

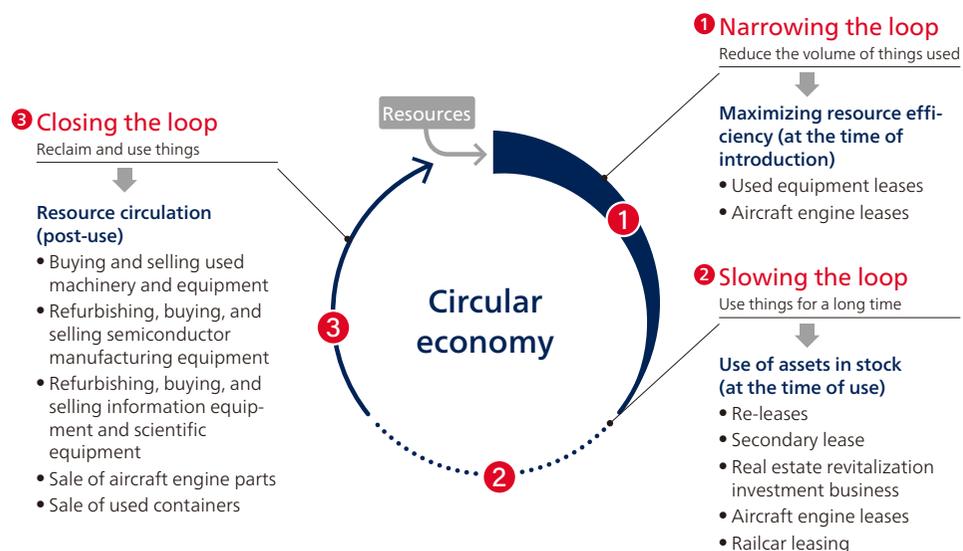
## Realize a Circular Economy

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.



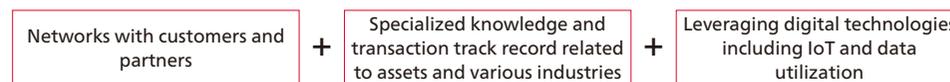
References: Tasaki, Tomohiro (2024). Transformation and information dissemination towards the realization of a circular economy. *Ad Studies*, Vol.87, 2024.

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 |
| Buying and selling of industrial machinery and machine tools                           |                               | U-MACHINE   |
| Refurbishing, reusing, and recycling of information equipment and scientific equipment |                               | MHC Eco Solutions   |
| Aircraft engine leasing  | Aviation Business Division    | Engine Lease Finance  |
| Sale of aircraft engine parts  |                               | inav  |
| Real estate revitalization investment business   | Real Estate Business Division | Mitsubishi HC Capital Realty  |
| Marine container leasing   | Logistics Business Division   | CAI International   |
| Railcar leasing business   |                               | PNW Railcars  |

[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.