentally and socially conscious revitalization investments, such as renovating existing properties for effective use without demolishing them. In our real estate financing business, we also place importance on ESG perspectives when providing financing. In the real estate asset management business, we will expand our assets under management through existing private REIT businesses and the creation of new funds tailored to investor needs (logistics facilities, hotels, private lodging facilities, etc.) and contribute to building sustainable social infrastructure through long-term asset management.

The strength of our real estate business lies in our ability to respond optimally to changes in the business environment and real estate needs through our three businesses mentioned above, while effectively utilizing the extensive network of the entire Group (a solid customer and partner base). During the 2025 MTMP period, we will boldly restructure our portfolio through strategic divestment of subsidiaries and M&As, leveraging our said strength to improve profitability and strengthen our development and operational capabilities.

We will continue to enhance and grow our three existing businesses through inorganic and other methods.

#### Business overview

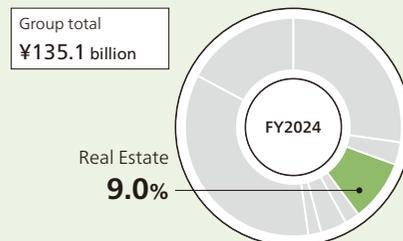
**Main business** Real estate financing business, real estate investment business, real estate asset management business

#### Strengths of Real Estate

- By possessing financing, investment, and asset management capabilities, we are able to respond flexibly to changes in the real estate market environment compared to other developers, financial institutions, and other real estate players.
- High level of expertise based on experience in investment, development, and asset management related to income properties, such as offices, hotels, and logistics facilities.
- High recognition as a mezzanine lender and high risk-taking ability based on asset expertise.

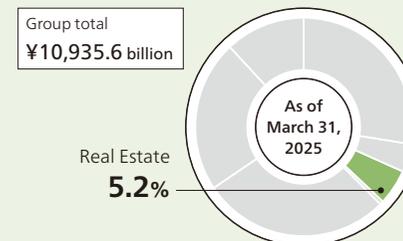
#### Segment profit

¥12.2 billion



#### Segment assets

¥570.5 billion



#### Presence and potential

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

Domestic income properties

**¥315 trillion**

Of that amount, properties that have been securitized

**¥60 trillion**

Source: "Japan's Real Estate Investment Market Size (2024)," a real estate report by NLI Research Institute

## Business Strategies

### Medium-term Management Plan progress

#### Core strategies in the 2025 MTMP

- 1 Create business opportunities by increasing capabilities to enhance value through investment in and loans for environmentally and socially conscious assets.
- 2 Enhance investment in logistics facility development by increasing sourcing and leasing pipelines.
- 3 Differentiate our asset classes and meet investors' ESG-related and other needs, aiming to enhance and expand the asset management business.

#### FY2024 review and progress

- 1 As part of our efforts to promote SX, we invested in and provided loans for environmentally and socially conscious assets such as ZEHs<sup>1</sup> and environmentally certified properties, as well as office assets with laboratories for social infrastructure development in the increasingly important field of life sciences, and the development of automated cold storage warehouses to address labor shortages and improve working conditions in cold storage environments.
- 2 Mitsubishi HC Capital Realty Advisers, which is responsible for real estate asset management, has acquired a higher GRESB<sup>2</sup> score (a benchmark for measuring ESG considerations) than in FY2023. We have also begun taking new asset classes (such as private lodging facilities) under our management with the aim of expanding our investor base in the future.
- 3 As part of our business portfolio transformation aimed at improving return on capital, we sold Miyuki Building, a real estate owning, leasing and management company, in September 2024.

#### Key initiatives for FY2025 and beyond

- 1 In April 2025, as part of an internal reorganization, the finance and investment businesses were integrated into Mitsubishi HC Capital Realty. Through this reorganization, we aim to create synergies by integrating our knowledge, expertise, and industry networks, and to further expand both businesses by strengthening our risk-taking ability.
- 2 In the real estate asset management business, we will aim to strengthen and expand our business by leveraging our asset expertise through the creation of funds specializing in specific asset types, such as logistics, hotels, and private lodging facilities, in addition to increasing the presence of our private REITs.

1. Net zero energy house: A house that aims to achieve net zero energy consumption by improving the insulation performance of the building, reducing energy consumption by installing high-efficiency equipment, and generating renewable energy such as solar power.  
 2. Global Real Estate Sustainability Benchmark: An annual benchmark assessment measuring the ESG considerations of real estate companies and funds, and the name of the organization operating this assessment. Established in 2009, primarily by a group of major European pension funds that spearheaded the Principles for Responsible Investment (PRI). It is an ESG survey specialized for the real estate sector. A key feature is that it conducts ESG assessments at the corporate and fund level, rather than providing individual property certifications.

## Taking on the challenge

of the evolution and layering of business models

### Initiatives to increase real estate asset value and realize a circular economy

In our business, we sold the former Diamond Asset Finance, a housing finance company, in March 2023 and Miyuki Building in September 2024. Meanwhile, in April 2023, we made CenterPoint Development, a logistics development and asset management company, a wholly owned subsidiary, establishing a structure through which we can concentrate resources on highly profitable core businesses. Under the new management structure, we are working to improve profitability in our real estate financing business through O&D<sup>3</sup> business and other initiatives, and in our real estate investment business, we are further enhancing our value-added capabilities in properties such as offices and hotels. Furthermore, from the perspective of strengthening capabilities, we utilized the Innovation Investment Fund and entered into a capital and business alliance with Renoveru in February 2025. We aim to contribute to asset value enhancement and the realization of a circular economy through the revitalization of real estate owned by companies and local governments, utilizing the investment and asset management capabilities of our business and Renoveru's expertise.

3. Origination & distribution: A business model that increases the profitability of real estate non-recourse loans by selling a portion of them to outside parties such as by dividing them into senior and subordinated tranches, or that captures profitable portions of real estate non-recourse loans through syndication with partners from the time of origination.



DoubleTree by Hilton Tokyo Ariake rebranded and opened in December 2024

## Business Strategies

### Mobility



#### Toshiaki Maekawa

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

### Contributing to the resolution of social issues by realizing mobility businesses with low environmental impact

With the automotive industry currently undergoing a period of radical change, our auto leasing business is also required to evolve and layer its business model. The Mobility Business Division has set forth a business strategy of strengthening and developing businesses related to electric vehicles (EVs) based on society’s decarbonization needs, with the aim of contributing to solving social issues through efficient and low environmental impact mobility businesses that support the movement of people and goods.

One means of achieving a decarbonized society is through EVs, but we do not simply lease EVs. We provide integrated EV services that combine charging equipment and renewable energy-derived electricity to meet the challenges and needs of our customers. In addition, EVs are highly compatible with digital technology, and as such we are collecting and analyzing various data on vehicle conditions and operating status to develop new services that support safe and efficient operation. In FY2024, we promoted these initiatives through collaboration with several internal departments and business partners. In FY2025, we will continue to diversify our services that contribute to the realization of a circular economy in anticipation of environmental changes, and contribute to the realization of a decarbonized and recycling-oriented society.

#### Business overview

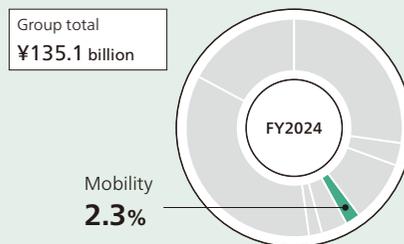
**Main business** Auto leasing business and mobility-related services focused on EVs in Japan and ASEAN countries

#### Strengths of Mobility

- The ability to provide a wide range of services necessary for the introduction and operation of EVs, leveraging the integrated strength of our Group and collaboration with shareholders and external partners
- A business foundation in Japan and the ASEAN region through collaboration with the world’s leading players in the auto leasing industry

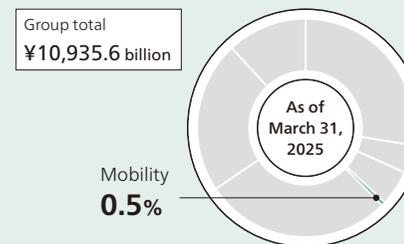
#### Segment profit

¥3.1 billion



#### Segment assets

¥58.8 billion



#### Presence and potential

2027 ASEAN automobile sales forecast

**3.84 million vehicles**

Source: “Global Data Sales Forecast” by MarkLines Co., Ltd.

## Business Strategies

### Medium-term Management Plan progress

#### Core strategies in the 2025 MTMP

- ① Develop and commercialize integrated services that are necessary for introducing and widely operating EVs, such as constructing charging facility networks, reusing automotive batteries, and supplying renewable energies.
- ② Grow our business by creating synergies through the merger of two automotive leasing companies in Japan.
- ③ Strengthen and expand our mobility business base by collaborating with strategic partners in the ASEAN region.

#### FY2024 review and progress

- ① We have promoted proposals for integrated EV services to meet the decarbonization needs of our Group’s wide range of customers. We have also released new products such as leases with carbon offsets.
- ② Our domestic auto leasing business has achieved record profits for two consecutive terms since the merger of the former Mitsubishi Auto Leasing and the former Mitsubishi HC Capital Auto-Lease.
- ③ The number of vehicles managed by our auto leasing companies in the ASEAN region (Thailand, Indonesia, and Malaysia) has increased.

#### Key initiatives for FY2025 and beyond

- ① In the EV field, we will focus on establishing closed-loop services for EVs and vehicle batteries that contribute to the realization of a circular economy through collaboration with internal departments and external partners.
- ② In the domestic auto leasing business, we will aim to expand the number of vehicles under management for sustainable growth by strengthening sales to the Mitsubishi Group and Hitachi Group channels and specific industries.
- ③ We will further expand our sales base in ASEAN businesses and develop new businesses in other regions.

## Taking on the challenge

of the evolution and layering of business models

### Business alliance with a strategic business partner to enhance integrated EV services

In FY2024, we signed a business alliance agreement with GO, which operates a taxi-hailing app and other services, with the aim of solving issues related to the installation of EV charging infrastructure for companies. As part of our collaboration with GO, we are considering providing charging services to customers who are unable to install chargers in their parking lots for various reasons. Specifically, we conducted a demonstration experiment at our Yokohama Branch to verify the feasibility of introducing and operating EVs utilizing GO’s charging service (route charging) to be installed throughout the city. We are currently formulating measures to address the issues identified in the experiment, with the aim of providing customers with new, high-value-added services through the expansion of integrated EV services.



Introduction of charging equipment through collaboration with GO

## Key Themes across Segments

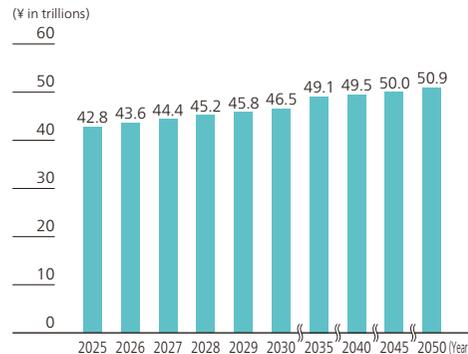
Our Group has established key themes across segments as a strategy that contributes to “sowing seeds” for medium- to long-term sustainable growth, which is one of the keywords in the 2025 MTMP. Efforts related to decarbonization solutions, EVs, logistics, and hydrogen are largely progressing steadily, and we have started demonstration experiments and to create use cases, working toward achieving the future vision of each theme.

### Decarbonization solutions

**Future vision** Becoming an integrated service provider that contributes to realizing a decarbonized society

In FY2024, we strengthened our capabilities and solutions with the aim of establishing and providing one-stop services that contribute to the realization of a decarbonized society. With regard to power supply, we have established a system that allows us to flexibly provide various types of power plants owned by our Group in order to offer high value-added solutions tailored to customer needs. In FY2025, we will further strengthen our three pillars of one-stop services, power solutions, and carbon credits as we accelerate our efforts to establish the image of Mitsubishi HC Capital as a leader in decarbonization.

#### Forecast of domestic market size in the global warming countermeasures field



Source: Created by the Company in June 2025 based on "Report on the Market Size and Employment Size of the Environmental Industry (2023 Edition)" by the Ministry of the Environment.

#### Business scheme



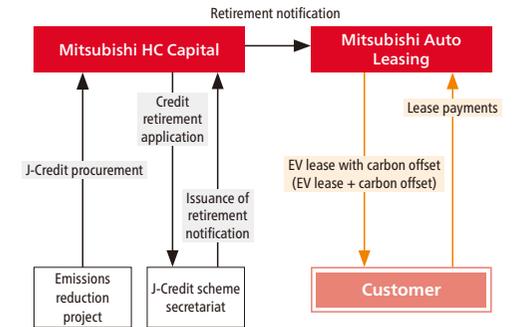
Mitsubishi HC Capital Group's decarbonization solutions				
Visualization and target setting	Energy supply from renewable energy sources (power generation and storage)	Achieving energy conservation		Offsets for residual emissions, etc.
CO <sub>2</sub> visualization management services	On-site solar power (PPAs/leasing)	Lighting	Compressors	Non-fossil certificates
Roadmap formulation support	Off-site PPAs, self-consignment	Individual air conditioning		J-Credit scheme
	Wind power generation	Central air conditioning		
Logistics	Utilization of energy storage technology	Boilers (fuel conversion / energy conservation)		
Circular economy		Energy storage facilities		
Integrated EV services				
GX Assessment Lease				
Data platform development				

### EVs

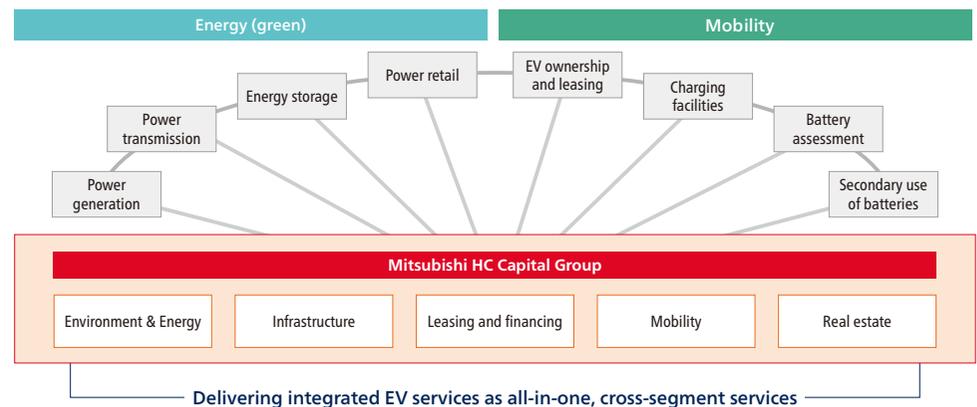
**Future vision** Contributing to a decarbonized society by providing integrated services needed for introducing and widely operating EVs, including renewable energy supply and charging infrastructure

In FY2024, we accelerated our efforts to propose integrated EV services to our Group's customers. From the perspective of decarbonization, many companies are considering replacing their vehicles with EVs, but the reality is that there are various hurdles to introducing EVs, such as the difficulty of installing charging facilities. To address these issues, we have collaborated with relevant departments within our Group and external partners, in order to focus our efforts on diversifying our services and making proposals to our customers. In March 2025, we launched a new service called “lease with carbon offset.”

#### Schematic diagram of EV lease with carbon offset



#### Business scheme



## Key Themes across Segments

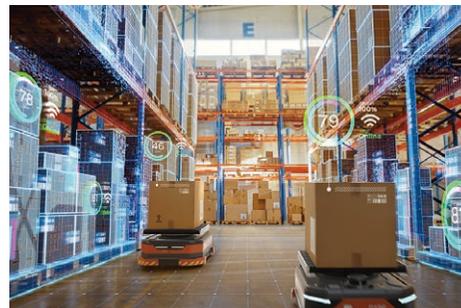
### Logistics

**Future vision** **Becoming a company that develops and provides optimal logistics solutions to address social issues and customer needs in logistics supply chains through collaborations with leading partners**

In FY2024, we worked to expand solutions for logistics issues such as streamlining transportation by using systems, introducing digital transformation in and standardizing logistics, and building a logistics network. Among these, aiming to improve the environment of high-work-load sites, we arranged automation solutions for use within logistics warehouses customized to customers' needs in collaboration with the Hitachi Group.

In FY2025, we will further enhance our material handling equipment,<sup>1</sup> forklifts, real estate, and other assets with a view to offering a

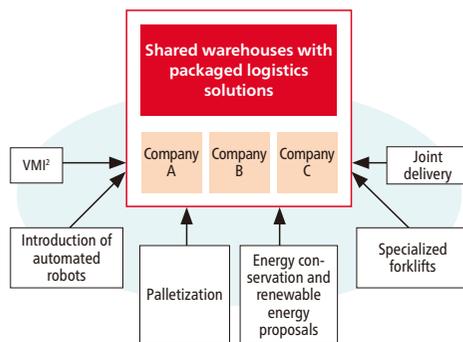
packaged logistics solution called "shared warehouses."



Offering logistics asset sharing services, as well as a range of related logistics streamlining solutions and assets

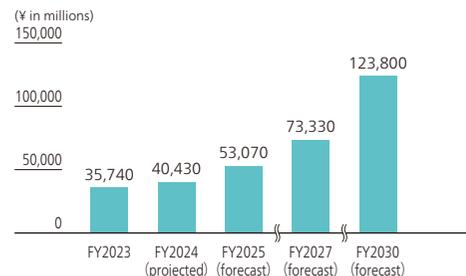
### Business scheme

Future vision



1. Machinery and equipment for efficiently transporting, storing, sorting, and handling goods.  
2. Vendor-managed inventory: A system in which suppliers (vendors) manage and replenish customer inventory.

### Domestic market size forecast for logistics robotics



Notes 1. The forecast covers robots used indoors, such as in logistics warehouses, retail and wholesale distribution centers, and factory warehouses. As a general rule, robots used in factory production processes (such as storage and transport in intermediate warehouses) and outdoors, as well as large, fixed equipment such as conveyors are excluded.  
2. Market size figures are calculated based on operators' sales (sales amounts including robot units and systems necessary for their operation, annual costs for RaaS, etc.).  
3. The figure for FY2024 is an estimate, while figures for FY2025, 2027, and 2030 are forecasts.  
Source: Yano Research Institute.

### Hydrogen

**Future vision** **Contributing to the development of hydrogen supply chains centered on low-carbon hydrogen production**

Our Group is leveraging our experience as one of Japan's leading renewable energy operators, with a power generation capacity of 1.2GW mainly based on solar and onshore wind power, to launch a variety of initiatives in the hydrogen field, including research for a green hydrogen production demonstration project using NEDO<sup>6</sup> subsidies on Miyako Island (see figure below), demonstration projects at TAKANAWA GATEWAY CITY, and investment in European Energy, which is promoting the Power-to-X<sup>7</sup> project in Europe. In order to realize a hydrogen society in 2030 and beyond, we will contribute to the development of supply chains using our Group's capabilities, with a focus on production.

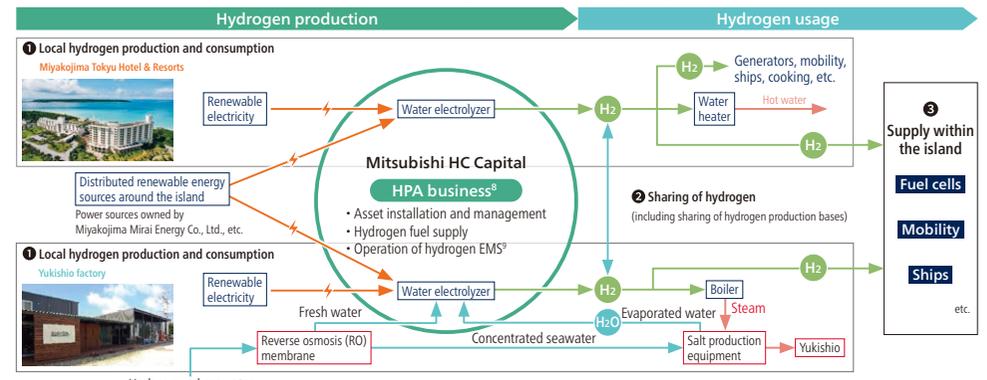
- 6. New Energy and Industrial Technology Development Organization.
- 7. Using green electricity to produce green fuels with low environmental impact.

### Japan's demand and price targets for hydrogen, etc.

(Basic Hydrogen Strategy revised in June 2023)



### Business scheme for the demonstration project on Miyakojima Island



8. Hydrogen purchase agreement business.  
9. Hydrogen energy management system.

## Message from the Head of Human Resources & General Affairs Division

**Aiming to be an organization where the Company and each employee can take on new challenges and grow**

### Takashi Yamaguchi

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



### Human resource management and the positioning of human resources at Mitsubishi HC Capital

Human resources are the driving force behind our Group’s efforts to create value and achieve sustainable growth and are an extremely important management asset. Our Group aims to contribute to the realization of a prosperous future by helping our customers solve their problems and by meeting the expectations of all stakeholders. To achieve this, it is essential to be a company that supports the challenges and growth of its employees.

We are continuously and actively investing in human resources so that each and every employee can grow and perform to the best of their ability. Furthermore, we are focusing on creating an organization and workplace environment where employees can feel a sense of fulfillment and pride, while working actively and thriving in their roles.

By investing in human capital and creating a better organization, we will implement human capital management unique to our Group as we aim to continuously enhance our corporate value.

### Action Principles

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.

### Creating an environment—a work culture and climate—that fosters transformation

In order to promote transformation, it is necessary to reform the mindset of all employees—who are the agents of transformation—and for each of them to take positive action and take on challenges without fear of failure. Furthermore, it is essential to create opportunities for diverse employees with different attributes, values, and backgrounds to share their ideas and perspectives with each other.

The Group defines a situation in which employees work together in pursuit of value creation as the situation in which MHC engagement<sup>1</sup> is highly met. By quantifying MHC engagement, we identify issues specific to each organization in the Group and promote initiatives for improvement, thereby enhancing Initiative and Diversity and creating an environment conducive to transformation.

The business environment surrounding our Company and customer needs are constantly changing, and the skills and experience required to respond to these changes are also diversifying. In FY2024, we launched the Career Challenge Program to support independent career development, and we are focusing on initiatives to promote a shift in

### Career Challenge Program

<p><b>1. Open recruitment (transfers to other departments)</b></p> <p>A system for employees to build their careers through transfers to desired departments</p>	<p><b>2. Manager Challenge Program</b></p> <p>A system for employees to build their careers through management experience in positions comparable to line manager</p>
<p><b>3. Temporary transfers to startup companies</b></p> <p>A system for employees to build their careers through temporary transfers (secondments) to external startup companies</p>	<p><b>4. Overseas trainee program</b></p> <p>A system for employees to build their careers by transferring overseas as trainees.</p>

1. MHC engagement: A situation in which employees work together in pursuit of value creation is defined as the situation in which MHC engagement is highly met. (MHC: Mitsubishi HC Capital Inc.)

## Message from the Head of Human Resources & General Affairs Division

employee awareness, such as introducing the Manager Challenge Program and providing opportunities for temporary transfers to startup companies.

### Business divisions and the human resources sector work together to achieve corporate growth

In order to enhance corporate value, it is extremely important to coordinate management strategies, business strategies, and human resource initiatives. To achieve this, it is necessary for each business division and the human resources sector to communicate closely and work together to enhance corporate value.

From FY2025, we have assigned HRBPs<sup>2</sup> to each division and office. Specifically, Human Resources Department staff in charge serve as business partners for personnel matters and human resources development at offices and divisions, supporting the formulation and execution of management and business strategies from an human resources perspective. By further increasing opportunities for communication with divisions and offices, we aim to narrow the gap between the workplace and the human resources sector, build relationships of trust, and contribute to enhancing the corporate value of the entire Group by engaging in human resources strategies, human resources management, and various human resources initiatives in divisions and offices.

We believe that this initiative is effective in promoting the medium- to long-term goals of “fulfillment of a talent portfolio” and “maintaining and improving MHC engagement.”

2. HRBP: Human resources business partners (partners to persons in charge at business divisions to assist them with personnel matters and human resources development).

### Investments and initiatives aimed at strengthening and accumulating human capital

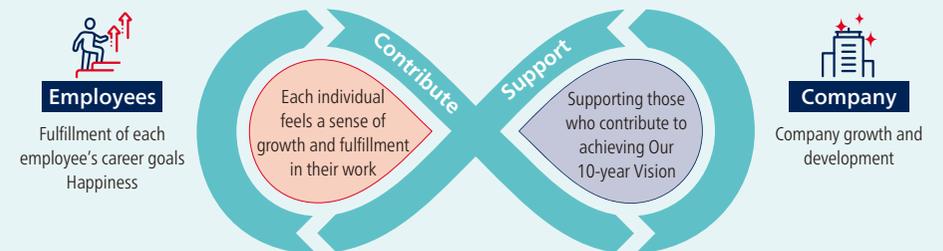
Our Group is working to determine whether we have sufficient human resources for each job by visualizing job information and human resources information and matching them, in order to develop a comprehensive talent portfolio that supports our management and business strategies. Going forward, we will disclose the progress of portfolio development and the status of improvement efforts.

In order to strengthen and accumulate human capital from a medium- to long-term perspective, it is necessary to address both the quality and quantity of human resources. In terms of quality of human resources, we are working to enhance career development initiatives such as introducing career design sheets, providing consultation opportunities with career consultants, expanding training open to all employees, and providing

opportunities for cross-border learning so that employees can proactively consider their own careers and acquire the necessary skill sets.

In terms of quantity of human resources, we are actively hiring mid-career employees in addition to new graduates. In our recruitment of new graduates, we have introduced a recruiter system that allows students to communicate directly with employees. In our recruitment of mid-career employees, we have diversified our recruitment methods by implementing a referral system based on employee referrals and a “comeback” recruitment system that re-employs former employees who have left the Company. Through these efforts, we are striving to secure and strengthen our pool of valuable human resources.

### Human resource development policy



### To be a company where every employee can work with peace of mind

In order for our Group to grow sustainably, it is essential that each and every employee is healthy both mentally and physically, while working with a sense of fulfillment and pride. In FY2024, we promoted work-life balance such as by reducing overtime hours and encouraging employees to take paid leave. As part of our health management initiatives, we held a walking event within the Company and subsidized genetic testing costs to promote employee health. In addition, we have liberalized our dress code guidelines with the aim of creating a more comfortable working environment, encouraging a shift in thinking, and fostering an open and inclusive culture.

Furthermore, we are working to realize attractive salary levels and enhance our compensation system in order to revitalize our organization and improve productivity.

We will continue to create a workplace where each and every employee feels a sense of fulfillment and can work with peace of mind.

## Human Capital Initiatives

The Group recognizes that accumulating and utilizing human capital is an important issue to improve corporate value through the realization of the Basic Management Policy and Medium- to Long-term Management Direction.

In particular, to realize the “SX,” “DX,” and “business transformation” shown in the “medium- to long-term management direction” and achieve the performance indicators at which the Group aims, it will accumulate and leverage necessary human capital in terms of both quality and quantity.

### Medium- to long-term themes we aim to achieve and details of our initiatives

In accumulating and utilizing human capital, we uphold the two themes of “fulfillment of a talent portfolio” and “maintaining and improving MHC engagement” to be accomplished in the medium-to-long term. In order to accomplish these themes, in particular, we will prioritize working on two matters: “reconstruction of the human resource management base” and “creation of a system for maintaining and improving MHC engagement.”

What we want to accomplish	Fulfillment of a talent portfolio	Maintaining and improving MHC engagement
Policy	<p>Secure and develop human resources contributing to the Group’s realization of strategies (quality and quantity)</p> <ul style="list-style-type: none"> <li>• We define the quality and quantity of human resources necessary to realize the medium- to long-term management direction and visualize a talent portfolio.</li> <li>• We understand a gap between necessary human resources and current human resources in terms of quality and quantity, and implement measures for filling the gap.</li> </ul>	<p>Maintain and improve the three elements of MHC engagement</p> <ul style="list-style-type: none"> <li>• <b>Initiative</b> (actively working towards things that should be done, or that you want to be done)</li> <li>• <b>Diversity</b> (a situation in which employees with a diversity of values, backgrounds, and talents respect each other and there is active communication among them)</li> <li>• <b>Workplace</b> (corporate culture, systems, and workstyles, etc. that affect Initiative and Diversity)</li> </ul>
Metrics and targets	(To be announced around the date of disclosure of the FY2025 financial results.)	<p>Both Initiative and Diversity achieved scores of at least 67 points for “Good” (a positive response from two out of three of respondents), with both also exceeding 50 points for “Mostly good” (a positive response from the majority of respondents). The organization was ranked highly as being one that is “Good” or “Mostly good,” and in which employees work together in pursuit of value creation.</p>
Detailed results of initiatives for FY2024	<p>Reconstruction of the human resource management base</p> <ul style="list-style-type: none"> <li>• The medium- to long-term management direction: Define positions necessary for realization of the direction.</li> <li>• Specify and visualize the human resources requirement for each of the defined positions.</li> <li>• Understand and visualize the human resources information (experience, skills and competency) by carrying out an assessment.</li> </ul>	<p>Creation of a system for maintaining and improving MHC engagement</p> <ul style="list-style-type: none"> <li>• Enhance the analysis of the engagement survey by reviewing questions</li> <li>• Show the survey results using indices</li> </ul> <p><b>Result</b></p> <p>75% of respondents ranked the organization as “Good” or “Mostly good” (non-consolidated)</p>

## Human Capital Initiatives

### Fulfillment of a talent portfolio Human resource development system

We believe that it is important to transform the quality of human resources, who contribute to realizing our management strategies, and to foster an awareness of career ownership—the idea that each of them takes the initiative in developing their own career—among our employees. Based on this belief, we have established a human resource development system with a policy focusing on (1) designing human resource development programs aligned with our Basic Management Policy, (2) designing human resource development programs that contribute to realizing Our 10-year Vision, “Together we innovate, challenge, and explore the frontiers of the future,” and (3) fostering and instilling an awareness of career ownership.

We have established six main themes: foundation (what we aim for as employees of our Company), career

(cultivating the career of each employee), organizational level (the mindset and skills required for each level), key skills (skills necessary for developing advanced human resources), self-development (reskilling for employees to learn when they want to learn), and specialization (skills required for each department). In the “foundation” area, we have developed a program to equip our employees with basic skills, focusing on Our Mission, Our Vision, and our Action Principles, which constitute our Basic Management Policy, while further dividing these basic skills into six themes.

In order to realize Our 10-year Vision, we have established a new system of temporary transfers to startup companies with the aim of sending employees to external programs in which other companies also participate, exposing them to values and perspectives that they would not normally encounter in their daily work, and

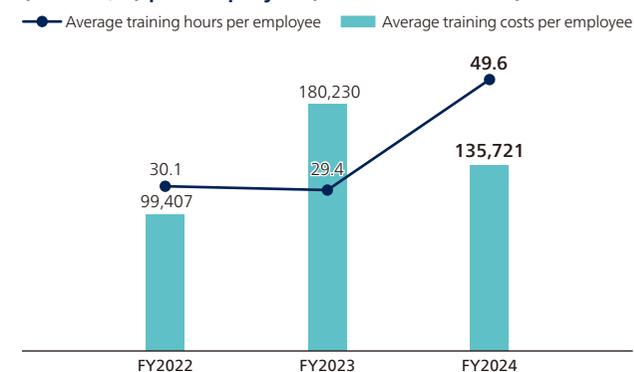
allowing them to experience taking on the challenge of starting new businesses as well as the speed of decision-making in real business situations.

In addition, to foster and spread of awareness of career ownership, we are expanding our age-specific career training program, which encourages employees to proactively envision their future career and consider steps to achieve it, while we are also expanding the use of various training programs open to all employees. By adopting these programs open to all employees, we aim to enable each and every employee to think more proactively about their own career and take action accordingly. We are shifting to a human resource development system in which employees can choose the topics and timing of courses based on their current situation, professional role, and skill level, in line with the career path they wish to pursue.

We will continue to focus on each and every one of our employees to step up our initiatives to provide skill and career development opportunities.

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	6	2,761
	Diversity	Promoting women's participation and advancement in the workforce, promoting senior participation in the workforce, and fostering a culture of diversity	9	2,308
	Sustainability	Acquiring knowledge about sustainability in general and raising awareness of human rights	2	4,204
	Integrity	Promoting integrity (eliminating harassment and improving moral and ethical standards)	2	24
	Global	Fostering a global mindset and improving various skills	9	286
	Finance	Supporting employee career advancement and reskilling	4	89
Careers	Fostering employee career ownership and career development	3	179	
Organizational level	Improving the mindset and skills required at each level	24	3,315	
Key skills	Improving the strategic thinking of human resources who will drive the evolution and layering of business models	2	26	
Self-development, professional development, etc.	Financial support mainly for the self-development and professional development of employees in each department	6	2,111	
Total		67	15,303	

### Average training hours (annual, hours) and costs (annual, ¥) per employee (non-consolidated)



Note: From FY2024, preconditions were revised, such as expanding the scope of data aggregation. The calculation of training hours includes some estimates.

## Human Capital Initiatives

### Fulfillment of a talent portfolio

#### Securing and developing professional human resources

As the business environment surrounding our Group is becoming increasingly sophisticated due to the acceleration of globalization and digital transformation, securing and developing human resources to support corporate growth has become a key challenge. In terms of securing human resources, we are accelerating the diversification of recruitment methods: in mid-career hiring, we are utilizing a referral recruitment system based on employee referrals and a “comeback” recruitment system that re-employs former employees who have left the Company, as well as direct recruiting. As for human resource development, we are working to develop future global core human resources. We offer young employees opportunities to gain hands-on experience in overseas business operations and directly participate in the management of their dispatch destinations at an early stage by utilizing training aimed at fostering the desire to work overseas and the Overseas Trainee Program.

Additionally, in the area of DX, we are currently laying the groundwork to realize our goal of creating and improving customer value through the use of data and digital technologies. In June 2024, we achieved ahead of schedule the 2025 MTMP target, 80% or more personnel at the standard level or above in DX Assessment. Going

#### Number of mid-career hires (persons) (non-consolidated)



forward, we will implement programs to maintain and improve a higher level of DX literacy and to select and train candidates to become DX promotion personnel to focus on further human resource training and development.

#### Securing and developing talent on a global basis

Our Group conducts business globally and has offices in more than 20 countries and regions, mainly in Europe, the Americas, and Asia. In our overseas Group companies, we actively hire local human resources from the perspective of promoting highly specialized global and local businesses. Approximately half of the top management of our overseas Group companies are locally hired, and we are promoting the appointment of the right management personnel in the right positions from a global perspective.

In addition, the top management of the Group gathers for a global conference every year to disseminate Our Mission and strategies on a global basis. Furthermore, from the viewpoint of human resource development, we

hold locally hired employee training at the Tokyo head office for managers and others hired locally at overseas Group companies in order to deepen their understanding of our Group, strengthen global leadership, and reinforce relationships among Group companies. Adding to the above, Corporate Center divisions and business divisions hold regular meetings for the purpose of collaboration on a global basis, as well as to share information and to foster a sense of unity across the Group. We will continue to promote initiatives on a global basis.



Locally hired employee training at the Tokyo head office

### Voice Employee comments

#### Initiatives for training professional human resources

##### Qualities of global human resources learned through the Overseas Trainee Program

In my second year at the Company, when I was in charge of foreign-affiliated companies, I repeatedly encountered situations where what was considered common sense in Japan was perceived as lacking common sense in other countries. I realized that being bound by domestic standards would undermine flexibility and competitiveness. Based on this experience, I decided to participate in the Overseas Trainee Program in order to cultivate a broader perspective and a more flexible mindset.

I believe that globally active human resources are not simply “dictionaries” who can speak foreign languages, but rather people who understand and empathize with different cultures and have the flexibility to convey Japanese values appropriately.

I hope that the Company continues to work on creating an environment where we respect diversity, including foreign employees and employees of local subsidiaries, accept differences positively, and leverage each individual’s unique characteristics to turn differences into strengths.

I would like to utilize my experience to understand diverse values and serve as a bridge between them, contributing to a wider field.



**Binxue Li**  
Structured Finance Department

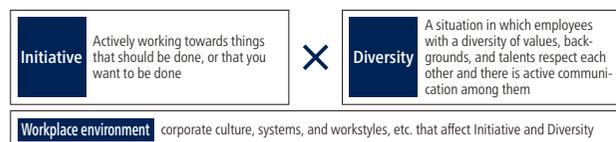
## Human Capital Initiatives

### Maintaining and improving MHC engagement

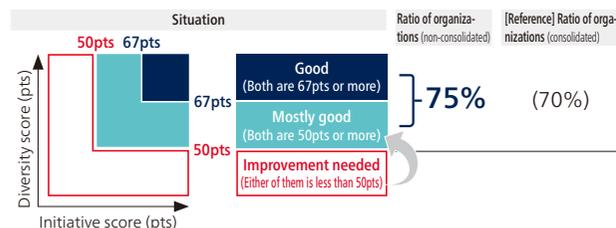
#### Defining and quantifying MHC engagement

The Group defines a situation in which employees work together in pursuit of value creation as the situation in which MHC engagement is highly met.

#### The three elements of MHC engagement



In FY2024, we upgraded our previously conducted survey and quantified MHC engagement. We classified workplace conditions into three categories based on the scores of each office. The state is defined as “Good” when scores of Initiative and Diversity are both 67 points (two out of three respondents gave a positive answer) or higher, and is defined as “Mostly good” when the scores are both 50 points (half of the respondents gave a positive answer) or higher. Organizations in the state of “Good” or “Mostly good” are assessed as being in a state in which all employees work together in the pursuit of value creation.



In FY2024, more than half (75%) of all organizations (non-consolidated) were in the state of “Good” or “Mostly good.” We will continue our efforts to maintain and improve MHC engagement.

### Promoting DEIB

We promote diversity, equity, inclusion, and belonging (DEIB) by having 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 support systems for employees with diverse attributes and at different stages of life, we also focus on efforts to promote understanding of DEIB among all employees.

We have designated every May as DEIB Month for internal information dissemination as well as e-learning and internal events for deepening understanding of DEIB. In April 2025, we introduced a same-sex partnership system\* and will continue to strive to create a company where diverse human resources can work with peace of mind.



- Diversity** A situation in which diverse personnel with nationality, age, gender, sexual, orientation, gender identity, race, disability or values, etc. are present.
- Equity** Elimination of inequities and barriers, and realization of the provision of equal opportunities.
- Inclusion** A situation in which diversity is respected, abilities are mutually recognized, and talents are being utilized.
- Belonging** A sense of belonging as a member of an organization. The ability to grow while having satisfaction, pride, and ambition.

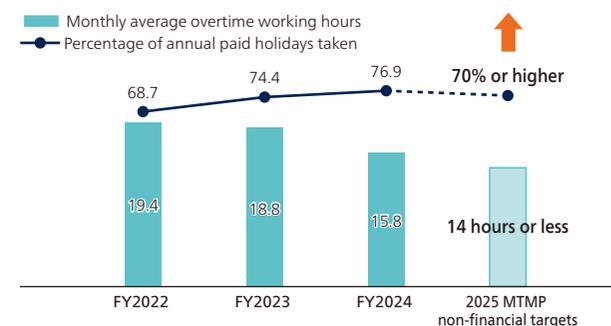
\*A system that includes same-sex partners and their children in the definitions of “spouse” and “child” as specified in the Company’s work regulations and personnel regulations, and applies various leave systems and welfare benefits to these parties.

### Health and safety initiatives

Our Company was certified as a 2025 Health & Productivity Management Outstanding Organization in

the large enterprise category for the seventh year in a row. In FY2024, we implemented various initiatives under the name Happy Healthy Project in order to further promote health and productivity management within the Company. We issued an internal magazine called “Health and Productivity Management Magazine” with the aim of raising employee awareness and literacy regarding health, while we also covered the cost of employees’ genetic testing. In addition, to encourage employees to develop regular exercise habits, we held two walking events (each attended by more than 500 employees) that awarded incentive points worth ¥5,000 through the employee health insurance association’s app. Furthermore, with the aim of achieving the target of 14 hours or less of monthly average overtime hours laid out in the 2025 MTMP, we have set “leave work early” days and carried out an initiative called the “Less than 14-hour Overtime Challenge” in August and December. We aim to improve employees’ work-life balance by promoting a flexible working style, and will continue to strive to create a comfortable workplace.

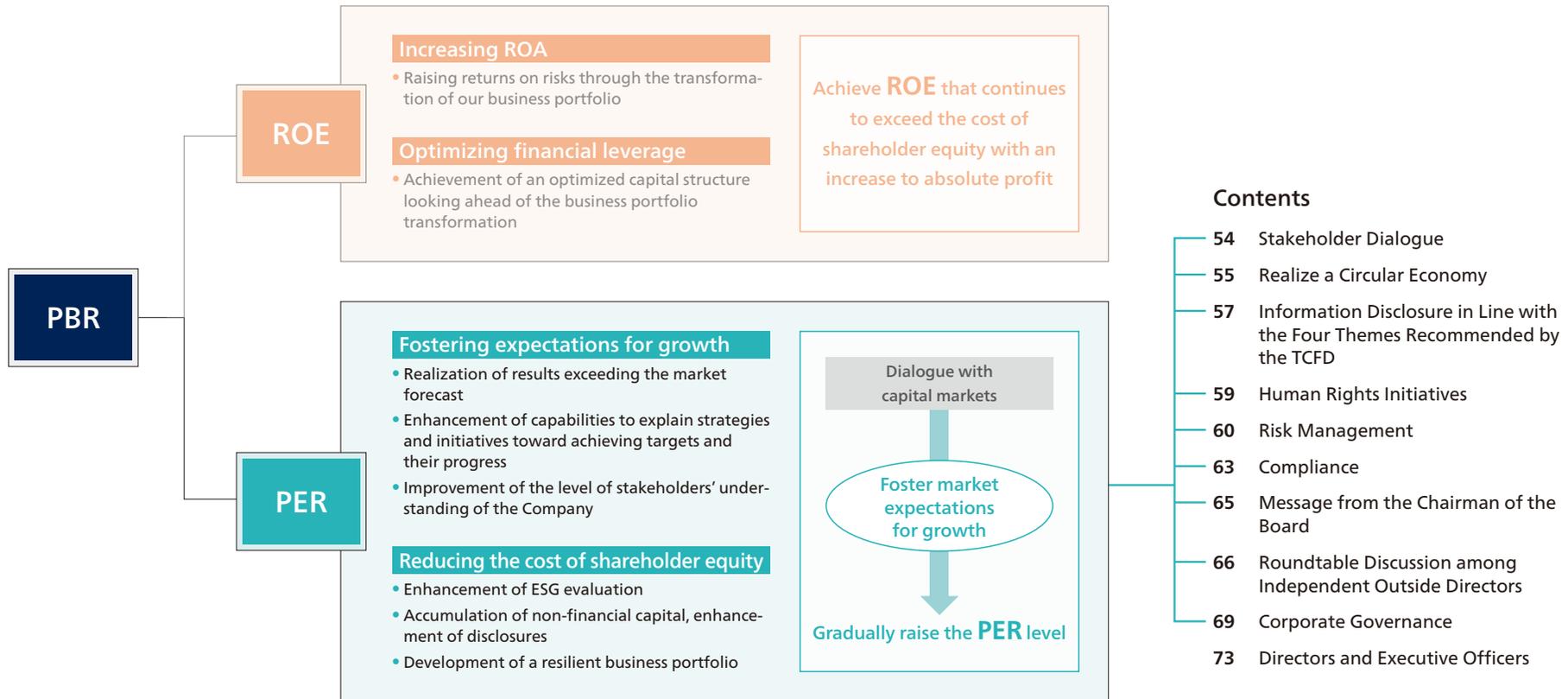
#### Monthly average overtime hours per employee / Rate of annual paid holidays taken by employees (non-consolidated)



# Section 3

## Foundation Supporting Value Creation

In order to sustainably enhance our corporate value, solid corporate functions and building trust with society are essential. This section introduces our Group’s initiatives aimed at building social trust through efforts to reduce environmental impact, honest and highly transparent management, and providing value through dialogue and co-creation with stakeholders.



# Stakeholder Dialogue

In order to realize Our 10-year Vision, we have placed great importance on dialogue with our stakeholders, identifying their expectations, interests, and needs, and responding to each of them with the strengths we have developed over the years. We will continue these efforts to enhance our corporate value over the medium to long term.

Stakeholders	Stakeholder expectations, interests, and needs	Strengths of Mitsubishi HC Capital	Dialogue methods and opportunities	Outcomes (value we provide) (FY2024 results)	Relevant capital
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Providing a variety of finance-based services</li> <li>• Support for capital investment and financing</li> <li>• Creating innovation</li> <li>• Reducing the environmental impact of business operations (e.g., achieving carbon neutrality)</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships with a wide variety of companies, including major shareholders</li> <li>• Ability to solve customers' problems (a wide variety of businesses)</li> <li>• Ability to provide funding</li> </ul>	<ul style="list-style-type: none"> <li>• Sales activities through in-person visits and online meetings</li> <li>• Dissemination of information on our website</li> <li>• Inquiries by phone and e-mail</li> </ul>	<ul style="list-style-type: none"> <li>■ Started offering GX Assessment Lease, which certifies that assets leased to customers are low-carbon equipment</li> <li>■ Started offering EV leases with carbon offsets</li> <li>■ Segment assets: ¥10.9 trillion (up ¥756.1 billion YoY)</li> </ul>	<ul style="list-style-type: none"> <li>■ Social and relation capital</li> <li>■ Manufacturing capital</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Personal growth and job satisfaction</li> <li>• Maintenance of labor environment</li> <li>• Salary and bonus levels</li> <li>• Sustainability as a place to work</li> <li>• Working conditions</li> <li>• Diversity, equity, inclusion, and belonging</li> <li>• Human rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Diverse human resources</li> <li>• Abundant human resource systems that support flexible work styles</li> <li>• Providing opportunities for self-realization and personal growth through diverse businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Personnel interviews</li> <li>• Career Communication Café (career counseling sessions)</li> <li>• Company intranet</li> <li>• Company newsletter</li> <li>• Engagement survey</li> <li>• Career design sheet</li> </ul>	<ul style="list-style-type: none"> <li>■ Messages from the President &amp; CEO to employees through a blog</li> <li>■ Town hall meetings held by top management</li> <li>■ Average annual salary (non-consolidated): ¥10.1 million (up ¥0.3 million YoY)</li> <li>■ Percentage of annual paid holidays taken (non-consolidated): 76.9% (up 2.5pt YoY)</li> <li>■ Monthly average overtime hours per employee (non-consolidated): 15.8 hours (down 3.0 hours YoY)</li> <li>■ Established the first operating company through the Founder Program in our intra-entrepreneurship program (MHC Semi Technologies)</li> <li>■ Percentage of personnel at standard level or above in DX Assessment (non-consolidated): 85%</li> </ul>	<ul style="list-style-type: none"> <li>■ Human capital</li> <li>■ Manufacturing capital</li> <li>■ Intellectual capital</li> </ul>
 <b>Business partners</b>	<ul style="list-style-type: none"> <li>• Strengthening of our own business through partnerships</li> <li>• Creating innovation</li> <li>• Financial credibility as a medium- to long-term business partner</li> <li>• Promoting the sale of our products and services</li> </ul>	<ul style="list-style-type: none"> <li>• One of the best customer bases in Japan across diverse industries and regions</li> <li>• Possession of a wide variety of assets in Japan and overseas</li> <li>• Ability to provide services and solutions based on our leasing business</li> <li>• Business management and investment skills</li> <li>• Ability to provide financing (financial support capabilities)</li> </ul>	<ul style="list-style-type: none"> <li>• Sales activities through in-person visits and online meetings</li> <li>• Dissemination of information on our website</li> <li>• Inquiries by phone and e-mail</li> </ul>	<ul style="list-style-type: none"> <li>■ Total number of investments made through the Innovation Investment Fund (through March 2025): 19 (¥2.86 billion in total)</li> <li>■ Launched a robot subscription service for logistics operators through collaboration with investees of the Innovation Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>■ Intellectual capital</li> </ul>
 <b>Shareholders (equity investors), bond investors, financial institutions</b>	<ul style="list-style-type: none"> <li>• Appropriate information disclosure and enhanced dialogue with the market</li> <li>• Stable medium- to long-term growth</li> <li>• Generation of sustainable cash flow</li> <li>• Stable and continuous dividend payments</li> <li>• Sound business operations</li> <li>• Strengthening governance</li> <li>• Expansion of ESG investment</li> </ul>	<ul style="list-style-type: none"> <li>• Stable performance based on a well-diversified business portfolio</li> <li>• High credit ratings from external agencies</li> <li>• Ability to raise funds through partnerships with major shareholders</li> <li>• Strong financial position and structure</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Financial results briefings</li> <li>• Briefings and various meetings for investors</li> <li>• Information services of the Tokyo Stock Exchange</li> <li>• Dissemination of information on our website</li> <li>• Communication through various media</li> </ul>	<ul style="list-style-type: none"> <li>■ Achieved the net income target and marked record-high net income for three consecutive terms</li> <li>■ Achieved 26 consecutive fiscal years of dividend increases (annual dividend of ¥40 per share, payout ratio of 42.5%)</li> <li>■ Total shareholder return (five-year cumulative total): up 120.1%</li> <li>■ Held our first Business Segment Meetings (Aviation and Logistics businesses)</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial capital</li> <li>■ Intellectual capital</li> </ul>
 <b>Environment and society</b>	<ul style="list-style-type: none"> <li>• Realization of a decarbonized society</li> <li>• Realization of a circular economy</li> <li>• Protection of human rights</li> <li>• Coexistence with local communities</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive knowledge and skills and a broad network as one of the top renewable energy generation companies in Japan</li> <li>• Providing solutions at each lifecycle stage from the introduction of goods to the end of their use</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Data Book</li> <li>• Dissemination of information on our website</li> <li>• Social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Completed investment in European Energy, a Danish renewable and next-generation energy business company, making it an equity method affiliate</li> <li>■ Renewable power generation capacity (in operation): 1,638MW</li> <li>■ Formulated the Transition Plan toward the Realization of a Carbon-neutral Society (released in June 2025)</li> <li>■ All domestic Group offices switched to renewable energy-derived electricity</li> <li>■ Scope 1 and 2 greenhouse gas emissions: down 60.5% (compared to FY2019)*</li> <li>■ Energy usage (domestic): down 4.3% (YoY)</li> <li>■ Continued various social contribution activities including volunteer work</li> </ul>	<ul style="list-style-type: none"> <li>■ Manufacturing capital</li> <li>■ Natural capital</li> <li>■ Social and relation capital</li> </ul>

\*Preliminary figures prior to obtaining third-party certification. Actual results after obtaining third-party certification will be disclosed on our website at a later date.

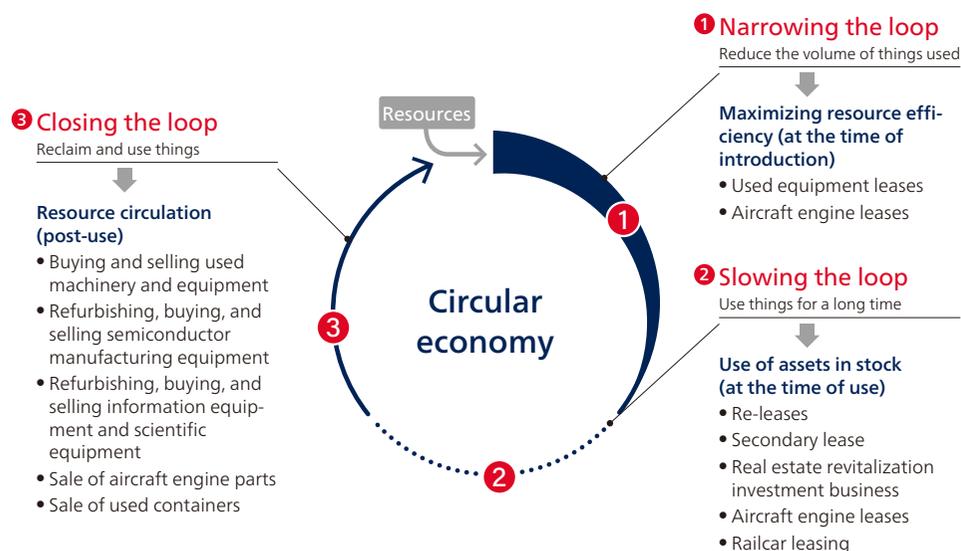
## Realize a Circular Economy

Our Group has set “Realize a circular economy” as a materiality (priority key challenge). 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.

Due to the nature of its business model, leasing, which is our founding business, has a high affinity with a circular economy, and our Group has a variety of value propositions and solutions that maximize the value of the facilities and equipment covered by our contracts. As shown in the chart below, our Group’s circular economy-related businesses are linked to various factors for realizing a circular economy, such as the ones shown on this page.



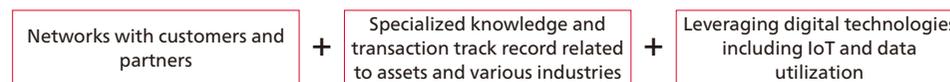
References: Tasaki, Tomohiro (2024). Transformation and information dissemination towards the realization of a circular economy. *Ad Studies*, Vol.87, 2024.

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 efforts toward realizing a circular economy help solve challenges for multiple stakeholders. These initiatives, combined with our Group’s networks in both arterial and venous industries, provide strengths in solving these challenges.

Leveraging our Group’s strengths, we work to enhance value for asset users and improve the value of assets throughout their entire lifecycles.

### Our Group’s strengths in related businesses



To deepen our expertise in this area and further advance our initiatives, we participate in Circular Partners, an industry-government-academia partnership focused on a circular economy.

The “CE Commerce Case Studies” created through these activities features our Group’s solutions based on the semiconductor manufacturing equipment lifecycle.



### Representative examples of related businesses

Circular economy-related businesses	Units and divisions	Department / Group company names
Refurbishing and selling of semiconductor manufacturing equipment	Customer Solutions Unit	Electronics Business Department, Industrial Machinery Business Division U-MACHINE MHC Eco Solutions
Buying and selling of industrial machinery and machine tools		
Refurbishing, reusing, and recycling of information equipment and scientific equipment		
Aircraft engine leasing	Aviation Business Division	Engine Lease Finance inav
Sale of aircraft engine parts		
Real estate revitalization investment business	Real Estate Business Division	Mitsubishi HC Capital Realty
Marine container leasing	Logistics Business Division	CAI International
Railcar leasing business		

[Web](#) For detailed CE commerce case studies, please visit our website. (Japanes only)

## Realize a Circular Economy

### Value and solutions provided by our Group at the lifecycle stages of each asset

#### At the time of introduction

##### Providing a wide range of financing functions

We provide the appropriate things that meet customers' needs, such as equipment that promotes decarbonization and energy conservation and engines that contribute to improving the utilization rate of aircraft. We also provide a wide range of financing functions, such as operating leases, sharing, and rentals to fulfill customers' needs for use (as opposed to ownership).

**Related businesses** ESG lease promotion business, GX Assessment Lease, aircraft engine leasing, used equipment and instrument leasing, etc.

#### Time of use

##### Lease contracts

In a lease contract, when the contract period expires, we provide two options: "re-lease contract" (usually a one-year extension contract) and "return." If "re-lease contract" is chosen, the initial contract period will be extended. This allows for extended use every year at a lower cost than the initial contract period. In addition, residual value-setting leases support the restructuring of leases (secondary leases) based on residual value.

##### Real estate revitalization investment business

In an effort to encourage the use of assets in stock, we conduct business in which we acquire old offices and other facilities and revitalize their real estate value by updating their equipment and renovating their common areas.



Office building after renovation

##### Aircraft engine leasing business

We maintain and improve the asset value of engines through timely and appropriate maintenance, making it possible to use them for long periods of time.

**Related businesses** Equipment refurbishment, real estate revitalization investment business, aircraft engine leasing, etc.

#### Post-use

##### Secondary use

If "return" is selected when the lease contract expires, the returned property will be used for secondary use by new customers. Leveraging our Group's strengths such as our expertise and network, we work in multiple areas, purchasing not only equipment returned by customers, but also idle assets and equipment of customers, leasing them to other customers, and engaging in the refurbishing and reuse business.

MHC Semi Technologies column ▶ P.28

##### Parts out business

We are also pursuing the possibility of reusing and recycling aircraft engines and information equipment, which are difficult to reuse, by dismantling and maintaining them and engaging in a business to sell reusable parts as spare parts.

Ultimately, we contribute to the realization of a circular economy by properly disposing of items that are difficult to reuse and recycle.

#### Results related to resource circulation (post-use) (FY2024)

Sales value of used machinery and equipment **¥16.3 billion**

PCs refurbished and sold **Over 480,000 units**

Total sales amount of used machinery and equipment for industrial machinery and machine tools, semiconductor manufacturing equipment, scientific equipment, construction equipment, information equipment, and medical equipment for the Customer Solutions Unit

Engaged in reuse business to purchase properties returned at lease expiration and customers' idle assets, and conduct appropriate refurbishing, including data erasure

#### Column 1

### Our Company and LexxPluss signed a capital and business alliance contract, launching robot subscription services for logistics operators

This subscription service combines our Group's strengths with the partner company's strengths, enabling us to meet the needs of logistics companies as users. Robot introduction aimed at automation and efficiency improvement is one challenge for logistics companies. Beyond introduction costs, business process design for automation and other efforts to produce the desired effects are essential. We will provide services in cooperation with the partner company, covering introduction support, post-introduction visualization, and optimization. (Leveraging the Innovation Investment Fund)



Frameworks to promote transformation ▶ P.21

#### Column 2

### Our Company and Renoveru signed a capital and business alliance agreement, contributing to realizing a circular economy through pre-owned real estate revitalization and investment business

Targeting real estate owned by companies and local governments where value enhancement through renovation is possible, we will utilize our Group's real estate revitalization investment and asset management functions along with Renoveru's planning, renovation, and operation functions. We plan to engage in the real estate revitalization investment business including joint promotion of projects all the way from real estate acquisition to asset value maximization through renovation, and the development of new ventures through collaboration between both companies. (Leveraging the Innovation Investment Fund)

# RENOVERU.

## Information Disclosure in Line with the Four Themes Recommended by the TCFD



Climate change is a major social issue that needs to be solved in order for a sustainable society to become a reality. Our Group recognizes that for companies to survive in the future, it is important to solve this issue through business activities, and we have expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

### Governance

The Group has established the Sustainability Committee to contribute to the realization of a sustainable and prosperous future, as one of the advisory bodies to the Executive Committee. The Committee meets to discuss the climate change issue and other key challenges related to sustainability and reports the results to the Executive Committee and the Board of Directors. "Promote a decarbonized society" and other materiality were discussed at the Sustainability Committee and Executive Committee and decided at the Board of Directors. The Board of Directors oversees the progress on environmental targets specified in "Metrics and targets" below. The Group will implement various initiatives to strengthen governance toward the realization of a decarbonized society, such as by considering a mechanism to reflect the achievement level of environmental targets to officers' remuneration in the course of formulating the next Medium-term Management Plan.

### Risk management

Occurrences such as regulatory changes, technological innovation, and shifts in business models in line with the transition to a decarbonized society or extreme weather caused by global warming may affect our operating results and financial condition, such as a decline in the value of assets owned by the Group. Our Group recognizes climate change risk as one of the critical risks in

Group-wide risk management. It identifies, assesses, and manages climate change risk while recognizing it as a business opportunity and contributes to the realization of a decarbonized society.

### Identification, assessment, and management of climate change risks

Climate change risks consist of transition risks associated such as with tightening of climate-related regulations and technological innovation, and physical risks associated with extreme weather and changes in climates. We believe that impacts will occur over a variety of time frames (short, medium, and long term) through broad transmission routes including existing risks such as credit risks, asset risks, and investment risks. Under the integrated risk management framework, we are building a system to identify, assess, and manage climate change risks in light of their relation to other major risks.

### Status of integration into overall risk management

We have a system in place where various impacts of climate change risks on other major risks are reported and deliberated at the Risk Management Committee. We will integrate the management of such risks, including risks identified through scenario analysis, in overall risk management by establishing a monitoring system and other means. Additionally, the development of targets and plans related to climate change and details of monitoring are reported and deliberated at the Sustainability Committee. The details of deliberations of both committees are reflected in our Group's overall management strategies under the Board of Directors' supervisory system, allowing us to appropriately respond from the perspectives of both overall risk management and individual risks.



## Information Disclosure in Line with the Four Themes Recommended by the TCFD

### Strategies for action on climate change

We identify risks and opportunities for the Group brought by future climate change, and conduct scenario analysis on transition risks and physical risks for the purpose of appropriately disclosing information and considering future measures.

The scenario analysis was carried out based on information and data available at present. We will obtain more information and related data through careful examination of the analysis results and dialogues with stakeholders and strive to disclose information appropriately by improving our analysis methods and expanding the scope of businesses to be analyzed.

### Results of the scenario analysis

Discussions about the impacts of climate change on our business were held with each division in charge of Environment & Energy, Aviation, Real Estate, and Customer Solutions, which are the target segments of the scenario analysis, and with the Risk Management Department, which is the department in charge of risk management for the entire Group, to ensure consistency between scenario analysis results and existing strategic policies.

The Group endeavors to minimize risks and maximize opportunities by taking short- and long-term measures regarding risks and opportunities related to climate change. As a result of the transition risk analysis, we recognize the need to appropriately handle risks and opportunities associated with the expansion of renewable energy, the shift to fuel-efficient aircraft and aircraft

engines and low-carbon fuels such as SAF and hydrogen, growing demand for low-carbon buildings, and other trends. Furthermore, based on the results of the physical risk analysis, we anticipate risks including damage caused by disasters to power stations and deterioration of power generation facilities such as solar panels, loss in the value of real estate due to intensification of natural disasters and increases in construction and operation expenses and renovation costs, and damage caused by disasters to the Group's offices and increases in their operation expenses and insurance costs.

While appropriate measures for climate change risks have been developed, in terms of the opportunities brought by climate change, the acquisition of business opportunities has been incorporated into our strategies. We have set metrics related to climate change and established a system to regularly monitor relevant trends in Japan and overseas and the status of initiatives of the Group.

 [For detailed scenario analysis results, please visit our website.](#)

### Metrics and targets

Our Group recognizes the realization of a decarbonized society as an urgent issue and has defined our Group's ideal state based on national policy targets and Our 10-year Vision. We then set environmental targets by working backward from that vision. Now we view the promotion of a decarbonized society as an even more important opportunity and are actively working on relevant efforts.

In such cases as where GHG emissions increase significantly in the future due to efforts for new businesses or other activities, or where numerical values change as the calculation of GHG emissions of the entire Group including its supply chain is further refined, the established targets may be revised if necessary, but we plan to set the targets so that they will be in line with national policy target levels, just as the current targets are.

### Future efforts

To further enhance the effectiveness of promoting a decarbonized society, our Group has compiled our initiatives and progress since setting Scope 1 and 2 targets, along with processes toward achieving our interim Scope 3 targets, and formulated the Transition Plan toward the Realization of a Carbon-neutral Society. By promoting and sophisticating these initiatives, we aim to realize carbon neutrality across our entire supply chain by 2050.

 [For details on the Transition Plan toward the Realization of a Carbon-neutral Society, please visit our website.](#)

### The Group's targets for reduction of greenhouse gas emissions

	FY2024 (results)	Short term (every year)	Medium term (to FY2030)	Long term (to FY2050)
GHG emissions (Scopes 1 and 2)	4,457t-CO <sub>2</sub> (down 60.5% vs. FY2019)	—	Down 55% compared to FY2019	Net zero
Energy use in Japan	80,090GJ (down 4.3% vs. FY2023)	Down 1% compared to the prior fiscal year	—	—

## Human Rights Initiatives

Our Group recognizes that conducting business with the utmost respect of human rights is a major challenge, and fulfills our responsibility in this matter across all our business activities. We respect and support international norms concerning human rights, labor, the environment, and anti-bribery, and we strive to respect the human rights of all stakeholders based on these principles. Additionally, we will address human rights risks relevant to our businesses earnestly and appropriately to fulfill our obligations to respect human rights in a manner expected of global companies, aiming to realize a society that respects human rights.

### Human rights due diligence

Our Group launched a Company-wide Human Rights Project in FY2022 and began conducting human rights due diligence in FY2023. Subsequently, in FY2024, we added other transaction types to our scope, expanding the range of this initiative.

We conduct the following two activities through human rights due diligence:

- 1 Screening business partners based on information regarding concerns about human rights violations
- 2 Dialogue (engagement) with business partners to eliminate human rights violation risks

We will continue to implement measures to prevent and reduce human rights risks in corporate activities by enhancing and improving human rights awareness through screening and dialogue (engagement) with our business partners.

### Identifying areas of critical risk

To effectively address human rights issues, it is important to identify our Company's risks. From this perspective, in light of the UN Global Compact principles, we have determined five areas of critical risk for our Group: occupational health and safety, forced labor and human trafficking, child labor, discrimination and gender, and impact on surrounding areas. The implementation status of human rights due diligence for business partners (November 2023 to March 2025) is as follows:

#### Implementation status of human rights due diligence for business partners

Critical risk areas	(Cases)		Response to issues	(Cases)	
	FY2023	FY2024		FY2023	FY2024
Occupational health and safety	1	0	Confirmed appropriate response and recurrence prevention measures	1	0
Forced labor and human trafficking	0	0	Did not conduct the transaction	0	0
Child labor	0	0	Occurrence of the incident and the business partner's response currently being confirmed	0	0
Discrimination and gender	0	0	Total	1	0
Impact on surrounding areas	0	0			
Total	1	0			

### Improving the effectiveness of the complaint handling mechanism

Our Company receives consultation requests concerning human rights from our employees including those of Group companies, through our internal whistleblowing systems: the Compliance Hotline and the Sexual/Maternity/SOGI<sup>1</sup> Harassment Hotline. For external consultations, we have established a multilingual human rights hotline that makes use of the Engagement and Remedy Platform operated by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) to receive human rights consultations and inquiries from all stakeholders. Care is taken to protect whistleblowers, and anonymous reports are also accepted.

In FY2024, we received one complaint through the human rights hotlines we have established. In coordination with relevant departments, we investigated the facts, and appropriately engaged in discussing a response and communicating with the person who submitted the complaint.

JaCER Grievance Form<sup>2</sup> <https://jacer-bhr.org/en/application/form.html>

1. Sexual orientation and gender identity.

2. This contact desk gives full consideration to reporter protection and accepts anonymous reports.

### Human rights training and awareness raising

The Group educates and raises awareness among all employees about human rights in order to ensure respect for human rights. We conduct an annual e-learning course on the basics of human rights (including a confirmation test), and in FY2024, all of our approximately 4,800 employees in Japan completed the course. We implemented six e-learning courses of different human rights themes and for mid-career hires with approximately 25,200 participants, and 17 group training sessions with approximately 440 participants.

As part of awareness-raising initiatives, we hold a slogan contest every fiscal year to raise awareness about human rights, and in FY2024, we received a total of 288 slogans from employees and their families, including ones from 15 domestic Group companies. Additionally, we issue the Human Rights Newsletter as an educational material that employees can access for self-learning anytime, and Natural Support News to provide useful information for promoting employment of people with disabilities.

## Risk Management

### Realizing Our 10-year Vision through effective enterprise risk management and a sound risk culture adapted to an increasingly uncertain business environment

#### Hiroshi Ikebe

Managing Executive Officer  
 Head of Credit Division  
 Head of Risk Management Division  
 Chief Crisis Management Officer  
 Chief Compliance Officer  
 Chief Information Security Officer



#### Importance of risk management adapted to changes in the business environment

Our Group is expanding its business domains across more than 20 countries and regions worldwide, including not only financial services such as leasing and installment sales, which are our founding businesses, but also businesses through which we hold assets in the aviation, logistics, and mobility sectors, as well as investment and financing businesses in the environment and energy, and real estate sectors. On the other hand, uncertainty in the political, economic, and social spheres is currently increasing, and we are also exposed to various hard-to-predict risks such as natural disasters and cyberattacks. In our Group, with risks materializing in domains such as the transportation sector in the Americas and the Environment & Energy business, the importance of risk management adapted to changes in the business environment has heightened significantly.

#### Enhancement of the risk management framework

The Group is working to build a management framework for addressing risks arising from new business domains in the process of promoting the evolution and layering of business models toward achieving further growth. Specifically, we are establishing a system that enables us to make investment decisions by having relevant Corporate Center departments work together to analyze information and data in an agile and rational manner, and a risk and return evaluation system that takes into account the actual condition of new businesses. We are also focusing on developing a predictive management model that can capture trends in market conditions for aircraft, containers, real estate, and other assets.

Preventing the occurrence of unexpected losses and stabilizing volatility in earnings forecasts also lead to reducing cost of shareholder equity. Through these initiatives toward enhancing our risk management framework, we will meet the expectations of our stakeholders.

#### Toward further business growth

On the other hand, risk is also a source of profit. For our Group to achieve further growth, it is important to maximize returns by evaluating the risks of each business in a timely and appropriate manner and optimizing our business portfolio. By continuously developing such an effective enterprise risk management framework, we can make management decisions such as on investments in growth businesses commensurate with their risks and portfolio restructuring at the appropriate timing. Going forward, we will continue to appropriately identify rapid changes in the external environment, clarify the risk appetite of our entire Group, and visualize management information related to risks, thereby fostering a sound risk culture and contributing to sustainable and stable enhancement of our corporate value.

#### Initiatives to enhance the risk management framework

Fostering risk ownership		Visualizing risks and returns	Effective use of capital	Proactive disclosure
Company-wide implementation of the risk management dashboard (visualize business/segment-specific return on capital)			Optimizing integrated risk management	Risks requiring the highest vigilance (top risks)
Risk Management / Credit Committee (sessions to share risk awareness with sales and business divisions)			Clarifying our risk appetite and portfolio strategies	
Instilling risk management based on the three-lines model	Enhancing BCP	Developing a risk assessment framework for new businesses	Strategic capital allocation	Responding to climate change risks

## Risk Management

Our Group seeks to maximize its corporate value while ensuring management safety by identifying and recognizing the various risks we face and taking risks within a controlled range. We have also built a framework to minimize impact on management through effective crisis management even during emergencies such as disasters.

### Risk management framework

The Group identifies and recognizes various risks across the entire Group, and is structured to manage risks according to the risk category by the department in charge. The Risk Management Committee, chaired by the Head of the Risk Management Division, comprehensively and systematically manages risks for the entire Group on a global basis, and reports important matters to the Executive Committee, chaired by the President & CEO, and the Board of Directors and deliberates on them. In addition, the Group has introduced a “three-lines model” process to establish an effective risk management framework.

In addition to the financial and non-financial risks shown in the figure on the right, 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 conduct-related risks and human rights violation risks.

### 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 our equity capital, which represents our management strength, with quantified risks. Specifically, we set planned risk amounts for each risk category such as 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 stress tests on a regular basis to understand the impact of risks that cannot be comprehended by statistical methods. Through multifaceted verification, we check whether our management and business plans are reasonable in their risk appetite and whether our risk endurance is sufficient.

Risk management framework organization chart



Overview of the Group's risk management framework



## Risk Management

### Three-lines model (3 lines of defense)

The Group has adopted a three-lines model framework that divides the entire Group into 3 lines of defense and manages the organization on a risk basis. We classify our Group’s risk management functions as follows, with each function taking on its respective role to improve the effectiveness of our risk management framework.

Classification	Role
1st line (sales and business divisions, group companies)	As owners of risks arising from business activities, independently implement risk management.
2nd line (each department in charge of risk)	Support the independent risk management by the 1st line from a professional standpoint through the development of risk management policies and frameworks, as well as monitoring and checks on the 1st line.
3rd line (Internal Audit Department)	From a position independent of the 1st and 2nd lines, evaluate the effectiveness of risk management operated by the 1st and 2nd lines and provide advice on challenges and problems.

### Crisis management

The Group has established Crisis Management Regulations, Disaster Response Regulations, and a response manual, and has built a framework to minimize the impact of natural disasters, man-made disasters, accidents, and other events 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 if it determines the situation to be a “crisis situation.” Under the leadership of management and in close cooperation with related departments, the Crisis Management Headquarters collects and shares information, and examines and issues instructions on response policies.

#### Crisis management response flow



Crisis category	Crisis situation	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	Crisis Management Headquarters

### BCP

To prepare for serious disasters such as a Nankai Trough earthquake that is said to be imminent, we have categorized the state following the occurrence of disasters into three phases in chronological order and developed a practical business continuity plan (BCP). We conduct periodic drills so that the plan effectively functions in times of disaster.

#### BCP measures

Phase	Objectives	Items to be implemented	Main concrete measures
Initial response	Ensuring officer and employee safety	<b>Appropriate initial response</b> Confirming the safety of officers and employees and directing the initial response policy	<ul style="list-style-type: none"> <li>• Introduction of safety check systems</li> <li>• Diversifying communication means • Company iPhone, MCA radio, etc.</li> <li>• Dual information systems • Email, etc.</li> <li>• Periodic training/education • Safety check / communication check training</li> </ul>
Business continuity	Fulfillment of minimum social responsibilities	<b>Debt fulfillment</b> Payments to suppliers and repayments to financial institutions, etc.	<ul style="list-style-type: none"> <li>• Disaster response headquarters start-up training</li> <li>• Debt fulfillment training</li> <li>• System switchover/recovery training</li> <li>• BCP training (e-learning), etc.</li> </ul>
Restoration	Ensuring business infrastructure	<b>Normal operations</b> Establishing an infrastructure that enables the implementation of key system operations	<ul style="list-style-type: none"> <li>• Redundant core systems • Core systems (main systems)</li> </ul>

### Information security

To protect all of its information assets from various security threats, the Group strives to establish an effective information security management framework 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.

#### MHC-SIRT activity details

Classification	Specific activities
Security trends	• Collecting information on external information security incidents, information exchange with external organizations, etc.
Multi-layered defense	• Software vulnerability countermeasures, website filtering, multi-factor authentication, etc.
Education and training	• All employees: Targeted email training, e-learning, etc. • MHC-SIRT: Cyber incident response training, NCA joint training, etc.
Incident response	• Support for incident response and security response to Group companies • Monitoring by external SOC (Security Operation Center) • Acquisition of security-related logs (PC operation logs, etc.)

# Compliance

The Group strongly recognizes that the trust and confidence of its customers and society are the cornerstones of its existence and considers it of utmost importance to engage in corporate activities based on a high sense of mission and ethics in order to practice Our Mission and achieve Our 10-year Vision. From this perspective, in order to share fundamental values and ethics for compliance and reflect them in business, we have established the Mitsubishi HC Capital Group Code of Ethics and Conduct and various policies related to compliance as guidelines for Group officers and employees.



## Compliance management framework

Our Chief Compliance Officer (CCO) supervises the Group’s compliance management framework. Under the leadership of the CCO, the Legal & Compliance Department plans and manages the internal framework and provides guidance and supervision to each division and Group company, as well as guidance on the correction of compliance violations. In the event that a compliance violation is brought to light, our basic response policy is for the Legal & Compliance Department to ensure prompt reporting to management, the fulfilling of corporate social responsibility, and the prevention of further harm and recurrences.

### Compliance management framework



## Compliance efforts

To ensure compliance with the Code of Ethics and Conduct, we have prepared a compliance manual with more specific and easy-to-understand explanations, which is available on the Company intranet for all Group officers and employees to access at any time for ongoing education. Furthermore, we continuously conduct integrity training to share the importance of integrity (maintain the highest standards of ethics and constantly return to the basics), which is an Action Principle of our Group, with all Group officers and employees.

## Compliance-related awareness and education

With regard to the various business laws for which the Group is registered and licensed, the Company provides individual training and measures the level of understanding. In addition, the Group provides yearly education on the Code of Ethics and Conduct and other priority items related to compliance and anti-corruption. In addition to training, we conduct periodic monitoring using compliance awareness surveys and self-checks to measure the level of understanding and confirm that understanding has penetrated throughout the Company.

Main education content	• Various business laws	Money Lending Business Act, Installment Sales Act, Financial Instruments and Exchange Act, etc.
	• Priority items related to compliance and anti-corruption	Anti-bribery, compliance with antitrust laws, prevention of fraud, prevention of insider trading, prevention of transactions with anti-social forces, prevention of money laundering, personal information protection, the Whistleblower Protection Act, security export control, understanding of anti-harassment, etc.

# Compliance

## Whistleblowing system

The Group has set up a compliance hotline system as a whistleblowing system for officers, employees, etc. to report and consult about misconduct and related issues (any real or suspected violation of laws, regulations, internal rules, or the Code of Ethics by officers, employees, etc. including corruption).

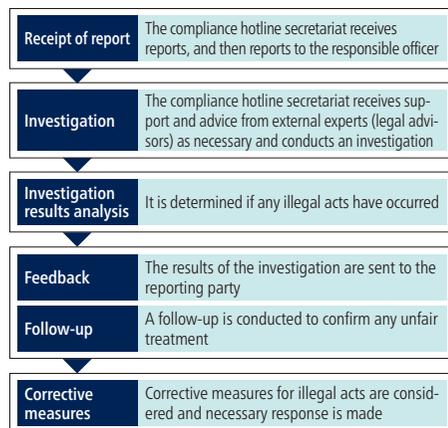
The compliance hotline system provides multiple points of contact within and outside the Company where officers, employees, etc. (including those already retired) can report and consult without hesitation and may do so anonymously. Departments and persons in charge that receive reports and consultations are obligated to maintain confidentiality, and officers and employees who report or consult about misconduct or related issues shall receive no disadvantageous treatment whatsoever due to such reporting or consulting.

### What can be reported or consulted

Any of the following acts engaged in by officers, employees, etc. in violation or suspected of being in violation of laws, regulations, internal rules, or the Code of Ethics:

- Acts affecting the protection of customer interests
- Acts impacting the protection of the environment
- Acts affecting fair competition, such as violations of antitrust laws
- Acts related to provision of bribes or other illegal benefits to government officials and the like both in Japan and overseas
- Other inappropriate acts in violation of laws, regulations, rules, or social justice

### Response after receiving a report/consultation



In the event that a compliance violation is brought to light through a hotline or other means, we ensure prompt reporting to management, the fulfillment of corporate social responsibility, and the prevention of further harm and recurrences. In addition, after analyzing the content of hotline reports, we strive to deepen employee education and foster compliance awareness.

## Principles for Money-Laundering Prevention

The Group has established the Principles for Money-Laundering Prevention and is striving to enhance its structure and system to prevent money-laundering and terrorist financing and eliminate any trade relationship with persons (individuals and entities) subject to sanctions, which violates economic sanctions of the United Nations, international organizations, and individual countries.

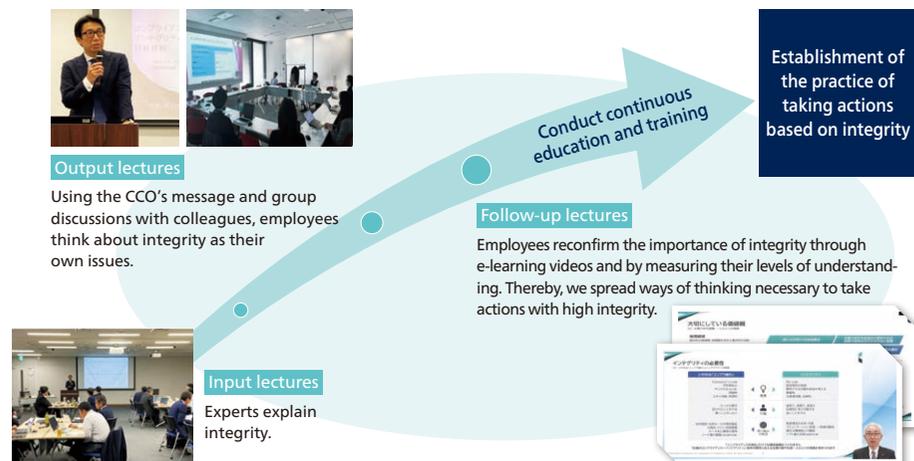
[Web](#) Please visit our website for details of the Principles for Money-Laundering Prevention.

### TOPICS

## Integrity training in our Group

The Group has practiced Our Mission and is promoting various initiatives speedily from new perspectives, not simply staying on conventional paths, for the achievement of Our 10-year Vision.

In this process, in order for officers, employees, etc., to make right decisions and take right actions, we need to share with the Group's officers and employees that it is important to behave based on integrity (maintain the highest standards of ethics and constantly return to the basics), not just ensuring compliance. Therefore, we continuously conduct integrity training (for conduct risk and workplace bullying), in which employees consider what integrity is, what they should do to practice integrity, etc. as their own issues through discussions on actual cases occurred in the Company.



## Message from the Chairman of the Board



**Takahiro Yanai**  
Director, Chairman

**We will further improve our corporate governance to contribute to the sustainable enhancement of our corporate value.**

### Looking back on FY2024

As I mentioned in last year's Integrated Report, I, as the Chairman of the Board of Directors, have striven to run open and inclusive meetings, enabling our Outside Directors to fully contribute their expertise, and to make sure that the executive team adequately responds to the opinions, proposals, and questions of the Directors.

In September 2023, we narrowed down the criteria for matters to be submitted to the Board of Directors, so that in FY2024, the Board of Directors was able to take sufficient time to discuss key agenda items and thoroughly exchange their opinions. In addition to this way of improving how meetings are run, I also strove to utilize the evaluation of the effectiveness of the Board of Directors and the Governance Committee, especially the opinions and proposals of our independent Outside Directors, to further improve governance, as illustrated below.

For the evaluation of the effectiveness of the Board of Directors, we asked all Directors to freely write their evaluations and comments in a survey regarding the meetings of the Board of Directors and each committee held during FY2024. From the survey results, we identified the themes to be discussed by the Board of Directors, the Governance Committee, the

Nomination Committee, and the Compensation Committee in FY2025; the points to be improved in managing these meeting bodies; and what should be discussed over the medium to long term. These matters were examined by the Governance Committee and the Board of Directors. In this examination, the necessity of using a third-party evaluation organization was also discussed, but the Outside Directors unanimously decided against the use of an outside organization for now, concluding that the issues derived from the Company's evaluation process were issues that only members of the Board of Directors could identify.

At the Governance Committee, we exhaustively checked the guidelines set by the Financial Services Agency, the Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange, identified the matters we should consider, and held numerous discussions through July to October 2024.

Some examples of the results of the discussions are the decisions to thoroughly review the skill matrix and disclose the reasons for selecting the skills, as well as replacing the chairs of the Nomination Committee and Compensation Committee with independent Outside Directors. These committees, which are advisory committees to the Board of Directors, have been structured so that independent Outside Directors constitute a majority of their members to ensure that the opinions of independent Outside Directors are given utmost consideration by the Board of Directors. On top of such structure, since April 2025, the chairs have been independent Outside Directors, which has further enhanced the transparency and fairness of both committees.

### Strategic discussions at the Board of Directors meetings during the formulation process for the 2028 MTMP

FY2025 is the year in which we formulate our next Medium-term Management Plan (the 2028 MTMP). To enhance our corporate value over the medium to long term, the Board of Directors will fully fulfill its role by holding extensive discussions at the meetings of the Board of Directors and Governance Committee when drawing up the MTMP. At the initial stage of considerations, the Board of Directors shared the internal and external environment analysis compiled by the executive team. We will further our discussions at the meetings of the Board of Directors as the strategies for the entire Company take shape.

For FY2025, in order to realize our Group's medium- to long-term vision, we will further demonstrate the functions of the Board of Directors from the perspectives of both offense and defense, and will meet the expectations of our various stakeholders.

## Roundtable Discussion among Independent Outside Directors

### The evolution of the Board of Directors that supports the enhancement of corporate value



**Yuri Sasaki**

Director  
(Independent Outside Director)

**Kayoko Kawamura**

Director  
(Independent Outside Director)

**Hiroyasu Nakata**

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

**Hiroko Kaneko**

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

**Masayuki Saito**

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

### Please share your candid opinions on the discussions held at the Board of Directors and other committee meetings as well as your activities in FY2024.

**Saito** In FY2024, we had more active discussions thanks to improvements in how the Board of Directors and other committee meetings are run. There were also opportunities outside the meetings to talk openly with the President & CEO and other management members, which allowed us to get a more concrete understanding of the executive team's thoughts and concerns and enabled us to have more in-depth discussions than in the previous fiscal year.

**Kaneko** I think it was very good that the agenda was narrowed down in FY2023 by reviewing the criteria for matters to be submitted to the Board of Directors, which

allowed more time to be devoted to substantive discussions.

The executive team provided us with all the necessary information and responded sincerely to our requests. Thanks to their attitude, I feel that communication has been smooth, not only in formal settings but also in informal settings.

**Nakata** I think the executive team's willingness to respond directly to our proposals and comments was excellent. On the one hand, I was a little concerned that narrowing down the matters to be submitted to the Board of Directors would weaken its monitoring functions by increasing the scope of matters delegated to the executive team. However, I highly commend the executive team for providing specific data on the outcomes of delegated matters, allowing us to thoroughly verify their results. Additionally, deliberating on future governance

issues provided a valuable opportunity to consider the direction the Company should take, which I found very meaningful.

**Sasaki** It has become easier to ask questions thanks to increased discussion time. I also proposed a discussion on the composition of the Board of Directors, and I was very pleased that this was accepted and thoroughly deliberated on by the Governance Committee.

**Kaneko** Regarding the Board of Directors' composition, we reaffirmed that the current structure is diverse and that the lineup of Directors allows each to leverage their strengths. We feel their knowledge and experience are being put to good use and contributing to the enhancement of the Company's corporate value.

**Saito** Shareholders and investors are watching to see if the Board of Directors is functioning actively as one cohesive team. As the internal and external environments

## Roundtable Discussion among Independent Outside Directors

continue to significantly change, it is crucial to deliberate on whether the composition and skill matrix of the Board of Directors are adequately adapting to these changes. We had thorough discussions in FY2024 and confirmed that the current composition of the Board of Directors is appropriate, and I believe that this process will continue to be important.

**Kawamura** One of our roles as Outside Directors is to provide advice from an external perspective, and in order to do so more effectively, it is important that we understand the Company's business priorities. I believe that the Company has extensive support and information sharing systems in place, enabling the efficient operation of the Board of Directors.

**Kaneko** We also discussed revising the skill matrix, and I think it was very beneficial to organize it into categories. In addition, by stating the reason for selecting each skill and thereby making the Company's thought process clear, it is now easier to see the reasoning behind our candidate selections. I believe the selection criteria for Director candidates have been improved to be more understandable.



**Sasaki** This may be an issue for Japanese companies in general, but with regard to the skills required of Directors, we need to continue considering how

to best evaluate their balance of overall competence, taking into account their expertise and experience. However, I think the recent revision of the skill matrix was a good opportunity to reconsider what is required of our Directors. I also found it meaningful to confirm and discuss the details of each skill.

**Nakata** I believe that the skills required of a Director include hard skills based on specialized knowledge and experience, and soft skills such as holistic communication and comprehension skills, empathy, and a broad perspective. The skill matrix mainly identifies hard skills, but the soft skills of each Director, which are difficult to put into words, are also essential. I feel our Directors possess both of these qualities.

**Saito** Another outcome of our FY2024 discussions was the appointment of independent Outside Directors as chairpersons of the Nomination Committee and the Compensation Committee. This is highly significant in light of the demand for transparency of the Board of Directors, and I believe the validity of their decision-making can now be more objectively presented.

**Nakata** We did not have any particular issues with the previous system, but the new system will increase transparency and provide a sense of security that it will not only function under normal conditions but also in the event of an emergency.

**Kawamura** I think this is an appropriate step demonstrating how governance is being strengthened. Overall operations will not significantly change, but I believe this will provide greater assurance regarding the validity and legitimacy of governance and will more clearly express our intent to strengthen governance than by simply using words.

### How do you evaluate the efforts to realize Our 10-year Vision and enhance corporate value over the medium to long term?

**Saito** I believe that global risk response and management are vital for enhancing corporate value over the medium to long term. In March of this year, I visited our

Americas entity and held discussions with local management. Mitsubishi HC Capital America, our Americas entity, was formed two years ago through the merger of three Group companies. Current performance remains under pressure, and I feel it is still in the maturation process, including the merging process. Moving forward, I believe it is crucial to continue making improvements.

Our overseas business portfolio has grown significantly, and I believe it is essential that our global management functions appropriately in response to geopolitical risks, such as US tariff measures, while also providing explanations to our shareholders and investors.

**Kawamura** I believe the Company is great at responding effectively to resolve any issues that arise. From a risk management perspective, it is important



to deliberate on what to do next. I think the Company has established a good habit of proactive discussions that not only address the issues at hand but also consider future directions and further risks.

**Saito** The main roles of an Outside Director are supervising and advising. To provide helpful advice, it is essential that we receive appropriate information early on. If issues are identified at an early stage, they can be thoroughly discussed at Board of Directors meetings, where we can provide appropriate advice to the executive team. In companies that struggle with governance, reporting tends to be after the fact. But at the Company, information is shared in a timely and appropriate manner, and I feel that the functions of the Board of Directors are being effectively carried out.

**Kaneko** I believe the monitoring system we have in

## Roundtable Discussion among Independent Outside Directors

place is one whereby each business division reports promptly to the President & CEO and that information is shared appropriately with Outside Directors.



**Nakata** Each division strives to move its business forward, but when viewed with the careful eye of an Outside Director, weaknesses and ambiguities

sometimes crop up. While many of these concerns turn out to be unfounded, I believe it is our role to point them out. Of course, this is not to slow anyone down, but rather to use our observations as a starting point for discussion among everyone, leading to appropriate conclusions.

**Sasaki** Our 10-year Vision represents a milestone toward realizing our medium- to long-term goals, and I believe that it carries our hope for each and every employee to take on the challenge of creating social value. I hope this essence of the vision will be received clearly by all employees.

**Kawamura** I believe Our 10-year Vision is the long-term goal that the Company wants to work toward and achieve. It is not about what will happen to the Company in 10 years, but rather about drawing a path toward the goal that the Company wants to achieve in 10 years. I think it is especially vital for our younger employees to be firmly conscious of this. In that sense, I believe that the frameworks to promote transformation are gradually taking root, and that a mindset for transformation is setting in.

**Saito** In the process of raising the value we provide to our customers, it is important for the President & CEO and management to share their dreams and set goals that can be pursued ceaselessly for 10, 20, even 30 years.

We hope to accelerate the dissemination of frameworks to promote transformation and ensure that they become part of our corporate culture.

**Nakata** By “10 years,” I think there are two outlooks: 10 years after the business integration, which is FY2031, and 10 years from now.

As FY2031 will mark the completion of the “hop,” “step,” and “jump” Medium-term Management Plans, we will continue to strive toward Our 10-year Vision set in the 2025 MTMP. I would like each and every employee to constantly think about who they want to be 10 years from now.

### Finally, please share a message with our stakeholders.

**Kaneko** Although there are various stakeholders, I think everyone shares the hope that the Company will continue to thrive and grow.



As an accounting and auditing professional, I have been observing the governance and management systems of various companies. By leveraging this experience, I would like to continue contributing by offering an objective and independent third-party perspective that is distinct from the executive side, as well as with a warm heart.

I would like all employees to seriously consider the specific implications of our management philosophy, “creating social value through maximizing the potential of assets,” and what they can do using the assets they handle. I also hope that they can transform their own work.

**Nakata** I agree with Ms. Kaneko’s “third-party perspective,” as I would also like to contribute to the Company

from an external perspective. I would also encourage all employees to take pride in our management philosophy. I believe future employees will also feel that they have joined a great company when they start working here.

**Saito** I believe that human resource development is very important as a means of strengthening non-financial capital to realize Our 10-year Vision. I would like all employees to focus on raising their individual abilities and strive to improve themselves.



**Sasaki** As an independent Outside Director, I believe it is extremely important to identify issues—that are difficult to notice from within the Company—from an external perspective. I will continue to comment on matters that are taken for granted within the Company from an external perspective for the benefit of all shareholders and stakeholders.

I find it extremely appealing to create social value. This desire is embodied in Our 10-year Vision, and I would like all employees to understand this desire and put it into action.

**Kawamura** As an independent Outside Director, I would like to provide advice from an external perspective on the issues executives face in strengthening the Company’s management base and transforming it through digital transformation.

The Company owns many assets, each of which are used in outstanding businesses that contribute to society in the form of social infrastructure. We want the management team to create an environment where all employees can be proud of these businesses and actively take on new challenges.

## Corporate Governance

### Basic views on corporate governance

While emphasizing initiatives to achieve sustainable corporate growth and improvement in corporate value over the medium to long term, Mitsubishi HC Capital (MHC) aspires to contribute to a more prosperous society by respecting the rights and interests of all of its stakeholders—shareholders, customers, local communities, and employees—and fulfilling their trust in the Company, based on the views presented below. With the recognition that it is one of its social responsibilities to ensure transparent and sound management, MHC continues to work on initiatives to enhance corporate governance by boosting the activity of the Board of Directors, reinforcing the Audit & Supervisory Committee and the internal audit system, ensuring timely and appropriate disclosures of information, and actively engaging in investor relations (IR) and other activities.

- (1) Fostering sound corporate culture
- (2) Ensuring appropriate information disclosure and transparency
- (3) Ensuring the rights and equal treatment of shareholders
- (4) Constructive dialogue with shareholders
- (5) Ensuring effectiveness of the Board of Directors

 Please refer to the Corporate Governance Report for details.

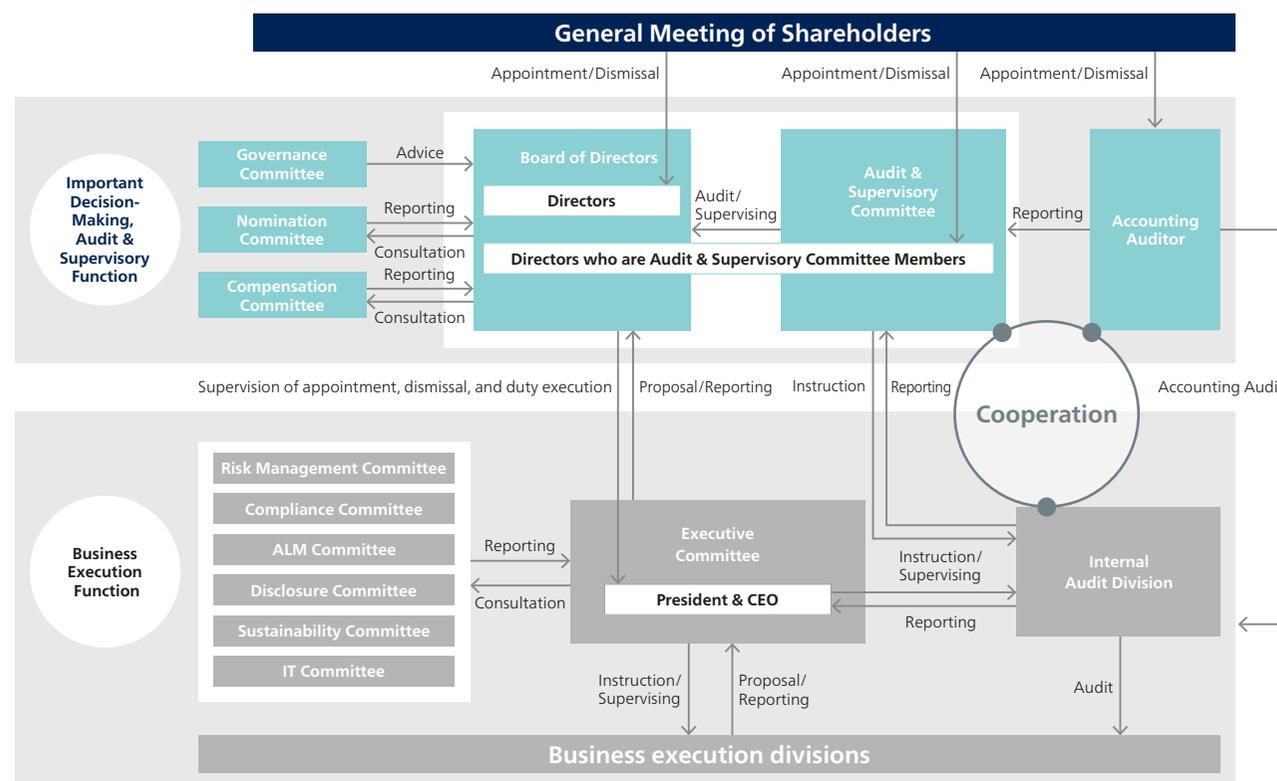
### Overview of corporate governance systems

MHC is a company with an Audit & Supervisory Committee, and has established a Board of Directors to be responsible for important decision-making and supervisory functions, and an Audit & Supervisory Committee to be responsible for audit and supervisory functions.

In order to further enhance its corporate governance, MHC has also established a Nomination Committee to serve as an advisory body to designate the President & CEO and a Compensation Committee to advise on the

remuneration, etc. of Directors. Further, MHC has established a Governance Committee, which consists of Outside Directors, Representative Directors, etc., to serve as an advisory body to the Board of Directors regarding the improvement of the effectiveness of the Board of Directors, etc.

Alongside adopting an executive officer system, MHC has established an Executive Committee to serve as a body for deliberation and decision-making on important management matters.



## Corporate Governance

### Diversity of the Board of Directors

MHC has selected nine skills that the Board of Directors should possess: “corporate management,” “finance,” “global,” “sustainability,” “sales/marketing,” “IT/DX,” “finance/accounting,” “risk management/legal affairs,” and “human resource management.” It recognizes that the skills the Board of Directors shall possess must be reviewed regularly based on its management strategies and environment, and thus it will continue to consider this issue at Governance Committee and Nomination Committee meetings.

MHC also recognizes that diversity at the Board of Directors in terms of gender, nationality, race, etc. is important, and proactively works on strengthening the function of the Board of Directors by enhancing diversity.

Each Director of the Company has qualities appropriate for their position, giving the Board of Directors a set of diversified and sufficient skills.

### Reasons for selection of the skills

Category	Skill	Reason for selection
Matters related to overall management	Corporate management	Achieving Our 10-Year 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, <sup>1</sup> DX, <sup>2</sup> 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 that balances the resolution of social issues with the sustainable enhancement of corporate value.
Matters related to revenue 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 technologies, we believe it is essential to have the ability to apply advanced knowledge of IT and digital transformation (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.
	Human resource management	We believe it is essential to have the ability to build and promote a human resources strategy that secures, develops, and utilizes talent in order to fulfill a “talent portfolio” that supports management strategy and to create a workplace that is both comfortable and motivating. This includes the ability to oversee such activities.

### Appointment and dismissal of Directors and training policy

The Board of Directors resolves to appoint candidates to serve as Directors based on the prescribed selection criteria, after the Nomination Committee, of which independent Outside Directors comprise the majority, holds discussions in advance. (It is stipulated in internal regulations that the Board of Directors shall resolve with the utmost respect to the decisions made by the committee.) The Board of Directors also resolves to appoint candidates to serve as Directors who are also Audit & Supervisory Committee Members after the Nomination Committee discusses it and the Audit & Supervisory Committee agrees to it.

If Directors are found to meet the prescribed dismissal criteria, their dismissal is deliberated by the Nomination Committee in a timely manner and decided by the Board of Directors.

In addition, all Directors are regularly given information on training opportunities such as seminars held by external organizations on the latest corporate governance trends, digital transformation, and sustainability.

### Skills that should be possessed by the Board of Directors (Skill matrix)

Name	Position	Skill									
		Corporate management	Finance	Global	Sustainability	Sales / Marketing	IT/DX	Finance / Accounting	Risk management / Legal affairs	Human resource management	
Takahiro Yanai	Director, Chairman	●	●	●	●	●		●	●	●	
Taiju Hisai	Representative Director, President & CEO	●	●	●	●	●		●	●	●	
Aiichiro Matsunaga	Representative Director, Deputy President	●	●	●	●	●			●	●	
Kazumi Anei	Director, Deputy President	●	●	●	●	●					
Haruhiko Sato	Director, Managing Executive Officer	●	●	●	●			●			
Yuri Sasaki	Director (Outside Director) (Independent Director)		●								
Kayoko Kawamura	Director (Outside Director) (Independent Director)					●	●				
Shota Kondo	Director (Outside Director)	●		●	●	●					
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	●	●			●		●	●		
Hiroyasu Nakata	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)								●		
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)							●	●		
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	●		●	●			●	●	●	

## Corporate Governance

### Assessments of the effectiveness of the Board of Directors

MHC has continued efforts to further improve the effectiveness of the Board of Directors based on the 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 in FY2024

Issues in FY2023	Response to issues
Improving agenda items and the content of deliberations	<ul style="list-style-type: none"> <li>Strengthened timely and appropriate monitoring after important decisions were made (on investment projects, business development).</li> <li>Improved the quality of deliberations on risks related to both Company-wide and segment-specific businesses.</li> <li>Revitalized deliberations on important agenda items by flexibly allocating time for deliberations.</li> <li>Revitalized discussions by further utilizing the Governance Committee, etc. Based on various governance guidelines, etc., issues at MHC were identified and discussed, such as the appointment of external chairpersons for the Nomination Committee and the Compensation Committee and the revision of the skills that the Board of Directors should possess.</li> </ul>
Enhancing communication	<ul style="list-style-type: none"> <li>Outside Directors visited domestic and overseas business sites.</li> <li>Held roundtable discussions and opinion exchange meetings attended only by independent Outside Directors.</li> <li>Held opinion exchange meetings between the Chairman and the President &amp; CEO and independent Outside Directors.</li> <li>Implemented an initiative to facilitate communication between management including Executive Officers and Outside Directors.</li> </ul>
Improving information provision system	<ul style="list-style-type: none"> <li>Continued the reporting of the current status of each unit and each business division.</li> <li>Continued the provision of business details explanations from the Head of each Corporate Center division to Outside Directors.</li> </ul>

### Assessment of the effectiveness of the Board of Directors in FY2024

Assessment method						Results
<ul style="list-style-type: none"> <li>At the Governance Committee meeting held in October 2024, the method of assessing the effectiveness of the Board of Directors for FY2024 was discussed. For FY2025 as well, it was decided to conduct a questionnaire among all Directors regarding the effectiveness of the Board of Directors, Governance Committee, Nomination Committee, and Compensation Committee.</li> <li>The Governance Committee discussed the necessity of using a third-party organization, but it was reconfirmed that the questionnaire among all Directors would continue to be the most effective way to identify issues in consideration of MHC's actual situation. MHC's questionnaire items have been decided by the Governance Committee attended by independent Outside Directors, which we believe to be effective for conducting objective and appropriate reviews.</li> </ul>						<ul style="list-style-type: none"> <li>The major results of the assessment are shown below:                             <ol style="list-style-type: none"> <li>It was determined that MHC's Board of Directors is sufficiently performing its role.                                     <ul style="list-style-type: none"> <li>The criteria for matters to be submitted to the Board of Directors were revised and the frequency of committee reporting was optimized in October 2023. As a result, it became possible to allocate more time on deliberating important agenda items in FY2024, enabling deeper discussions contributing to improving corporate value and exercising sound supervisory functions.</li> <li>Directors submitted various opinions and recommendations based on their specialized skills and expertise, which enabled organic discussions.</li> <li>Effective improvement measures have been implemented to address the issues identified in the previous effectiveness assessment, such as the progress management after important decision-making, revitalizing deliberations on reports from the Audit &amp; Supervisory Committee, and the improvement of information provision systems including the access of Outside Directors to MHC's internal system environments.</li> </ul> </li> <li>It was determined that MHC's Governance Committee, Nomination Committee, and Compensation Committee are sufficiently performing their roles.                                     <ul style="list-style-type: none"> <li>The Governance Committee comprehensively reviewed various governance guidelines and identified issues at MHC. Multifaceted discussions were held about the composition of the Board of Directors members, the expansion of the roles of Outside Directors, the improvement of the effectiveness of the Board of Directors, and other matters.</li> <li>Multifaceted discussions were held by the Nomination Committee about the revision of skills that the Board of Directors should possess, and by the Compensation Committee about the policy, the system, the level, etc. of officers' remuneration.</li> </ul> </li> <li>The themes that each of the Board of Directors' committees should discuss were specified as the issues to address in FY2025, such as the verification of the effect of revising the criteria for matters to be submitted to the Board of Directors and goals of officers' remuneration based on discussion of the next Medium-term Management Plan. In addition, it has been recognized that there is room for improvement in materials and the operation of meetings in order to further improve the effectiveness of the Board of Directors, etc. We will work to further enhance governance by steadily implementing measures to address these issues.</li> </ol> </li> </ul>
<p><b>Governance Committee</b></p> <p>October 2024</p> <ul style="list-style-type: none"> <li>Deliberated on the method of assessing effectiveness</li> </ul>	<p><b>Governance Committee</b></p> <p>February 2025</p> <ul style="list-style-type: none"> <li>Decided the method of assessing effectiveness</li> <li>Deliberated on questionnaire items</li> </ul>	<p><b>Governance Committee</b></p> <p>March 2025</p> <ul style="list-style-type: none"> <li>Decided questionnaire items</li> </ul>	<p><b>March 2025 Carried out the questionnaire among all Directors</b></p>	<p><b>Governance Committee</b></p> <p>April and May 2025</p> <ul style="list-style-type: none"> <li>Deliberated on issues and response measures based on analysis results of the questionnaire</li> </ul>	<p><b>Board of Directors</b></p> <p>May 2025</p> <ul style="list-style-type: none"> <li>Summarized the results of assessing the effectiveness in FY2024</li> </ul>	

## Corporate Governance

### Remuneration of Directors

#### Basic policy

- MHC officers' remuneration is determined by also taking into account officers' incentives, with a view toward increasing corporate value through the execution of business strategies.
- The level of remuneration shall be appropriate with respect to the roles and responsibilities of each officer, and is also based on market levels, from the viewpoints of increasing corporate value over the medium to long term and improving short-term business performance.

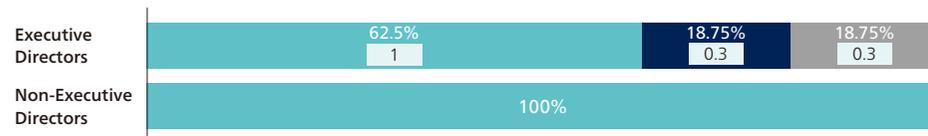
#### Remuneration system

In principle, Executive Directors' remuneration, 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 as provision of MHC's shares, etc. in a trust framework.

With a view toward maintaining a sound performance-based ratio, the ratio of fixed remuneration (base remuneration) to floating compensation (bonus and stock compensation) is generally set at 1:0.6 (the ratio of base remuneration to bonus to stock compensation is generally set at 1:0.3:0.3).

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.

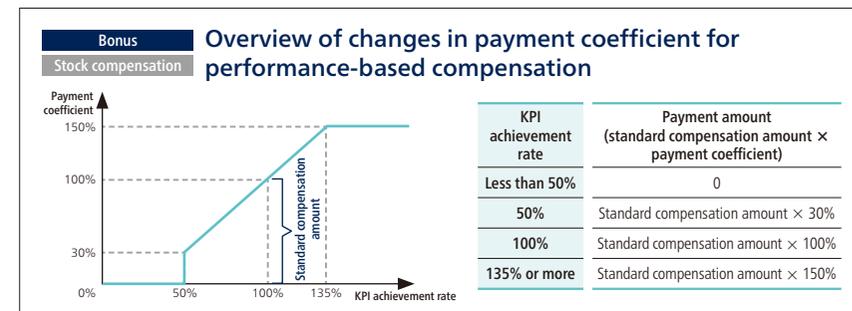
#### Composition of remuneration



### Remuneration system for Executive Directors

Type of remuneration	Details of remuneration	Percentage of remuneration	KPIs for evaluation / Evaluation weight	Range of payment coefficient based on KPI achievement															
Fixed	<ul style="list-style-type: none"> <li>• Fixed remuneration according to position</li> </ul>	62.5% 1	—	—															
Variation	<ul style="list-style-type: none"> <li>• Amount determined based on the consolidated business performance of the previous year, etc.</li> <li>1. KPIs for performance evaluation are set in line with MHC's numerical targets</li> <li>2. Regarding responsible duties, quantitative and qualitative evaluations are conducted from the perspective of performance and the level of contribution</li> </ul>	18.75% 0.3	<table border="1"> <thead> <tr> <th>Position</th> <th>Representative Director</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>Net income attributable to owners of the parent</td> <td>70%</td> <td>49%</td> </tr> <tr> <td>ROA<sup>1</sup></td> <td>15%</td> <td>10.5%</td> </tr> <tr> <td>ROE<sup>2</sup></td> <td>15%</td> <td>10.5%</td> </tr> <tr> <td>Responsible duties</td> <td>—</td> <td>30%</td> </tr> </tbody> </table>	Position	Representative Director	Other	Net income attributable to owners of the parent	70%	49%	ROA <sup>1</sup>	15%	10.5%	ROE <sup>2</sup>	15%	10.5%	Responsible duties	—	30%	0-150%
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ROE <sup>2</sup>	15%	10.5%																	
Responsible duties	—	30%																	
	<ul style="list-style-type: none"> <li>• Amount determined based on the level of achievement during the three-year period of the Medium-term Management Plan</li> </ul>	18.75% 0.3	<table border="1"> <tbody> <tr> <td>Net income attributable to owners of the parent</td> <td>60%</td> </tr> <tr> <td>ROA<sup>1</sup></td> <td>10%</td> </tr> <tr> <td>ROE<sup>2</sup></td> <td>10%</td> </tr> <tr> <td>TSR<sup>3</sup> against TOPIX growth rate</td> <td>20%</td> </tr> </tbody> </table>	Net income attributable to owners of the parent	60%	ROA <sup>1</sup>	10%	ROE <sup>2</sup>	10%	TSR <sup>3</sup> against TOPIX growth rate	20%	0-150%							
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TSR <sup>3</sup> against TOPIX growth rate	20%																		

1. Return On Assets 2. Return On Equity 3. Total Shareholder Return



## Directors and Executive Officers (as of June 26, 2025)



### 1 Takahiro Yanai

Director, Chairman  
 Born: May 4, 1958  
 Number of Company's shares owned: 26,500 (207,700)\*

### 2 Taiju Hisai

Representative Director, President & CEO  
 Born: April 27, 1962  
 Number of Company's shares owned: 6,700 (55,600)\*

### 3 Aiichiro Matsunaga

Representative Director, Deputy President, overall operations  
 Born: March 14, 1963  
 Number of Company's shares owned: 5,800\*

### 4 Kazumi Anei

Director, Deputy President, in charge of the Customer Solutions Unit  
 Born: September 18, 1960  
 Number of Company's shares owned: 61,300 (55,600)\*

### 5 Haruhiko Sato

Director, Managing Executive Officer, CFO, Deputy Head of Corporate & Strategic Planning Division  
 Born: June 19, 1965  
 Number of Company's shares owned: 0 (31,900)\*

### 6 Yuri Sasaki

Director (independent Outside Director)  
 Born: May 26, 1967  
 Number of Company's shares owned: 1,400\*

### 7 Kayoko Kawamura

Director (independent Outside Director)  
 Born: July 12, 1964  
 Number of Company's shares owned: 400\*

### 8 Shota Kondo

Director (Outside Director)  
 Born: September 27, 1967  
 Number of Company's shares owned: 0\*

### 9 Yoshitaka Shiba

Director, Audit & Supervisory Committee Member (full-time)  
 Born: July 25, 1961  
 Number of Company's shares owned: 1,700\*

### 10 Hiroyasu Nakata

Director, Audit & Supervisory Committee Member (independent Outside Director)  
 Born: August 29, 1951  
 Number of Company's shares owned: 3,900\*

### 11 Hiroko Kaneko

Director, Audit & Supervisory Committee Member (independent Outside Director)  
 Born: March 28, 1958  
 Number of Company's shares owned: 3,900\*

### 12 Masayuki Saito

Director, Audit & Supervisory Committee Member (independent Outside Director)  
 Born: November 8, 1954  
 Number of Company's shares owned: 3,900\*

## Executive Officers

\*Executive Officers acting concurrently as Directors

### President & CEO

Taiju Hisai\*

### Deputy Presidents

Aiichiro Matsunaga\*  
 Kazumi Anei\*

### Senior Managing Executive Officer

Osamu Muramoto

### Managing Executive Officers

Kazuhiro Takeuchi	Yasuhiro Sato
Shinji Tanaka	Takuji Naruse
Kazunori Hamazaki	Toru Fukuyama
Yasuyuki Hirota	Takashi Yamaguchi
Haruhiko Sato*	Naoshi Ogikubo
Nozomu Naruse	Yasuyuki Kusakari
Hiroshi Ikebe	Koji Goto
Katsuya Kitahara	Isao Someya
Makoto Sawada	Keigo Nakamura
Masahiko Tanimura	Makoto Nishio
Katsuji Okamoto	Toshiaki Maekawa

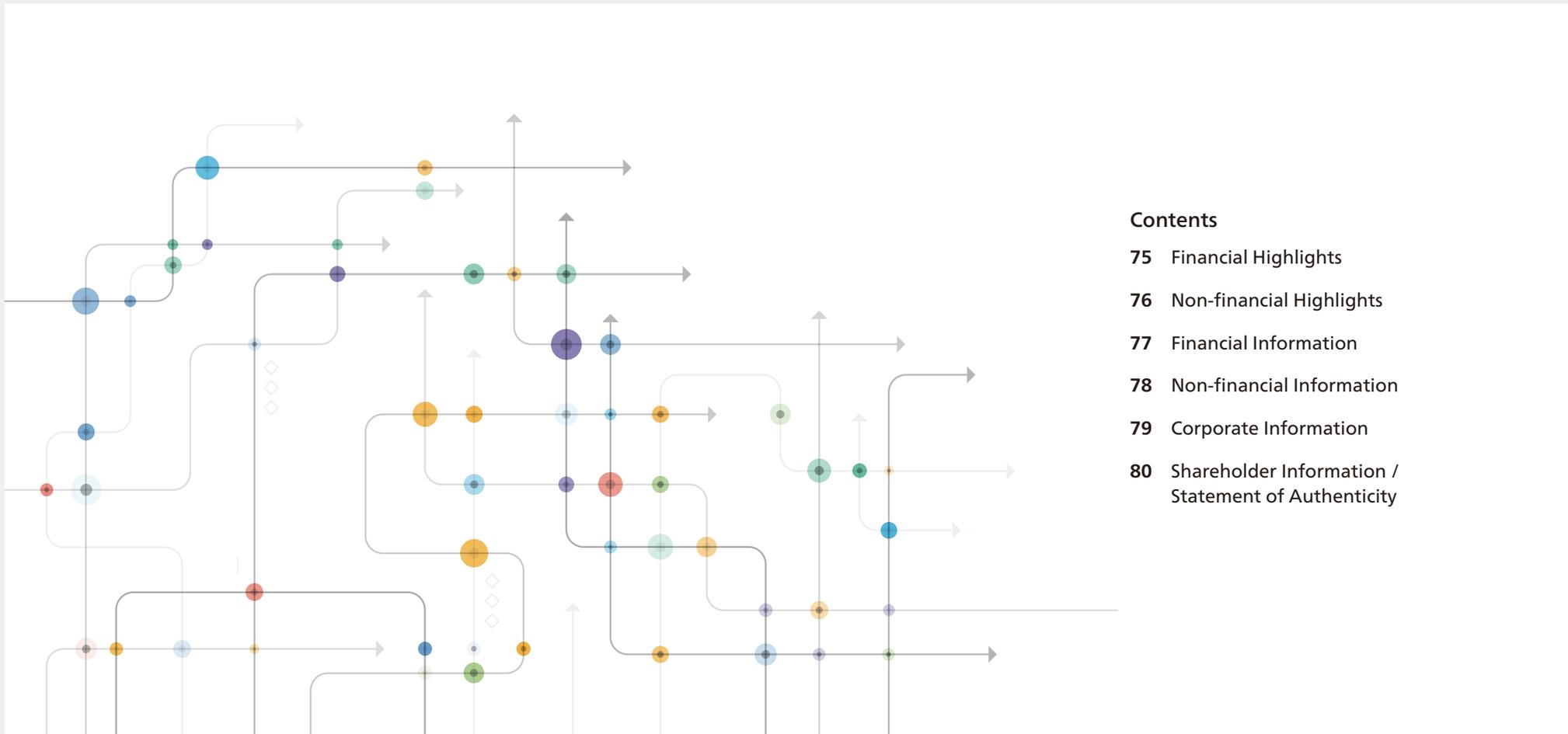
\* Number of shares held as of March 31, 2025. Figures in parentheses represent the number of potential shares. This states the number of shares subject to stock acquisition rights under the stock compensation-type stock option system granted in the past.



Section **4**

# Data

We have organized and presented key financial and non-financial data to help our stakeholders objectively understand the results of the Group’s value creation. In this section, we strive to provide reliable information disclosure through numerical data that substantiates the medium- to long-term evolution of our corporate value.



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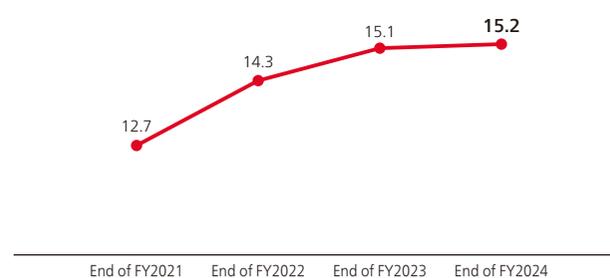
## Financial Highlights

### Net income attributable to owners of the parent (¥ in billions)



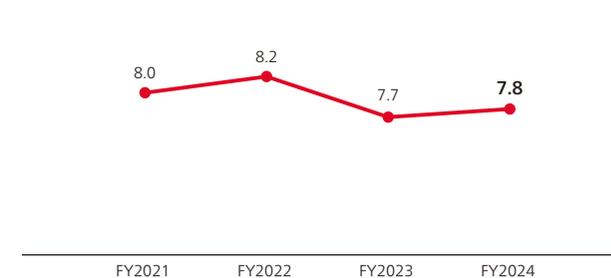
Although credit costs increased in the Global Customer Business and Environment & Energy segments, strong performance in the Aviation and Logistics segments and the recording of gains on the sale of large numbers of securities in the Environment & Energy segment resulted in a year-on-year increase in profits of ¥11.3 billion, marking the third consecutive term of record profits.

### Equity ratio (%)



We aim to optimize the composition of capital and liabilities in response to changes in asset risk as we transform the quality of our assets over the medium to long term through the evolution and layering of business models.

### ROE (%)



While equity capital increased due to the yen's depreciation against the initial forecast for FY2024, net income remained at almost the same level as the initial forecast, even after taking into account the effect of the yen's depreciation, resulting in only a slight increase in ROE.

### Total assets (¥ in billions)



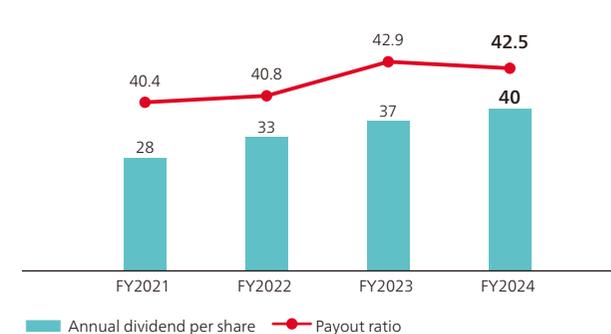
Although there was a decrease due to the deconsolidation of Sekisui Leasing and Miyuki Building, making European Energy an equity method affiliate, and an increase in lease assets in the Aviation and Logistics segments resulted in an increase of ¥612.4 billion compared to the end of the previous fiscal year.

### New transactions volume (¥ in billions)



There was an increase of ¥259.7 billion year on year due to factors such as a rise in new transactions in the Aviation and Real Estate segments, in addition to a significant expansion in new investments in marine containers in the Logistics segment.

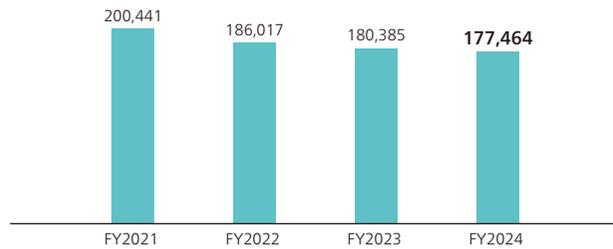
### Dividend per share (¥) / payout ratio (%)



As a general rule, we will return profits to shareholders by distributing dividends. The target dividend payout ratio for the period of the 2025 MTMP (FY2023-2025) is set at 40% or higher, and we have achieved 26 consecutive years of dividend increases by raising the total dividend amount through profit growth.

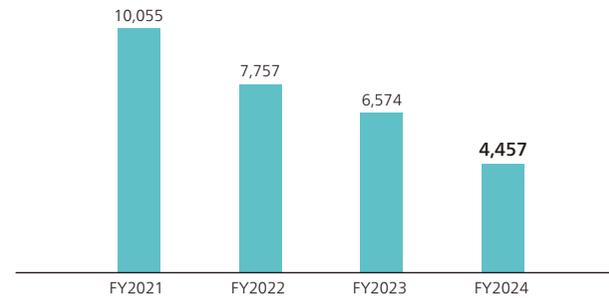
## Non-financial Highlights

Total energy usage (GJ) (consolidated)

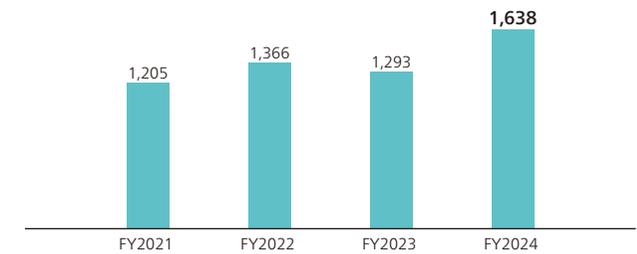


We are steadily reducing emissions by switching to low-emission commercial vehicles such as EVs and FCVs\* that comply with the regulations to phase out gasoline vehicles in each country, and also by consolidating and eliminating business sites.

GHG emissions (t-CO<sub>2</sub>e) (consolidated) Scope 1 and 2 total (market basis)



Output of renewable energy in operation (MW) (consolidated)



Output increased by 345MW year on year as a result of completing the investment in European Energy, a Danish renewable and next-generation energy company, making it an equity method affiliated, and other factors.

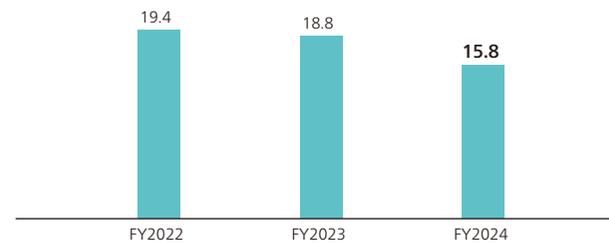
Average annual salary per employee (all employees, ¥ in millions) (non-consolidated)



We have implemented wage increases, including base pay increases, for two consecutive years with a view to creating a virtuous cycle of the sustainable growth of the Japanese economy and the growth of our business.

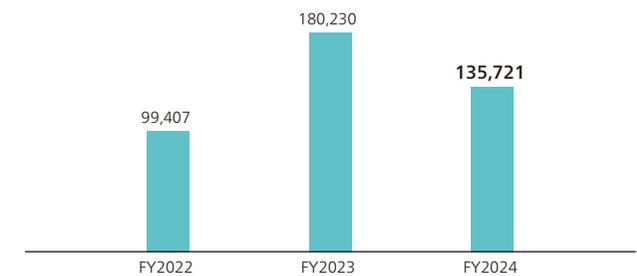
\*FCVs: Fuel cell vehicles

Average monthly overtime hours per employee (non-consolidated)



Overtime hours are steadily decreasing due to the improvement of operational efficiency through the utilization of DX.

Annual average cost of training per employee (¥) (non-consolidated)

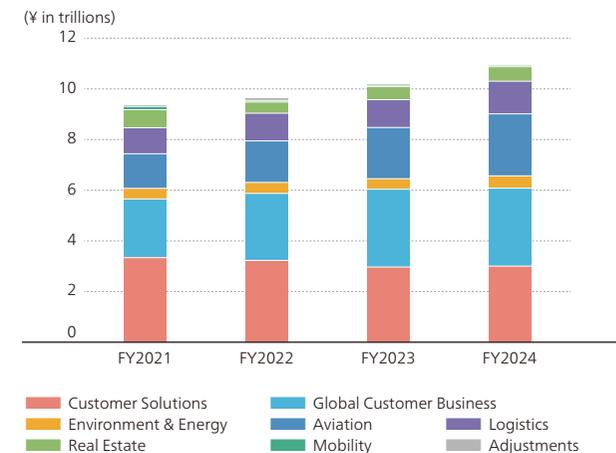


We provide opportunities for each employee to acquire the necessary skills in order to promote Company-wide transformation.

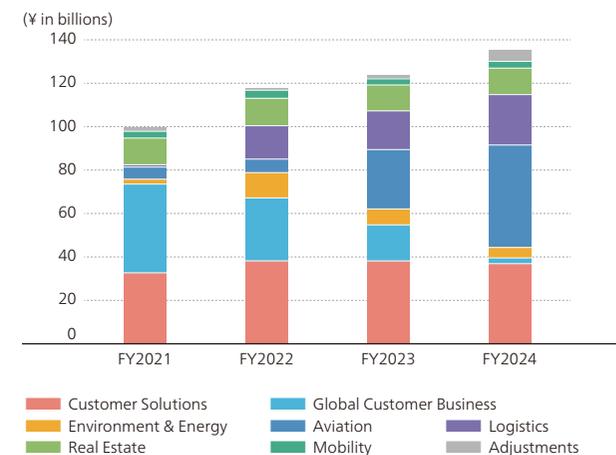
## Financial Information

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

### Segment assets



### Segment profit (Net income attributable to owners of the parent)



## Non-financial Information

### Environment

	FY2021	FY2022	FY2023	FY2024
<b>Total energy usage (GJ) (consolidated)</b>	200,441	186,017	180,385	177,464
Scope 1	3,449	3,211	3,092	3,093 <sup>1</sup>
Scope 2 (location basis)	7,880	6,786	5,777	4,930 <sup>1</sup>
<b>GHG emissions (t-CO<sub>2</sub>e) (consolidated)</b>				
Scope 2 (market basis)	6,606	4,546	3,482	1,365 <sup>1</sup>
Scope 1 + 2 total (market basis)	10,055	7,757	6,574	4,457
Scope 3 total	18,565	18,302	6,644,227	8,057,896 <sup>1,2</sup>
<b>Output of renewable energy in operation (MW) (consolidated)</b>				
Total	1,205	1,366	1,293	1,638
Solar power generation	907	1,020	920	1,102
Wind power generation	298	340	343	507

1. Preliminary figures prior to obtaining third-party assurance. Actual figures after obtaining third-party assurance will be disclosed on our website at a later date.

2. Started calculating categories 13 and 15 from FY2023.

### Society

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

<b>Number of new graduates hired (non-consolidated)</b>	58	30	46	73
<b>Percentage of mid-career hires (%) (non-consolidated)</b>	37.0	49.2	56.6	56.3
<b>Percentage of people with disabilities employed (annual average, %) (non-consolidated)</b>	2.4	2.5	2.7	2.8
<b>Turnover rate (voluntary) (%) (non-consolidated)</b>	3.4	2.4	2.4	2.1
<b>Percentage of employees who took childcare leave (male) (%) (non-consolidated)</b>	82.3	97.1	113.0	81.7
<b>Percentage of employees who took childcare leave (female) (%) (non-consolidated)</b>	103.3	97.4	103.0	105.9
<b>Annual total working hours per employee (non-consolidated)</b>	-	1,945.5	1,962.6	1,909.3
<b>Annual working hours exceeding the statutory limit per employee (non-consolidated)</b>	-	232.6	225.6	189.4
<b>Monthly average overtime working hours per employee (non-consolidated)</b>	-	19.4	18.8	15.8
<b>Percentage of annual paid holidays taken (%) (non-consolidated)</b>	63.7	68.7	74.4	76.9
<b>Annual average hours of training per employee (non-consolidated)</b>	-	30.1	29.4	49.6
<b>Annual average cost of training per employee (¥) (non-consolidated)</b>	-	99,407	180,230	135,721

### Governance<sup>3</sup>

	FY2021	FY2022	FY2023	FY2024
<b>Number of Directors</b>	15	14	12	12
<b>Number of Outside Directors</b>	7	7	6	6
<b>Number of female Directors</b>	2	2	2	3

3. As of June 30 for each fiscal year.

# Corporate Information

## Corporate profile (as of April 1, 2025)

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: 8,380; Non-consolidated: 2,102 (as of March 31, 2025)
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, 2025)

Rating agency	Long-term	Short-term
S&P	Long-term issuer rating: A- Long-term issuer rating: A3	Short-term issuer rating: A-2
Moody's	Euro MTN program: A3 Issuance limit: Equivalent to US\$6 billion Long-term issuer rating: AA	—
Japan Credit Rating Agency (JCR)	Issued registered bond preliminary rating: AA Planned issuance amount: ¥600 billion Planned issuance period: 2 years from September 1, 2023 Euro MTN program: AA Issuance limit: Equivalent to US\$6 billion Long-term issuer rating: AA	Commercial papers Issuance limit: ¥1,300 billion Rating: J-1+
Rating and Investment Information (R&I)	Issued registered bond preliminary rating: AA Planned issuance amount: ¥600 billion Planned issuance period: September 1, 2023 to August 31, 2025 Euro MTN program: AA Issuance limit: Equivalent to US\$6 billion	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 Blossom Japan Index, FTSE 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.



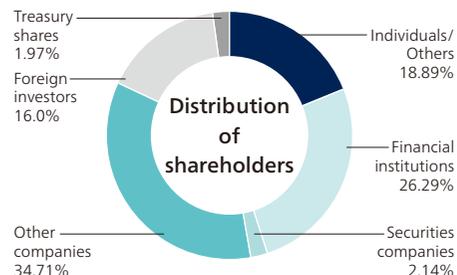
Note: The Company's use of the titles or logos of these indexes does not constitute a sponsorship, endorsement, or promotion of the Company by the external rating agencies or their affiliates operating these indexes. These indexes are the exclusive property of the external rating agencies, and their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

## Shareholder Information

### Stock information (as of March 31, 2025)

Number of authorized shares	4,800,000,000
Number of issued shares	1,438,088,723 (excluding 28,823,521 treasury shares)
Number of shareholders	416,757

\* The number of shareholders is the number of shareholders with voting rights.



### Major shareholders

Name	Shares held (thousand shares)	Ownership (%) <sup>1</sup>
Mitsubishi Corporation	264,044	18.36
Mitsubishi UFJ Financial Group, Inc.	208,345	14.48
The Master Trust Bank of Japan, Ltd. (trust account) <sup>2</sup>	144,141	10.02
Custody Bank of Japan, Ltd. (trust account) <sup>3</sup>	66,458	4.62
MUFG Bank, Ltd.	50,348	3.50
Mitsubishi UFJ Trust and Banking Corporation <sup>4</sup>	28,431	1.97
Meiji Yasuda Life Insurance Company	27,990	1.94
STATE STREET BANK WEST CLIENT - TREATY 505234 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	17,318	1.20
STATE STREET BANK AND TRUST COMPANY 505103 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	13,527	0.94
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	13,248	0.92

1. The ownership percentage is calculated excluding treasury shares.

2. Of the shares held by the Master Trust Bank of Japan, Ltd. (trust account), 60,064 thousand are in investment trusts and 1,334 thousand are in pension trusts.

3. Of the shares held by the Custody Bank of Japan, Ltd. (trust account), 27,472 thousand are in investment trusts and 1,782 thousand are in pension trusts.

4. The shares held by Mitsubishi UFJ Trust and Banking Corporation do not include any shares held in trust.

## Statement of Authenticity



**Kazuhiko Takeuchi**

Managing Executive Officer  
Head of Corporate & Strategic Planning Division

This Integrated Report has been prepared to provide stakeholders with a comprehensive overview of our Group’s medium- to long-term value creation from an integrated perspective of both financial and non-financial aspects as well as in an easy-to-understand and honest manner. By disclosing our management strategies, business activities, and sustainability initiatives in an integrated manner, we hope to help our stakeholders better understand Our Mission and practices for achieving the sustainable growth of the Group and creating social value.

This report was prepared through a fair and transparent process under the leadership of management, with the Corporate Communications Department playing a central role, and in close cooperation 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 solemnly declare that the contents of this report are true and accurate, based on facts, and have been prepared with integrity and sincerity. Going forward, we will continue to deepen our relationships of trust with all of our stakeholders through transparent and reliable information disclosure, and strive to further enhance our corporate value.

 **mitsubishi** HC CAPITAL Inc.