

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 refurbishment¹ 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

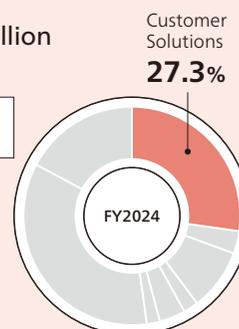
Strengths of Customer Solutions

- 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

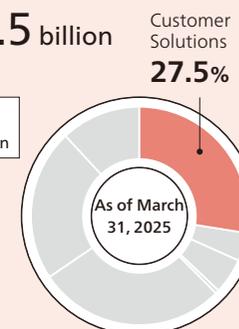
Group total
¥135.1 billion



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 PoCs² 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 CRM³/BI⁴ 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.

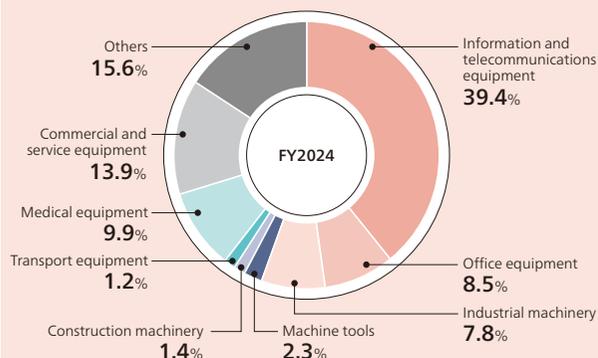
Maximizing the value of equipment with refurbishment services
 (From right to left) Mitsuhiro Serita, Representative Director, and Suzuyo Kinoshita, General Manager, Corporate Management Department, both at MHC Semi Technologies



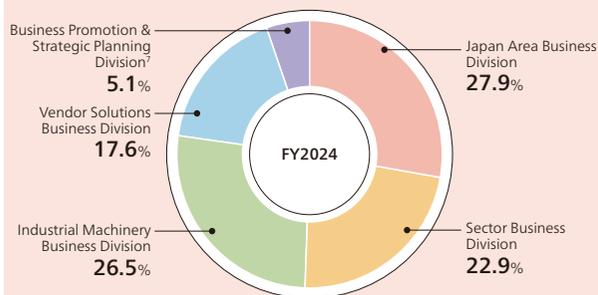
Business Strategies

Initiatives by division

Breakdown of Customer Solutions' leasing transaction volume by property type⁵



Breakdown of Customer Solutions' sales division transaction⁶ 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

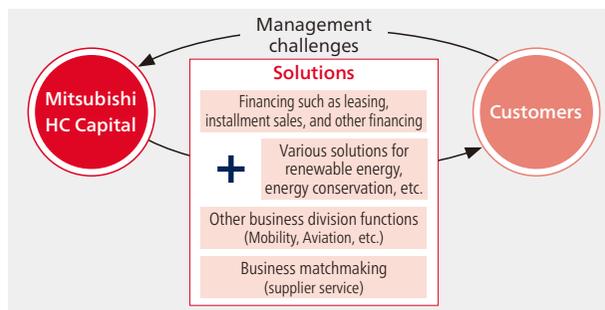
- Provide solutions for customers' management challenges and social issues through organized sales
- Establish an efficient sales structure by utilizing data obtained through extensive sales activities

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

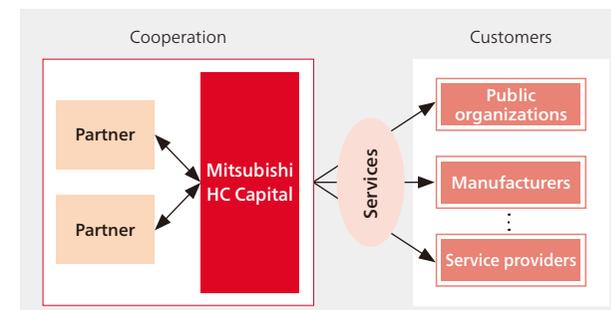
- Contribute to solving customers' management challenges and social issues through collaboration with partner companies (the Hitachi Group, financial companies, trading companies, etc.)
- Provide comprehensive services not limited to funding but ranging from equipment installation to maintenance and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

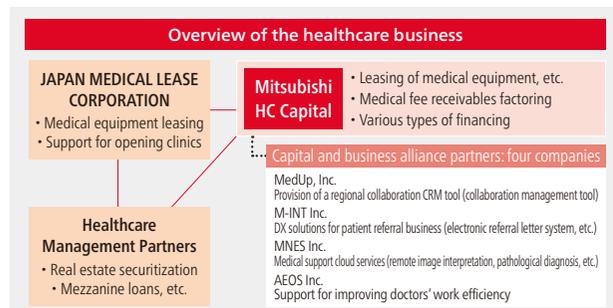
- Contribute to customers as a group specializing in telecommunications, logistics, real estate, semiconductors, healthcare, machine tools, etc.
- Utilize our advanced knowledge of the industries to solve social and industry issues and create new business models

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

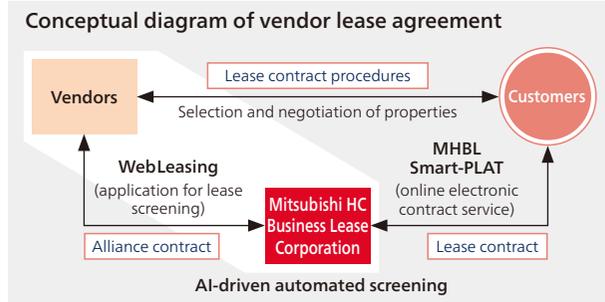
- Maintain and expand the largest market share in the vendor leasing market
- Establish an accurate and efficient operational structure utilizing data and digital technologies

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.



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

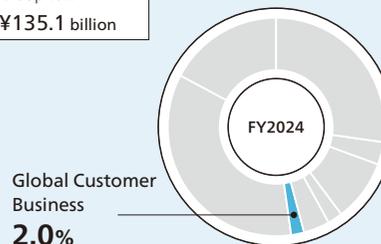
Strengths of Global Customer Business

- 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

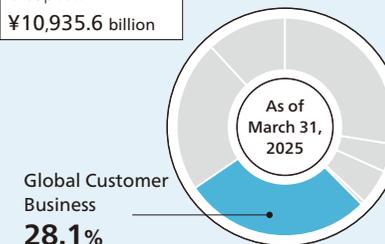
Group total
¥135.1 billion



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.



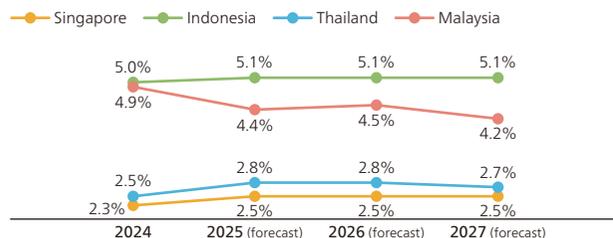
The signing ceremony for the business alliance agreement with truck dealers

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,¹ and the corporate PPA² 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

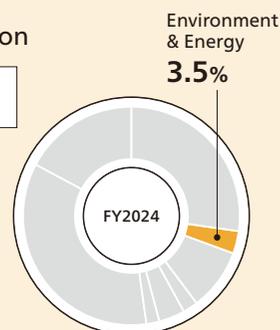
- In Japan, we maintain a leading position in renewable energy generation, with 1.2GW of capacity centered on solar and onshore wind plants.
- We are actively expanding into new businesses, including battery storage, aggregation, and FIP transitions.³
- Overseas, we invested in European Energy (EE) and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

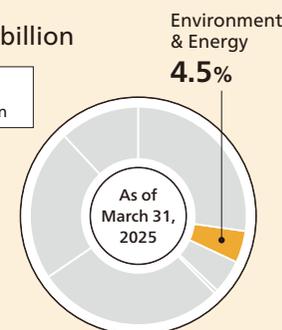
Group total
¥135.1 billion



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 SLB¹ 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 SAF² 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

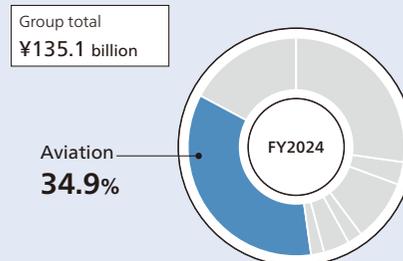
Main business Aircraft leasing, aircraft engine leasing and parts sales (engine dismantling and parts sales), Japanese operating leases, brokerage of aircraft and aircraft engine sales, etc.

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

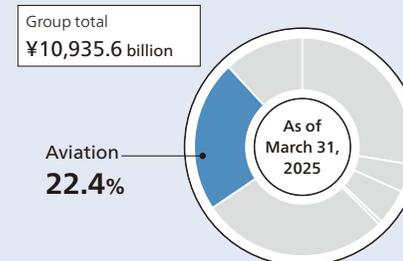
Segment profit

¥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 TEUs¹ 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

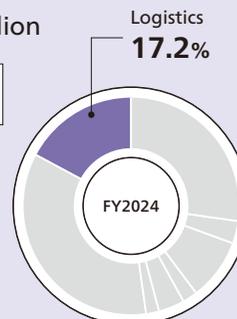
Strengths of PNW Railcars

- A well-balanced portfolio with strong risk resilience

Segment profit

¥23.2 billion

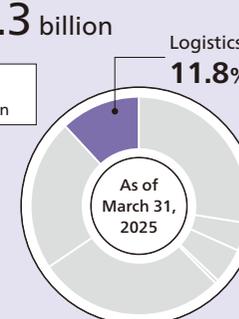
Group total
¥135.1 billion



Segment assets

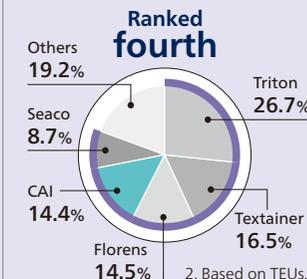
¥1,289.3 billion

Group total
¥10,935.6 billion



Presence and potential

CAI's share in the global container leasing market² (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

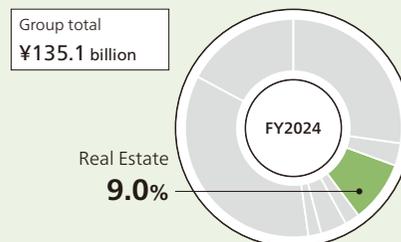
Main business Real estate financing business, real estate investment business, real estate asset management business

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.

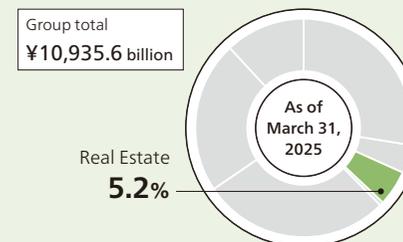
Segment profit

¥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 ZEHs¹ 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 GRESB² 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&D³ 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

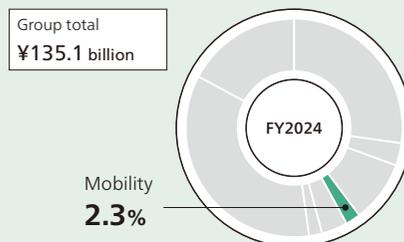
Main business Auto leasing business and mobility-related services focused on EVs in Japan and ASEAN countries

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

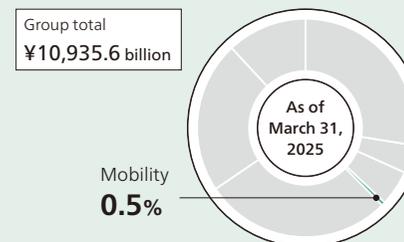
Segment profit

¥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