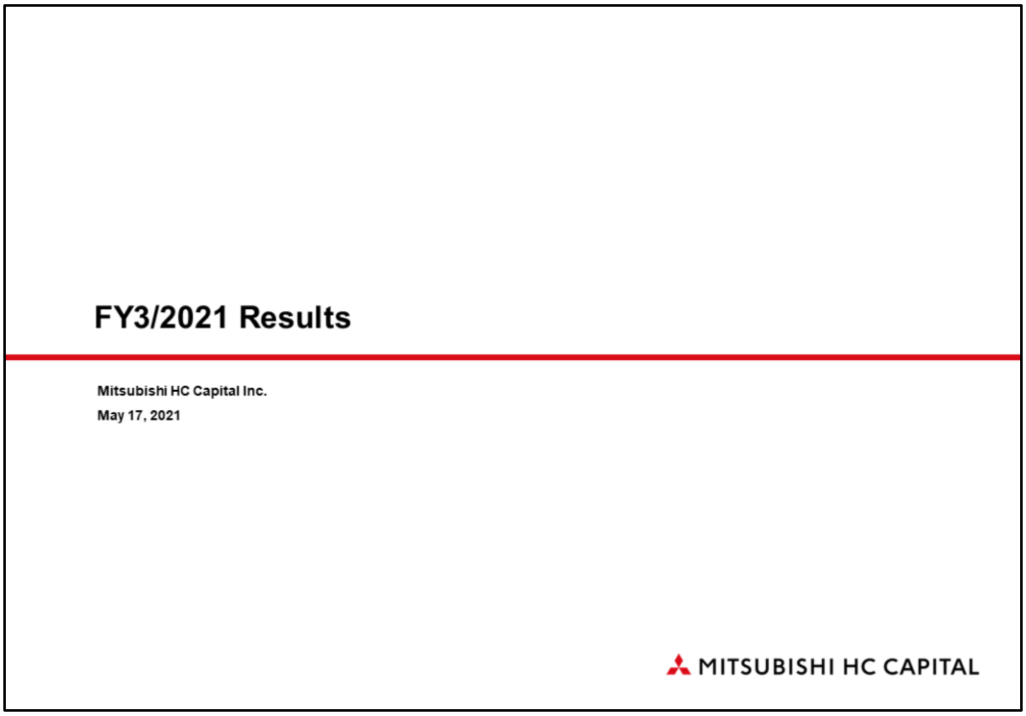


This is Takahiro Yanai, President and CEO of Mitsubishi HC Capital.

Thank you for taking time out of your busy schedules to attend today's financial results briefing.

Due to the COVID-19 pandemic, we decided to hold this briefing via Webcast. Thank you for your understanding and cooperation.

On April 1, 2021, Mitsubishi UFJ Lease & Finance and Hitachi Capital took a new, first step forward as the merged entity named "Mitsubishi HC Capital Inc."

Although we had had only 6 months for preparation since the business integration announcement on September 24, 2020, we vigorously advanced integration procedures, centering on administrative departments, leading to a favorable start. In January 2021, clearance is obtained under anti-trust laws in each country, and started discussions among sales divisions.

Since April, we are working towards certain implementation of PMI (Post Merger Integration) procedures, by establishing a department which assume company-wide PMI management, and multiple working groups, that are now discussing for early synergy creation.

Today, first of all, Director, Senior Managing Executive Officer and Head of the Treasury & Accounting Division Inoue will explain the results for FY3/2021 of the former companies, along with the material **FY3/2022 Results**.

Then I will take my turn to explain the new company, including our management policy, centering on "forecast for FY3/2022".

After that, we will accept your questions and comments.

Director, Senior Managing Executive Officer Inoue, the floor is yours.

Index

MITSUBISHI HC CAPITAL

I. FY3/2021 Results

MITSUBISHI HC CAPITAL

2

This is Director Inoue. I extend my gratitude to all of you for attending our financial results briefing today.

As President and CEO Yanai stated in the opening greeting, Mitsubishi HC Capital started on April 2021 through the business integration of the former Mitsubishi UFJ Lease & Finance and Hitachi Capital (hereinafter, “MUL” and “HC”).

The legal surviving company is MUL, but I would also like to explain HC's financial results for FY3/2021. As HC is the merged company, it will undergo a voluntary audit. I will let you know that we do not plan to prepare HC’s annual securities report based on the Financial Instruments and Exchange Law because it is not necessary under the current regulations or rules.

In line with the material **FY3/2021 Results**, I would like to explain the financial overview and actual results for FY3/2021.

First of all, we describe overall picture of the results as highlights.

Please look at page 3.

Financial Highlights

- At Mitsubishi UFJ Lease & Finance (MUL), net income attributable to owners of the parent for FY3/2021 declined 21.8% YOY to 55.3 billion yen. Although real estate-related businesses and other areas performed steadily, aviation-related earnings declined and credit costs increased, among other factors. However, the progress rate versus forecast (net income of 50.0 billion yen) was 110.7% mainly thanks to credit costs falling short of estimate.
- At Hitachi Capital (HC), profit before tax increased 0.1% YOY to 42.5 billion yen thanks to steady performances mainly in environment/energy of the Japan business, despite profit decrease mainly due to the COVID-19 pandemic in the global business. The progress rate versus forecast (profit before tax of 38.5 billion yen) was 110.6%. Net income attributable to owners of the parent increased 4.3% YOY to 32.0 billion yen.
- Net income for FY3/2021, when simply summing up the results of both companies, was 87.3 billion yen, although the accounting standards differed.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		J-GAAP			IFRS			
(Billion Yen)		Mitsubishi UFJ Lease	YOY Change	YOY Change (%)	Hitachi Capital	YOY Change	YOY Change (%)	(Reference) Simple Sum
1	Gross Profit	160.5	-21.3	-11.8%	136.1	-0.2	-0.2%	296.6
2	Profit before Tax*1	83.2	-15.8	-16.0%	42.5	0.0	+0.1%	125.8
3	Net Income*2	55.3	-15.4	-21.8%	32.0	+1.3	+4.3%	87.3
4	Operating Assets	5,064.7	-183.5	-3.5%	3,247.3	+62.0	+1.9%	8,312.1
5	Total Assets	6,009.8	-276.1	-4.4%	3,811.0	+91.5	+2.5%	9,820.8

*1 For HC, profit before tax under IFRS.
*2 For MUL, net income attributable to owners of the parent under J-GAAP.
For HC, net income attributable to owners of the parent under IFRS.

MITSUBISHI HC CAPITAL

3

For FY3/2021, results at both MUL and HC exceeded forecasts that had been announced.

Net Income of MUL declined 21.8% YOY to 55.3 billion yen mainly due to a decline in earnings and an increase in credit costs in the aviation business, although real estate-related and other businesses performed steadily. However, as credit costs fell below the estimate, the progress rate versus the forecasted net income of 50.0 billion yen announced last November was 110.7%.

Profit Before Tax of HC was up 0.1% YOY at 42.5 billion yen thanks to the steady performance of the environment and energy business in Japan, although the earnings in the global business declined due to the impact of the COVID-19 pandemic and other factors. The progress rate versus the forecasted profit before tax of 38.5 billion yen announced in May of last year was 110.6%.

Although the business environment was severe due to the COVID-19 pandemic, both companies have been steadily implementing various initiatives outlined in their Medium-Term Management Plans.

In order to get a handle on the image of the size of the merged company, the column marked “g” at the far right and top of the table on page 3 shows the sum of the major figures for FY3/2021 as reference. The **Gross Profit** is 296.6 billion yen, **Net Income** is 87.3 billion yen, and total assets is 9,820.8 billion yen.

However, as noted below the table, please understand that MUL's results are based on J-GAAP and HC's results are on IFRS, and therefore simple sum of figures under different accounting standards are shown. Mitsubishi HC Capital has adopted J-GAAP as its accounting standards.

Please turn to page 4.

【MUL】 Actual Results

- Gross profit and incomes for FY3/2021 were down from FY3/2020 due to a decrease in aviation-related earnings and an increase in credit costs, among other factors.
- The progress rate versus forecast (net income of 50.0 billion yen) was 110.7%, mainly due to credit costs falling short of estimate.

		(a)	(b)	(c)	(d)	(e)
(Billion Yen)		FY3/2020	FY3/2021	YOY Change	Exchange Rates Effects	YOY Change(%)
1	Revenues	923.7	894.3	-29.4	-4.6	-3.2%
2	Gross Profit	181.9	160.5	-21.3	-1.3	-11.8%
3	Operating Income	91.8	62.4	-29.4	-0.5	-32.1%
4	Recurring Income	94.3	65.0	-29.3	-0.6	-31.1%
5	Net Income[*1]	70.7	55.3	-15.4	-0.4	-21.8%
6	New Transactions Volume	1,538.6[*5]	1,003.2	-535.4	-16.5	-34.8%
7	Dividend per Share[*2]	¥25.00	¥25.50	+¥0.50	-	
8	USD Exchange Rate※	$1=¥109.05	$1=¥106.82		-	

※ Exchange rate applied to profit and loss statement of overseas subsidiaries

		(a)	(b)	(c)	(d)	(e)
9	Operating Assets	5,248.3[*6]	5,064.7	-183.5[*7]	-109.6	-3.5%[*7]
10	USD Exchange Rate※	$1=¥109.56	$1=¥103.50		-	

※ Exchange rate applied to balance sheet of overseas subsidiaries

		(a)	(b)	(c)	(d)	(e)
11	ROE	9.2%	7.0%	-2.2P	-	
12	ROA[*3]	1.2%	0.9%	-0.3P	-	
13	OHR[*4]	45.1%	51.7%	+6.6P	-	

*1 Net income attributable to owners of the parent
*2 Dividend per share for full year (interim dividend of 12.75 yen and year-end dividend of 12.75 yen)
*3 Net income attributable to owners of the parent on total assets
*4 Calculated by dividing SG&A (excluding credit cost) by gross profit
*5 Due to change of definitions of "New Transactions Volume", changed from the figure in FY3/2020 results (from 1,881.7 billion yen→1,538.6 billion yen) (refer to page 34 for details)
*6 Due to change of definitions of "Operating Assets", changed from the figure in FY3/2020 results (from 5,228.4 billion yen→5,248.3 billions yen) (refer to page 34 for details)
*7 Operating Assets is a change from the figures as of March 31, 2020

MITSUBISHI HC CAPITAL

4

I would like to explain MUL's results. At the top of the table, the left-most column "a" shows figures for FY3/2020, and the orange-shaded column "b" on the right side shows figures for FY3/2021, announced today. YOY change amounts and rates, and exchange rates effects are shown in column from "c" to "e".

First, **Gross Profit** in row 2 declined 11.8% YOY, or by 21.3 billion yen, to 160.5 billion yen as a result of a decline in aviation-related earnings due to COVID-19 pandemic, while real estate-related and other businesses performed steadily.

In row 4, you can see that **Recurring Income** fell 31.1% to 65.0 billion yen, down 29.3 billion yen YOY.

Net Income in row 5 decreased 21.8%, or 15.4 billion yen YOY to 55.3 billion yen. The result exceeded the forecasted net income of 50.0 billion yen announced in November last year, and the achievement rate was 110.7%.

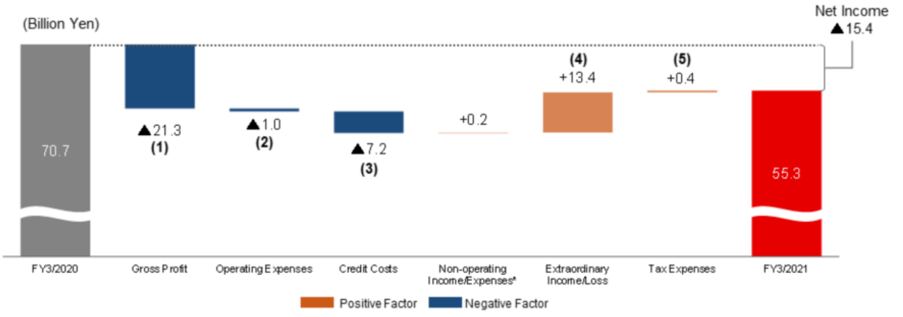
New Transactions Volume in row 6 was 1,003.2 billion, down 535.4 billion or 34.8% YOY. There was a decrease in aircraft lease transactions in the aviation business as well as a reactionary fall in large projects, which were posted in the previous year in the customer business and real estate divisions.

Operating Assets in row 9 was 5,064.7 billion yen, down 183.5 billion yen or 3.5% YOY, because the assets decreased by 109.6 billion yen due to a 6.06 yen rise in USD exchange rate and a decline in new transactions volume.

Next, please look at row 7, **Dividend per Share**.
We increased the annual dividend per share by 0.50 yen YOY to 25.50 yen. President and CEO Yanai will explain the dividend later in conjunction with earnings forecasts.

Then please turn to page 5.

【MUL】 Increase/Decrease in Net Income Attributable to Owners of the Parent



(1) Gross Profit	■ Declined YOY, due to a decline in aviation-related earnings and other factors, while real estate-related gains on sales were up.
(2) Operating Expenses	■ Increased YOY, due to expenses posted relating to the business integration with Hitachi Capital (5.0 billion yen, 4Q actual: 0.3 billion yen) , while operating expenses and others were down.
(3) Credit Costs	■ Increased YOY, due to the posting of additional expenses on payment deferrals by some customers of aviation-related business, and an increase in general credit costs based on FY3/2021 credit loss at a US sales finance company ENGS, among other factors (please refer to page 29).
(4) Extraordinary Income/Loss*	■ Increased YOY, because of the sale of shares held for strategic purposes and earnings posted on the contribution of asset holdings in real estate-related business to redevelopment project.
(5) Tax Expenses	■ Tax expenses declined along with a decline in profits.

* Credit cost in non-operating income/expenses (bad-debts recovered etc.) excluded

MITSUBISHI HC CAPITAL

5

We explain the factors behind the **Increase and Decrease in Net Income Attributable to Owners of the Parent** using the waterfall chart.

The left-most gray bar shows the net income of 70.7 billion yen in FY3/2020 and the right-most red bar shows the net income of 55.3 billion yen in FY3/2021, and the bars between those two indicates the factors behind the increase and decrease.

Item (1) **Gross Profit**, blue bar on the left decreased by 21.3 billion yen YOY. It is mainly because aviation-related earnings declined affected by the COVID-19 pandemic, while real estate-related sales increased.

Item (2) **Operating Expenses** increased by 1.0 billion yen YOY. This is because 5.0 billion of expenses related to the business integration with HC were incurred, while business expenses declined.

Item (3) **Credit Cost** increased by 7.2 billion yen YOY. This is primarily due to the additional credit costs on some customers of aviation-related business and an increase in general credit costs on US vendor finance company ENGS Holdings.

Item (4) **Extraordinary Income** increased by 13.4 billion yen YOY due to the sale of shares held for strategic purposes, compensation income posted on the contribution of asset holdings in real estate-related business to redevelopment projects, and others.

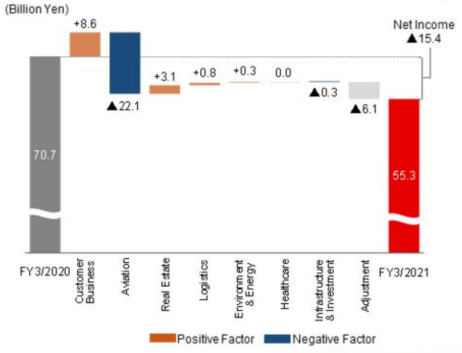
Item (5) **Tax Expenses** decreased by 0.4 billion yen along with a decline in profit before tax, and others.

Summing up the items (1) to (5) above, net income, the right-most bar graph, declined by 15.4 billion yen YOY to 55.3 billion yen.

Please turn to page 6.

【MUL】 Divisional Earnings / Assets

Increase/Decrease in Net Income (FY3/2021)



Factors Impacting Changes in Net Income (FY3/2021)

(Billion Yen)	Increase/ Decrease	Main Factor	Divisions and Business Involved
Customer Business	+8.6	Increased in profit because of sale of shares held for strategic purposes and other factors, despite the impact of the deconsolidation of an affiliate and an increase in credit costs at ENGS	Departments and subsidiaries in Japan and overseas responsible for customer business, others
Aviation	▲22.1	Decreased in lease revenues and sales gains, increase in credit costs, other	Aviation Business Department, JSA, ELF
Real Estate	+3.1	Increased in profit thanks to promoting asset turnover businesses, including sale of logistics and residential assets	Real Estate Business Department, MULP, MURI, MRI, DAF, Miyuki Building, MURA, CPD, others
Logistics	+0.8	Increased in profit thanks to an increase in marine containers lease revenues, other	Logistics Business Department, Mobility Service Business Department, BIL, MULR, TKS, MAL, others
Environment & Energy	+0.3	Increased in electricity sales revenues thanks to accumulation of new assets, despite reduction in the posting of sales gains recorded in the previous fiscal year	Environment & Energy Business Department, MEI, Solar Energy SPC, others
Healthcare	0.0	Remained unchanged from the previous fiscal year	Healthcare Business Department, Japan Medical Lease, HMP, others
Infrastructure & Investment	▲0.3	Increased in profit of business investees while one-time expense for projectwas posted	Infrastructure Business Department, Investment Business Department, JII, invested businesses, others
Adjustment	▲6.1	Posted expenses related to the business integration with HC and increased in funding-related costs	Head office

(Note) Please refer to P40 for details of subsidiaries

(Billion Yen)			Customer Business	Aviation	Real Estate	Logistics	Environment & Energy	Healthcare	Infrastructure & Investment	Adjustment	Consolidated Total
1	FY3/2021	Divisional Net Income Attributable to Owners of the Parent	25.5	2.8	28.0	1.8	3.7	0.7	0.3	▲7.7	55.3
2		Divisional Assets*1	2,056.8	1,158.6	952.2	544.6	197.9	156.9	111.2	2.3	5,180.8
3	FY3/2020	Divisional Net Income Attributable to Owners of the Parent	16.8	24.9	24.9	0.9	3.3	0.6	0.6	▲1.6	70.7
4		Divisional Assets*1	2,304.8*2	1,101.7	976.1	521.4*2	184.3	152.2	95.0*2	2.5	5,338.3*2

*1 Operating assets plus equity method Investments
*2 Changed from the figures in FY3/2020 results due to change in definition of "operating assets" (refer to page 34 for details)
Customer Business: 2,315.3 billion yen→2,304.8 billion yen, Logistics: 510.8 billion yen→521.4 billion yen,
Infrastructure & Investment: 75.1 billion yen→95.0 billion yen, Consolidated Total:5,318.4 billion yen→5,338.3 billion yen

MITSUBISHI HC CAPITAL

6

Now, I would like to explain **FY3/2021 Divisional Earnings / Assets**.

Divisional Assets is calculated by operating assets plus equity method investments as described in footnote 1 at the bottom left of the page.

On the left side of the page, the waterfall chart shows the increase or decrease of net income by division.

The net income in the **Customer Business** increased YOY partly due to the sale of shares held for strategic purposes, although credit costs increased at ENGS, a US vendor finance company, in line with the current environment.

The net income in the **Real Estate** business also increased YOY as a result of promoting asset turnover businesses, such as the sale of logistics and residential assets as well as earnings posted on the contribution of asset holdings to redevelopment projects as I explained before.

However, overall net income declined due to a decrease in net income in the **Aviation** business following the COVID-19 pandemic and the increase in expenses related to the business integration with HC and funding-related costs, which are included in the amount of **Adjustment** incurred by the head office.

The table on the right shows the main factors behind the changes in net income for each division and the departments and subsidiaries that comprise the business division. Please refer to the list of major MUL group companies on page 40 for subsidiaries described by abbreviations.

Please also refer to pages 23 to 34, which summarize the status and reference information for each division.

Next, I would like to explain the results for HC. Please turn to page 7.

【HC】 Actual Results

- Profit before tax for FY3/2021 remained unchanged from FY3/2020 thanks to steady performances in key businesses such as environment/energy in the Japan business, despite the COVID-19 pandemic badly impacted the global business.
- The progress rate versus the initial forecast (profit before tax of 38.5 billion yen) was 110.6%. Profit attributable to owners of the parent increased 4.3% YOY to 32.0 billion yen. The progress rate versus the forecast (27.5 billion yen) was 116.5%.

(Billion Yen)			(a) FY3/2020	(b) FY3/2021	(c) YOY Change	(d) YOY Change(%)	(e) COVID-19 Impact	(f) YOY Change (Excluding COVID-19 Impact)	(g) Initial Forecast Comparison
1	Revenues		464.0	467.1	+3.1	+0.7%	-26.8	+6.5%	103.8%
2	Cost of Sales		327.7	331.0	+3.3	+1.0%	-14.2	+5.4%	105.4%
3	Gross Profit		136.3	136.1	-0.2	-0.2%	-12.5	+9.1%	100.1%
4	Selling, General and Administrative Expenses		96.4	97.9	+1.5	+1.6%	-4.2	+6.0%	98.5%
5	Profit Before Tax		42.5	42.5	0.0	+0.1%	-8.2	+19.6%	110.6%
6	Net Income*1		30.6	32.0	+1.3	+4.3%	-6.3	+25.0%	116.5%
7	Volume of Business		2,186.4	1,788.6	-397.8	-18.2%	-400.2	+0.1%	101.9%
8	Exchange Rate※	¥ / £	¥138.24	¥138.68			-		
		¥ / $	¥108.73	¥106.06			-		

※ Exchange rate applied to profit and loss statement of overseas subsidiaries

			(a) FY3/2020	(b) FY3/2021	(c) YOY Change	(d) YOY Change(%)	(e) COVID-19 Impact	(f) YOY Change (Excluding COVID-19 Impact)	(g) Initial Forecast Comparison
9	Operating Assets		3,185.3	3,247.3	+62.0	+1.9%	-265.8	+10.3%	103.2%
10	Exchange Rate※	¥ / £	¥133.32	¥152.23			-		
		¥ / $	¥108.83	¥110.71			-		

※ Exchange rate applied to balance sheet of overseas subsidiaries

		(a) FY3/2020	(b) FY3/2021	(c) YOY Change	(d) YOY Change(%)
11	ROE	8.1%	8.0%	-0.1P	-
12	ROA*2	1.3%	1.3%	0.0P	-
13	OHR*3	61.9%	63.5%	+1.6P	-

*1 Net income attributable to owners of the parent
*2 Profit before tax on operating assets
*3 Calculated by dividing SG&A (excluding credit costs) by gross profit

MITSUBISHI HC CAPITAL

7

The left-most column with "(a)" at the top of the table shows figures for FY3/2020. Figures in the blue-shaded column with "(b)" on the right are for FY3/2021 we announced today. The columns with "(c)" and "(d)" on the right show YOY change amounts and rates.

In addition, the columns with "(e)", "(f)", and "(g)" show the impact of the COVID-19 pandemic, YOY change rates excluding the impact of the COVID-19 pandemic, and the progress rate versus the initial forecast.

First, **Gross Profit** in row 3 was 136.1 billion yen with a YOY decrease of 0.2 billion yen or 0.2%, almost unchanged from the previous year, despite a decline in Europe due to the impact of the COVID-19 pandemic. This was because of the steady performance in key businesses such as the environment & energy business in Japan.

Profit Before Tax in row 5 was flat at 42.5 billion yen from the previous year because of the decline in credit costs, increase in profits from equity-method investments, and others, while SG&A expenses increased partly due to expenses related to the business integration with MUL.

Despite the extremely challenging business environment due to the factors including the COVID-19 pandemic, HC's results exceeded the initial forecast of 38.5 billion yen (progress rate of 110.6%), thanks to the steady performance in key businesses such as the environment & energy business.

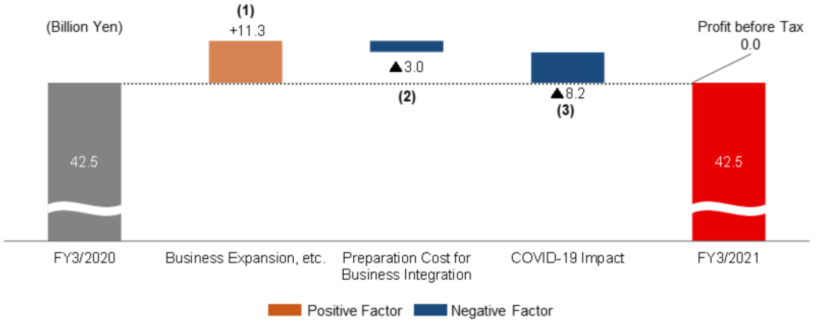
Net Income in row 6 increased by 1.3 billion yen or 4.3% YOY.

Volume of Business in row 7 decreased by 397.8 billion yen or 18.2% to 1,788.6 billion yen. This was primarily because the volume declined mainly in Europe affected by the impact of the COVID-19 pandemic and other factors, and some factoring and other transactions in Japan business were suspended from FY3/2020.

Operating Assets in row 9 increased by 62.0 billion yen or 1.9% YOY to 3,247.3 billion yen, despite a decrease in Japan business, due to the impact of the depreciation of the yen mainly in Europe and the Americas. The impact of the depreciation of the yen on the increase in operating assets is 143.2 billion yen.

Please turn to page 8.

【HC】 Increase/Decrease in Profit Before Tax



(1) **Business Expansion, etc.**	■ Increased YOY, thanks to steady performances in key businesses, such as environment/energy and mobility, in the Japan business
(2) **Preparation Cost for Business Integration**	■ Increased YOY, due to posting due diligence costs, such as finance and legal affairs, in relation to the business integration with Mitsubishi UFJ Lease & Finance (3.2 billion yen, 4Q actual: 1.4 billion yen)
(3) **COVID-19 Impact**	■ In the global business, volume of business declined mainly in Europe and credit costs increased due to the response to moratoriums in the U.K. and ASEAN.

MITSUBISHI HC CAPITAL

8

The waterfall chart here explains the factors behind the **Increase and Decrease in Profit Before Tax**.

I would like to explain the profit before tax today from the perspective of continuity as HC had previously explained results focusing on profit before tax.

The left-most gray bar shows the profit before tax in FY3/2020, 42.5 billion yen. The right-hand red bar shows the profit in FY3/2021, 42.5 billion yen. The bars between those two indicates the factors behind the increase and decrease.

Item (1) **Business Expansion, etc.** in orange increased by 11.3 billion yen YOY. This was mainly thanks to the steady performance in key businesses such as the environment & energy business and mobility business in Japan.

Item (2) **Preparation Cost For Business Integration** increased by 3.0 billion yen YOY. This was due to financial and legal due diligence costs and others related to the business integration with MUL of approximately 3.0 billion yen.

Item (3) **COVID-19 Impact**, which we have explained since the start of FY3/2021, resulted in a negative impact of 8.2 billion yen. This was mainly because, in the global business, volume of business declined mainly in Europe and credit costs increased due to the response to moratoriums in each region.

Summing up the items (1) to (3) above, profit before tax in FY3/2021, the right-most bar, was 42.5 billion yen, unchanged from the previous year.

Please look at page 9.

【HC】 Summary of Japan Business / Global Business

- As for the Japan business, profit before tax increased thanks to steady performances in key businesses, such as environment/energy and mobility. The progress rate of profit before tax versus the initial forecast was 120.1%.
- As for the global business, profit before tax declined due to the impact of COVID-19 pandemic on the European business. The progress rate of profit before tax versus the initial forecast was 103.2%.

			(a)	(b)	(c)	(d)	(e)	(f)	(g)
(Billion Yen)			FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
1	Gross Profit*1	Japan Business	62.4	62.5	+0.1	+0.2%	-3.8	+6.3%	101.0%
		Global Business	72.8	72.8	0.0	-0.1%	-8.7	+11.9%	99.2%
2	Profit Before Tax*1	Japan Business	26.5	31.6	+5.0	+19.0%	-1.3	+24.0%	120.1%
		Global Business	24.4	21.6	-2.7	-11.4%	-7.6	+19.8%	103.2%
3	Volume of Business	Japan Business	1,028.6	763.0	-265.5	-25.8%	-125.2	-13.6%	92.4%
		Global Business	1,157.8	1,025.5	-132.3	-11.4%	-275.0	+12.3%	110.4%
4	Operating Assets	Japan Business	1,669.8	1,594.5	-75.2	-4.5%	-57.1	-1.1%	97.0%
		Global Business	1,515.4	1,652.7	+137.3	+9.1%	-208.7	+22.8%	109.9%
5	ROA*2	Japan Business	1.6%	1.9%	+0.3P	-			
		Global Business	1.5%	1.4%	-0.1P	-			
6	ROA*2 (Local Currency Basis)	Global Business	1.5%	1.4%	-0.1P	-			

*1 Adjustments (corporate expenses, etc.) are not allocated to gross profit and profit before tax of the Japanese and Global businesses.
*2 Profit before tax on operating assets

MITSUBISHI HC CAPITAL

9

I would like to explain **Summary of Japan Business / Global Business**.

In the **Japan Business**, gross profit increased by 0.1 billion yen or 0.2% YOY, to 62.5 billion yen. This was mainly thanks to an increase in the earnings from electricity sales in environment & energy business including wind power and solar power generation, which are key businesses, and the steady performance in the mobility business, despite the impact of the COVID-19 pandemic.

Profit before tax increased 5.0 billion yen or 19.0% YOY, to 31.6 billion yen thanks to an increase in gross profit, a decrease in credit costs, etc.

As a result, ROA in the **Japan Business** increased by 0.3% from the end of the previous year to 1.9%, thereby increasing asset efficiency.

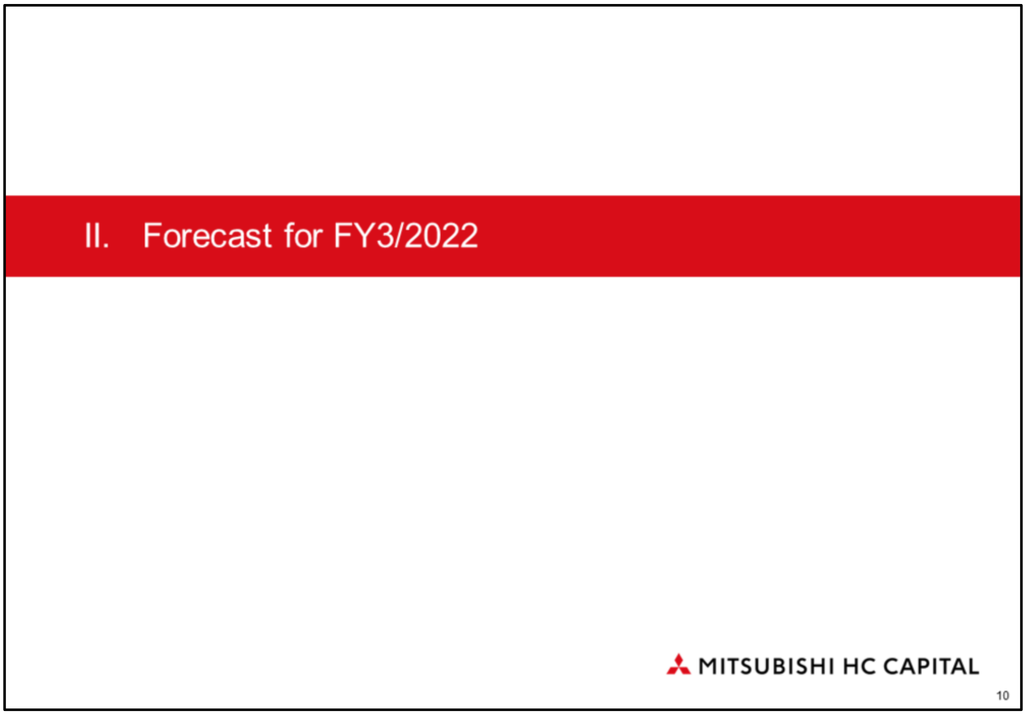
In the **Global Business**, although profitability improved in the Americas, gross profit of the global business as a whole remained unchanged from the previous year, down 0.1% to 72.8 billion yen, due to the impact of the COVID-19 pandemic in Europe and ASEAN, etc.

Profit before tax was 21.6 billion yen, with a YOY decrease of 2.7 billion yen or 11.4% because credit costs increased in the response to moratoriums in each region, etc.

As a result, ROA in the **Global Business** declined 0.1% YOY to 1.4%. However, asset efficiency has been maintained without significant deterioration from the level at the end of the previous year, even under the impact of the COVID-19 pandemic.

Please refer to pages 35 to 39 for the status and reference information about the Japan business and global business.

That is all for my (Director Inoue) presentation.



I (President and CEO Yanai) will explain **<u>Forecast for FY3/2022</u>**, which starts from page 10.

First, please look at page 11. I will explain the mission and vision of Mitsubishi HC Capital.

Basic Management Policy

Our Mission

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

Our Vision

- 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 "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.

MITSUBISHI HC CAPITAL

11

Upon the launch of Mitsubishi HC Capital, we established a mission and vision as described. We have repeatedly made discussions about such mission and vision in the Integration Preparatory Committee and other meetings, based on the corporate vision, basic strategy, and goal of the new integrated company, which we presented at the time of announcing the business integration on September 24 last year.

Our mission clearly and simply presents “goal” from a long-term perspective.

MUL before the merger had worked to offer advanced asset value by utilizing our customer and financial bases, based on asset business insight, with the aim to become an “asset-business platform company”.

Meanwhile, HC before the merger had worked to create and offer value to each stakeholder, by steadily meeting needs of customers and local communities as a “social values creating company”.

In line with these intention and aims of the two companies, Mitsubishi HC Capital’s mission represents “long-term goal”, which is to “create social value” and contribute to social development, people’s bountiful life, and sustainable and prosperous future by maximizing the potential of various tangible and intangible assets.

Our vision is what we should aim for and address on a group-wide basis, in order to fulfill the mission.

In other words, our mission shows “what kind of company we want to be”, and our vision shows “what we should do to achieve the mission”.

We added the perspectives of environment, globalization, value co-creation, and DX, in addition to “employees’ job motivation and pride” and “complying with laws and regulations”, which were a part of the mission of the former companies, based on the themes of “providing solutions to social issues”, “achieving sustainable growth”, and “enhancing corporate value”, which we presented at the time of announcing the business integration in September last year. The whole Mitsubishi HC Capital Group will address the expansion of unique and progressive businesses with consideration for SDGs, value co-creation with diverse stakeholders across the globe, and evolving our business model through utilizing digital technology and data.

Next, I would like to explain progress of PMI. Please look at page 12.

Progress of PMI

- Aim to maximize synergy effects from the three kinds of synergy effects, which are "synergy centering on the cost for optimization of management resources and others", "sales synergy", and "synergy utilizing capital capabilities generated by business integration (investment synergy)".
- Established a department which assumes company-wide PMI management, integrated promotion of synergy creation, etc. Communication among employees is also promoted.

Areas	Synergy Measures (As of the Time Business Integration as Announced)	Progress
Management Resources	■ Optimization of management resources ■ Integrated procurement capabilities	■ Completed the integration of corporate functions ■ Promote optimization of management resources and shared procurement
Sales	■ Top-line growth by utilizing each other's sales network	■ Launch of working groups (Japan) Domestic sales, sales finance, sale of used goods, semiconductor, real estate, environment and energy, governmental agencies ■ (Overseas) China region, Singapore, Thailand, Indonesia, mobility solutions, Americas, Europe ■ Identifying wide-ranging synergy measures (knowledge, positioning, resources, diversification/multi-functionalization), not limited to contribution to revenues (increase of the top-line, cost reduction)
Investment	■ Utilizing capital capabilities and diversification of both business and geographical area portfolio upon the business integration • Effectively conducting capital management while maintaining the current credit ratings • Accumulating assets and investing in businesses by utilizing capital capabilities	■ Establishing frameworks to promote synergy creation with well-balanced offence (strategic resource allocation) and defense (risk management), by efficiently utilizing capital capabilities • Investment Strategy Committee (offense): Discussing strategies to maximize investment synergy centering on investment in business entities as well as the priority of key projects, from a company-wide perspective • Risk Management Committee (defense): Managing risks in overall management comprehensively and systematically. Discussing and reporting measures for risks of each category after identifying the current status and issues • Investment Council Meeting: Discussing individual investment projects in consideration of both "offence" and "defense"

MITSUBISHI HC CAPITAL

12

At the time of the announcement of the business integration in September last year, we explained that we will pursue to create three kinds of synergy effects, which are "synergy centering on the cost for optimization of management resources and others", "sales synergy", and "investment synergy utilizing capital capabilities generated by business integration".

It is essential to steadily promote PMI in order to achieve synergy creation. As I mentioned earlier, we established a department which assumes company-wide PMI management and integrated promotion of synergy creation, and are working on the creation of integrated momentum, communication initiatives to promote mutual understanding, etc.

At the top of the table, for creating synergy centering on the cost for optimization of Management Resources and others, we have been starting to build a framework for optimization of management resources and integrated procurement capabilities, as well as integrating and streamlining corporate functions.

In the middle of the table, for creating Sales synergy, we have been launching "Domestic Sales Subcommittee" and "Overseas Subcommittee" and multiple working groups by business or region within those subcommittees since April, and specific discussions are being made there.

In terms of Investment synergy at the bottom, we have established a framework to promote synergy creation with well-balanced "offense" and "defense", by the Investment Strategy Committee which discusses strategic resource allocation and the Risk Management Committee which manages risks in overall management. Furthermore, "Investment Council Meeting" which discusses individual investment projects, has started to create investment synergy by discussing specifically.

While firstly focusing on getting PMI measures on track, we would like to start to formulate a medium term management plan from the latter half of this year.

Next, please turn to page 13.

Forecast for FY3/2022

- The forecast for FY3/2022 takes into account the recovery of the businesses, of which net income declined in the previous fiscal year, a decrease in credit costs related to aviation, and other factors, although expenses associated with the promotion of business activities and the development of organizational framework, etc. will increase. Net income attributable to owners of the parent in FY3/2022 is estimated to be 95.0 billion yen, up 7.6 billion yen YOY. The net income forecast for the current fiscal year would be 100.0 billion yen in case of excluding expenses related to the business integration.
- We estimate a dividend per share of 26.00 yen, up 0.50 yen YOY (payout ratio: 39.3%), in consideration of the 22 consecutive years of dividend increase in MUL as well as the dividend policies of the former companies.
- ROE in FY3/2022 is estimated to be 8.0%, up 0.7P YOY, by promoting businesses in the focus domains and the replacement of low-profit assets.
- We anticipate an increase of expenses associated with the promotion of business activities mainly in overseas offices, expenses related to the business integration as in the previous year, etc. However, OHR in FY3/2022 is estimated to be 55.9%, unchanged from the previous year, through the optimization of management resources to reduce expenses.

	(Billion Yen)	FY3/2021	FY3/2022*1*2	YOY Change	YOY Change (%)
1	Net Income Attributable to Owners of the Parent	87.3*4	95.0	+7.6	+8.8%
2	Dividend per Share	¥25.50*5	¥26.00	+¥0.50	-
3	Payout Ratio	41.1%*5	39.3%	-1.8P	-
4	ROE	7.3%*4	8.0%	+0.7P	-
5	OHR*3	55.9%*4	55.9%	0.0P	-

*1 Forecast as of May 17, 2021
*2 The assumed foreign exchange rates are $1=¥108, £1=¥150, €1=¥129
*3 SG&A expenses divided by (gross profit + non-operating income/expenses), but SG&A expenses and non-operating income/expense do not include credit costs
*4 Calculated based on the results of MUL and HC in FY3/2021 (The figures are for reference because MUL used J-GAAP and HC used IFRS)
*5 MUL results in FY3/2021

MITSUBISHI HC CAPITAL

13

You can see our **Forecast for FY3/2022**.

The macro-economic environment surrounding us continues to be uncertain, with the COVID-19 variants occurring and spreading around the world. Meanwhile, restrictions on economic activities have gradually been lifted in some countries and regions thanks to ongoing large-scale monetary easing and fiscal policies as well as the progress of vaccination in each country. We anticipate that the global economy will recover in 2021 from the downturn in the previous year. Please refer to page 22 later for macro-economic environment as the assumption of forecast.

Please look at the bottom of page 13. In the middle of the table, shaded in orange are our forecasts for FY3/2022, and to the left of those are the actual results for FY3/2021. Our **Net Income** estimate for FY3/2022 is 95.0 billion yen, with a YOY increase of 7.6 billion yen.

As described in the first bullet point on page 13, expenses associated with promotion of business activities, establishment of structures, and others will increase in FY3/2022. However, we anticipate the recovery of the businesses, of which net income declined in the previous year, decrease of aviation-related credit costs, and others.

The Net Income forecast for FY3/2022 would be around 100.0 billion yen in case of excluding expenses related to the business integration. Although we expect that the COVID-19 pandemic continues to affect the business environment this fiscal year, as shown by the bar graph in the bottom of page 14, the net income forecast of around 100.0 billion compares with the simple sum of the figures for the two companies for FY3/2020, which is before the pandemic.

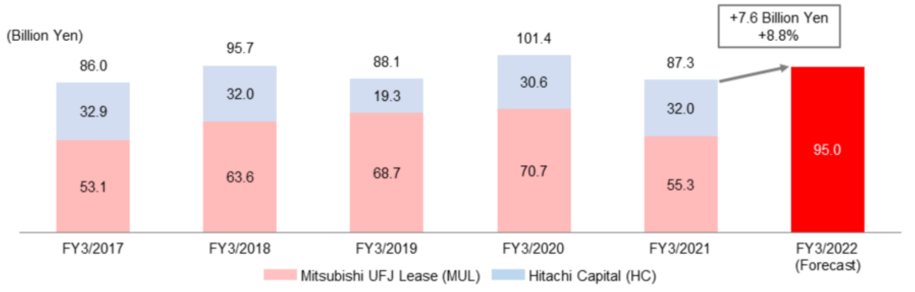
Please return to page 13 and refer to dividend, in row 2 of the table.

We estimate a **Dividend per Share** of 26.00 yen, with a 0.50 yen YOY increase. I will explain further details of dividend later on page 16.

Please refer to **ROE** and **OHR**, in row 4 and row 5 respectively. By promoting businesses in focus domains and replacing low-profit assets, we expect **ROE** in FY3/2022 to be 8.0%, up 0.7 points YOY. As for **OHR**, an increase in expenses associated with the promotion of business activities, establishment of structures, etc. are anticipated. However, by reducing expenses through optimization of management resources, we expect OHR to be 55.9%, unchanged from the previous year.

【MUL/HC】 Transition of Major Figures

(Billion Yen)		FY3/2019			FY3/2020			FY3/2021			FY3/2022[*1] (Forecast)	
		HC (IFRS)	MUL (J-GAAP)	Simple Sum	HC (IFRS)	MUL (J-GAAP)	Simple Sum	HC (IFRS)	MUL (J-GAAP)	Simple Sum	Plan (Consolidated)	YOY
1	Net Income[*2]	19.3	68.7	88.1	30.6	70.7	101.4	32.0	55.3	87.3	95.0	+7.6
2	ROE	5.1%	9.4%	8.0%	8.1%	9.2%	8.9%	8.0%	7.0%	7.3%	8.0%	+0.7P
3	OHR[*4]	57.6%	45.6%	51.2%	60.7%	44.7%	51.6%	61.5%	51.1%	55.9%	55.9%	0.0P



*1 The assumed foreign exchange rates for FY3/2022 are $1=¥108, £1=¥150, €1=¥129.
*2 For MUL, net income attributable to owners of the parent under J-GAAP
For HC, net income attributable to owners of the parent under IFRS
*3 SG&A expenses / (gross profit + non-operating income/expenses), but SG&A expenses and non-operating income/expenses do not include credit costs

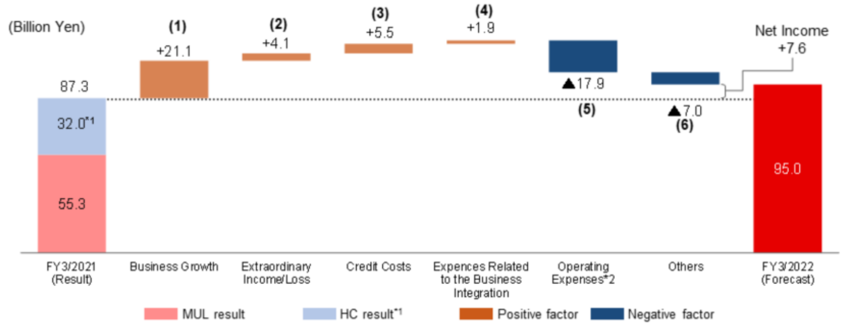
MITSUBISHI HC CAPITAL

14

For reference, the following page 14 shows **Transition of Major Figures** of MUL and HC, and simple sum of the figures for the two companies.

Please take a look at page 15.

Increase/Decrease in Net Income Attributable to Owners of the Parent



(1) Business Growth	■ YOY increase, mainly thanks to the recovery of the European business (HC) and customer business (MUL)
(2) Extraordinary Income/Loss	■ Sale of shares held for strategic purposes aiming to replace the portfolios, etc.
(3) Credit Costs	■ Decrease in credit costs related to aviation business, etc.
(4) Expenses Related to the Business Integration	■ There will be expenses associated with the change of trade name and those related to systems (6.3 billion yen), but no due diligence expenses and other costs, which were posted in the previous fiscal year (8.2 billion yen in total for the two companies)
(5) Operating Expenses*2	■ Increase in expenses associated with the promotion of business activities mainly in overseas offices, etc.
(6) Others	■ Increase in tax-related expenses, etc.

*1 HC's net income attributable to owners of the parent in FY3/2021 (under IFRS)
*2 Excluding expenses related to the business integration

MITSUBISHI HC CAPITAL

15

The waterfall chart explains the positive and negative factors in net income forecast of 95.0 billion yen for FY3/2022.

First, "positive factors," colored orange in the chart.

Net income associated with item (1) **Business Growth** will increase by 21.1 billion yen YOY mainly thanks to the recovery of the European business and customer business.

Item (2) **Extraordinary Income** will rise by 4.1 billion yen YOY because of the sale of shares held for strategic purposes aiming to replace the portfolios.

Item (3) **Credit Costs** associated with the aviation business will decrease. As a result of this, net income is expected to increase by 5.5 billion yen YOY.

Regarding item (4) **Expanses Related to the Business Integration**, although expenses such as those associated with the change of trade name and related to systems, etc. will occur, there will be no due diligence expenses, which were posted in the previous year. Thus, an increase in net income by 1.9 billion yen YOY is expected.

Next, negative factors for the decrease in net income, colored blue in the chart.

Item (5) **Operating Expenses** is forecasted to grow by 17.9 billion yen YOY due to the increase in expenses associated with the promotion of business activities, mainly in overseas offices.

Item (6) **Others** includes the increase in tax-related expenses.

As a result, Net Income forecast for FY3/2022 is 95.0 billion yen, up 7.6 billion yen YOY.

Please look at page 16.

Dividend for FY3/2022

- We will return profits to shareholders by distributing dividends, in principle. In consideration of dividend increase for the 22 consecutive years at MUL and the dividend policy of the former companies (payout ratio of 30% level for MUL and around 40% for HC), dividend per share is estimated to be 26.00 yen (payout ratio: 39.3%), up 0.50 yen YOY.

		FY3/2021		FY3/2022 (Forecast)
		Mitsubishi UFJ Lease	Hitachi Capital	Mitsubishi HC Capital
1	Dividend per Share	¥25.50	¥94.00	¥26.00
2	Payout Ratio	41.1%*1	34.3%*1	39.3%*2

*1 MUL: net income attributable to owners of the parent in FY3/2021 is 55.3 billion yen
HC: net income attributable to owners of the parent in FY3/2021 is 32.0 billion yen
*2 Net income attributable to owners of the parent in FY3/2022 is estimated to be 95.0 billion yen as of May 17, 2021.

MITSUBISHI HC CAPITAL

16

I would like to explain expected **Dividend for FY3/2022**.

As explained, expected **Dividend per Share** for FY3/2022 will be 26.00 yen, up 0.50 yen YOY. **Payout Ratio** will be 39.3%, based on the net income forecast of 95.0 billion yen.

MHC will return profit to shareholders by distributing dividends in principle. We set these levels of dividend in consideration of the 22 consecutive years of dividend increase in MUL before the merger, and the dividend policies having set payout ratio of 30% level in MUL before the merger and around 40% in HC before the merger.

On pages 17 to 19, we summarized **Business Strategies for FY3/2022** by business division for your later reference. As there is little duplication in businesses between MUL and HC, the new integrated company, MHC has wide-ranging business domains and diversified portfolios. We are in an ideal mutually complementary relationship.

There are also domains which both companies have been focusing on in common. On page 20, centering on environment & energy, you can find the initiatives of the former companies to realize a decarbonized society and both companies have been focusing on and leveraging their strengths.

Looking at the initiatives colored red by MUL before the merger and blue by HC before the merger, you will find the favorable balance of projects by region and business line. We believe that our presence in the market will grow even more than before through the integration.

That is all for my (President and CEO Yanai) presentation. As I stated at the beginning, we will strive to meet the expectations of our stakeholders. We sincerely ask for your continued support. Thank you.

Business Strategy for FY3/2022 (1)

■ Business strategies based on current organization are as follows.

	Business Strategy
Customer Business Division	■ Accelerate the creation of collaborative businesses with blue-chip partners by providing functions in line with value chain shifts by sector. ■ Maintain and expand a stable earnings base by establishing new sales models by maximizing the benefits of Web tools, increasing contact points with customers and thoroughly implementing solution-oriented sales styles supported by the Group strength. ■ Optimize our portfolio by enhancing effective acquisition of high ROA assets and gradually gearing down less profitable assets.
	■ Boost earnings by selecting target industries to focus on in each region and enhancing initiatives based on asset value. ■ Capture growth in emerging economies by investing in VietinBank Leasing in Viet Nam, among other measures. ■ Promote the digital strategy through acceleration of "Digital Center" project at ENGS. Simultaneously aim for three goals: increase sales opportunities, enhance usability for customers and vendors, and improve operational efficiency.
Aviation Business Division	■ Maximize funds to be recovered and reduce credit costs in aircraft leases by enhancing sale-and-lease back transactions in new model aircraft for blue-chip carriers and ensuring thorough credit management. ■ In aircraft engine leases, enhance our exit strategy by expanding the engine parts-out business in addition to boosting operating rates and accumulating new model engines.
Real Estate Business Division	■ In Japan, accelerate business development with an eye on the post COVID-19 environment by promoting "deepening logistics business," "strengthening CRE solution business", and "enhancing hotel management functions," etc. ■ Overseas, strengthen the business management structure mainly in the US, strengthen approach to existing debt, expand the limit of investment and credit extension, expand local AM pipeline, etc.
Logistics Business Division	■ For marine containers, aim to improve earnings by enhancing the resale platform by establishing high-quality portfolio by well-defined investments while closely watching changing market conditions. ■ For railcars, shift gradually to an asset turnover model, while working to stabilize earnings by enhancing the portfolio operating rate. ■ For mobility, focus on maintaining and expanding the existing auto lease business, starting new projects, and widening cooperative business initiatives with top global players in the ASEAN region.
Renewable Energy Business Division	■ In solar energy, expand large-scale assets and promote engagement in more medium-scale assets. Expand functionality and portfolio realignment via a partner strategy, while aiming for full-scale engagement in solar rooftop PPA* in Japan and Thailand. ■ Work to expand pipeline in other renewable-energy assets besides solar power(onshore wind and offshore wind) with existing partners and new channels
Healthcare Business Division	■ In the healthcare fund business, expand earnings by capturing customer needs to consolidate hospital functions, realign hospital beds and revitalize hospital management, as well as by starting next-stage funds. ■ Seek business opportunities in digital field, promote recovery strategies in our focal domains and expand businesses in emerging market by accelerating cooperative ventures.
Infrastructure & Investment Business Division	■ For overseas infrastructure, accumulate transactions by promoting collaboration with leading partners and develop business participation platforms with the initiative of local office (in Europe, etc). ■ Strengthen collaboration with partners in company investments. Strengthen presence and project structure in bilateral origination deals and large-scale projects.

* Power Purchase Agreement

MITSUBISHI HC CAPITAL

Business Strategy for FY3/2022 (2)

	Business Strategy
Business & Strategic Planning Division	■ Promote earnings expansion by new business creation through integrating sales practices and knowledge from each region. ■ Aim to earn service revenue in addition to financial revenue, by participating in the process of creating service business models at the Hitachi Group companies, etc. and establishing new business models by collaborating. ■ Aim to gain cumulative recurring revenues by focusing on trust, asset recovery, settlement services, and trading in second-hand assets, etc.
Hitachi Group Business Division	■ Strengthen the Hitachi business through the promotion of partnerships with Hitachi Group companies, collaborative tie-ups, etc.. ■ Promote an approach that secures strong earnings, by maximizing internal company resources to design a transformation into proposal-based sales. ■ Transform business platform and service business model by capturing demands for cloud-based operation and remote working.
Corporate Business Division	■ Maintain earnings base by securing high-quality assets and enhance management practices by improving business processes through DX and low-cost operations. ■ Enhance client base by promoting conversion of accounts into partners, collaborating with Hitachi Group, and strengthening business approach in focal domains. ■ Promote new businesses, by capturing earnings in IoT lease services, building service models utilizing partner solutions, etc.
LIFE Business Division	■ Enhance business volume and quality by expanding the trading field in key accounts in the real-estate business, expanding asset turnover business, and improving the quality of operating asset portfolio. ■ Re-develop a client base in the fields of logistics, commerce, and medical care targeting social capital related to the industrial base and life style. Implement business activities that incorporate current and future issues in those industries. ■ Strengthen collaboration with partners and promote new business development.
Environment & Energy Business Division	■ Promote aggressive development of wind power business through collaboration with partners. ■ Promote regional energy businesses that contribute to creation of local communities by collaboration with local municipalities and companies. ■ Consider expanding the business scope with an eye on future markets (electric power retailing, aggregation business, etc.) and develop new businesses by using next-generation technologies (storage batteries, hydrogen, etc.).
Vendor Solutions Business Division	■ Establish stable earnings base via low-cost, high-quality operations. ■ Improve profitability by enhancing the quality and quantity by narrowing down existing vendors, and by locking in vendors through offering original functions. ■ Promote the development of new type of solution-based services.

MITSUBISHI HC CAPITAL

Business Strategy for FY3/2022 (3)

	Business Strategy
Mobility Solutions Business Division	■ In the Japan business, aim to focus on earnings expansion by providing value to the Hitachi Group via Hitachi Capital Auto Lease, collaborating with partners in the field of logistics and rebuilding private car leasing business, etc. Promote new business development and solutions in response to the transformational period that CASE brings. ■ In the European business, promote expansion of customer base and earnings by offering a service that combines mobility solutions with auto lease.
Europe	■ Accelerate sustainable growth by maintaining and improving customer service, employee engagement and legal compliance and by developing digital programs, etc. ■ Develop EV-related businesses with partners, such as Hitachi. Maintain and expand construction of EVaaS (EV as a service). ■ Expand the services we offer and our coverage regions in the continental European business.
Americas	■ Strengthen core business by enhancing efficiency of operations through DX, improving competitiveness and profitability, and promoting ongoing improvement through use of metrics, etc. ■ Develop new businesses with operations and investments emphasizing SDGs, such as clean energy, mobility, and healthcare. ■ Increase collaboration with MUL (USA) for speedy realization of merger benefits.
China	■ Further expand the business model that focuses on partner strategy and local-based business. ■ Build a new growth strategy by selection and concentration in businesses and finance plus something extra. ■ Execute investments in line with business strategies. Strengthen investment management (including exit and reinvestment) with consciousness of investment capacity.
ASEAN Region	■ Focus on selecting and developing new businesses where demand is expected to grow against the COVID-19 landscape. In existing businesses, strengthen relationships with sales finance vendors and partners. ■ Expand businesses in the environment and energy domain including the solar power business, and in the mobility domain including car sharing, and develop them into new regions. ■ Conduct appropriate management and collection of rescheduled debt against the COVID-19 landscape.

MITSUBISHI HC CAPITAL

Major Projects for Decarbonized Society

Output in Projects in Operation*1 within and Outside Japan (MW)

	MUL	HC	Total
Total	813MW	392MW	1.2GW
Solar Power	771MW	136MW	907MW
Wind Power	42MW	256MW	298MW

Major Projects

Release		Project Overview
April	2017	Participation in a submarine power transmission business for offshore wind power plants in Germany
May	2018	Establishment of MUL Utility Innovation and participation in a solar PPA*2 business and a VPP*3 trial.
November	2018	Participation in an offshore wind power farm project in the UK
February	2020	Start of the operation of a solar power generation plant (Okayama Prefecture) which uses a green bond
November	2020	Participation in a wind power business in Ireland
December	2020	Start of collaboration to drive solar power generation business in Thailand with Hitachi Asia (Thailand) and SANTEC POWER SOLUTIONS
January	2021	Investment in GRIDSERVE Holdings which engages in renewable energy business in the UK (Scheduled to open 100 or more EV charging stations in the UK by 2025)
February	2021	Investment in Bloom Profit Investment which engages in environmental recycling business (glass bottles recycling) in the Hong Kong Special Administrative Region
March	2021	Participation in an offshore power transmission business in the UK
May	2021	Participation in a wind power generation business in Vietnam

*1 Pro-rata figures based on the equity ownership
*2 Power Purchase Agreement
*3 Virtual Power Plant

MITSUBISHI HC CAPITAL

III. Appendix

MITSUBISHI HC CAPITAL

Macro-economic Environment as the Assumption of Forecast

- Macro-economic environment as the assumptions of forecast
  - The outlook remains unclear because of the occurrence and expansion of COVID-19 variants, etc.
    Meanwhile, the global economy in 2021 is expected to recover in from the economic downturn in the previous year thanks in part to ongoing large-scale monetary easing and fiscal policies in various countries, and lifting of activity restrictions thanks to the progress of vaccination.
  - However, depending on the pace of vaccine administration and the scale of support provided by economic policies, the timing and degree of economic recovery are expected to vary among countries and regions. The recovery in major countries and regions is forecasted as below.
    - Japan
      Economic activities are expected to gradually normalize thanks to economic measures and vaccine administration. However, real GDP is anticipated to recover to the fiscal 2019 level in 2022 or later.
    - US
      The current economy is on a recovery trend thanks to easing of the restrictions on economic activities and movement based on accelerated vaccine administration. Also with the support of fiscal and monetary policies, real GDP is expected to recover to the level of 2019 during 2021.
    - UK
      The moderate recovery will be maintained in 2021 thanks to vaccine administration and ongoing fiscal and monetary policies.
    - China
      As economic activities have resumed thanks to curbing the spread of COVID-19, real GDP is expected to grow at a high rate of over 8% YOY.
    - ASEAN
      The number of COVID-19 cases has remained high in some countries and regions, therefore recovery to the level of 2019 will be seen in 2022 or later.

MITSUBISHI HC CAPITAL

【MUL】 Customer Business

Major Figures (Billion Yen)

	FY3/2020	FY3/2021	YOY
Divisional Earnings	86.6[*1]	78.8	-7.7
Divisional Net Income Attributable to Owners of the Parent	16.8	25.5	+8.6
New Transactions Volume	812.0	587.2	-224.8
Divisional Assets	2,304.8	2,056.8	-248.0[*2]

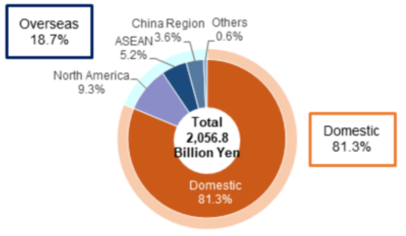
*1 Changed from the figures in FY3/2020 results due to the transfer of consolidated subsidiary TKS from the Customer Business to the Logistics: from 88.1 billion yen to 86.6 billion yen (refer to page 34 for details)

*2 Divisional Assets is change from the figures as of March 31, 2020

Breakdown of Divisional Assets (Billion Yen)

	FY3/2020	FY3/2021	Change from FY3/2020
Total	2,304.8	2,056.8	-248.0
Domestic	1,862.5	1,671.2	-191.2
Overseas	442.3	385.6	-56.7
North America	199.1	191.1	-8.0
ASEAN	134.0	107.8	-26.2
China Region	102.1	73.8	-28.2
Others	6.9	12.7	+5.7

Divisional Assets of Customer Business by Region (FY3/2021)



[Definition]

Divisional Earnings:
Gross profit (prior to allocation of financial expenses) plus equity-method earnings and dividend income of each division.

Divisional Assets:
Operating assets plus equity-method investments.
A portion of assets which generate Divisional Earnings is not included (e.g. shares held for strategic purposes and small-lot equity investments.)

MITSUBISHI HC CAPITAL

【MUL】 Aviation

Major Figures (Billion Yen)	FY3/2020	FY3/2021	YOY
Divisional Earnings	74.9	56.4	-18.4
Divisional Net Income Attributable to Owners of the Parent	24.9	2.8	-22.1
New Transactions Volume	212.3	106.0	-106.2
Divisional Assets	1,101.7	1,158.6	+56.8*1

*1 Divisional Assets is change from the figures as of March 31, 2020

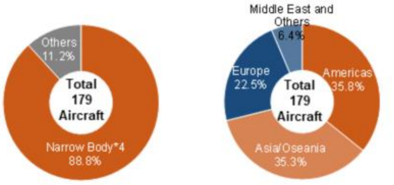
Breakdown of Divisional Assets (Billion Yen)	FY3/2020	FY3/2021	Change from FY3/2020
Total	1,101.7	1,158.6	+56.8
Aircraft Lease (JSA)	841.6	834.9	-6.6
Engine Lease (ELF)	253.3	242.2	-11.0
Aircraft Lease (MUL)	6.7	81.4	+74.6

Owned Aviation-related Assets	FY3/2020	FY3/2021	Change from FY3/2020
Number of Aircraft*2 (JSA)	168	179	+11
Number of Aircraft Purchased*2	24	12	-12
Number of Aircraft Sold*3	14	1	-13
Number of Aircraft Engines (ELF)	309	311	+2

*2 Starting from FY3/2021 2Q results, aircraft owned by MUL parent excluded: FY3/2020 170 aircraft→168 aircraft
*3 After consolidated adjustment (do not match with sales profits/losses for aircraft numbers recognized on the P/L)

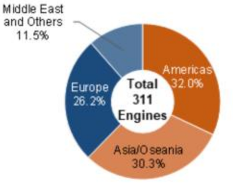
JSA's Aircraft Ownership Breakdown (FY3/2021)

1. By Asset Type | 2. By Region



*4 Aircraft used for domestic lines and short-distance flights (A320 series of Airbus, B737 series of Boeing, etc.)

ELF's Regional Breakdown of Engine Ownership (FY3/2021)



MITSUBISHI HC CAPITAL

【MUL】 Real Estate

Major Figures (Billion Yen)

	FY3/2020	FY3/2021	YOY
Divisional Earnings	47.1	52.1	+4.9
Divisional Net Income Attributable to Owners of the Parent	24.9	28.0	+3.1
New Transactions Volume	304.8	146.4	-158.4
Divisional Assets	976.1	952.2	-23.9[*1]

*1 Divisional assets is change from the figures as of March 31, 2020.

Breakdown of Divisional Assets (Billion Yen)

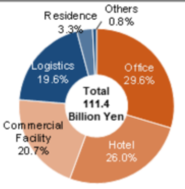
	FY3/2020	FY3/2021	Change from FY3/2020
Total	976.1	952.2	-23.9
Real estate leasing	268.4	254.9	-13.4
Other real estate Finance	255.4	245.2	-10.1
Securitization(Debt)	119.7	122.7	+3.0
Domestic	108.1	103.1	-4.9
Overseas	11.5	19.5	+7.9
Securitization(Equity)	54.5	64.8	+10.2
Domestic	40.7	48.0	+7.2
Overseas	13.8	16.7	+2.9
Real estate rental business	107.6	89.7	-17.8
Real estate revitalization investment	170.3	174.6	+4.2

[Reference] Amount of equity contribution for real estate financing[*2*3] (Billion Yen)

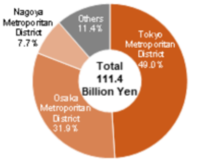
	FY3/2020	FY3/2021	Change from FY3/2020
Total	99.2	111.4	+12.1
Domestic Securitization	32.3	37.2	+4.9
Real Estate Revitalization Investment	66.9	74.1	+7.2

[Reference] Ratio of amount of equity contribution for real estate financing[*2*3] (Billion Yen)

1. By Asset Type



2. By Region



*2 Management accounting value (total equity contribution value in domestic securitization financing and real estate revitalization investments) does not match equity among divisional assets as some investments were turned into consolidated subsidiaries with investments and capital being offset and eliminated in financial accounting processes.
*3 Divisional assets corresponding to domestic securitization finance amounted to 40.7 billion yen for FY3/2020 and 48.0 billion yen for FY3/2021 while those corresponding to real estate revitalization investments came to 170.3 billion yen for FY3/2020 and 174.6 billion yen for FY3/2021.

MITSUBISHI HC CAPITAL

【MUL】 Logistics

Major Figures (Billion Yen)	FY3/2020	FY3/2021	YOY
Divisional Earnings	19.1 [*1]	20.6	+1.5
Divisional Net Income Attributable to Owners of the Parent	0.9	1.8	+0.8
New Transactions Volume	116.0	75.1	-40.8
Divisional Assets	521.4	544.6	+23.2 [*2]

*1 Changed from the figures in FY3/2020 results due to the transfer of consolidated subsidiary TKS from the Customer Business to the Logistics: from 17.6 billion yen to 19.1 billion yen (refer to page 34 for details)

*2 Divisional Assets is change from the figures as of March 31, 2020

Breakdown of Divisional Assets (Billion Yen)	FY3/2020	FY3/2021	Change from FY3/2020
Total	521.4	544.6	+23.2
Marine Containers	219.2	223.5	+4.3
Railway Freight Cars	170.7	195.7	+25.0
Shipping and Others	131.5	125.3	-6.1

Owned Logistics-related Assets [*3]	December 31, 2019	December 31, 2020	Change from December 31, 2019
Marine Container Fleet (TEU 1,000) [*4]	1,368	1,515	+146
Number of Railway Freight Cars	16,544	20,554	+4,010

*3 Numbers based on management account

*4 TEU: Twenty Feet Equivalent Unit(converted into 20ft. containers)

【MUL】 Environment & Energy

Major Figures (Billion Yen)	FY3/2020	FY3/2021	YOY
Divisional Earnings	11.1	10.9	-0.2
Divisional Net Income Attributable to Owners of the Parent	3.3	3.7	+0.3
New Transactions Volume	37.4	33.1	-4.2
Divisional Assets	184.3	197.9	+13.6 [*2]

Breakdown of Divisional Assets [*5] (Billion Yen)	FY3/2020	FY3/2021	Change from FY3/2020
Total	184.3	197.9	+13.6
Debt	59.8	52.2	-7.6
Equity	30.1	26.3	-3.7
Power Generation Business Assets	82.9	103.4	+20.5
Others [*6]	11.3	15.8	+4.4

*5 Solar power-related leases were recorded in customers business

*6 Includes equity-method investments

MITSUBISHI HC CAPITAL

【MUL】 Healthcare

Major Figures (Billion Yen)	FY3/2020	FY3/2021	YOY
Divisional Earnings	5.0	5.3	+0.3
Divisional Net Income Attributable to Owners of the Parent	0.6	0.7	0.0
New Transactions Volume	40.8	39.5	-1.2
Divisional Assets	152.2	156.9	+4.6[*1]

*1 Divisional assets is change from the figures as of March 31, 2020

Breakdown of Divisional Assets[*2] (Billion Yen)	FY3/2020	FY3/2021	Change from FY3/2020
Total	152.2	156.9	+4.6
Leases and installment sales	106.9	106.3	-0.5
Factoring	24.8	27.7	+2.9
Healthcare-related Loans and investments	20.4	22.7	+2.3

*2 Assets sales to medical institutions and care homes recorded in the Customer Business are excluded.

(Reference) Healthcare-related assets under management[*3] (Billion yen)	FY3/2020	FY3/2021	Change from FY3/2020
Assets under management (AUM)	20.3	27.1	+6.7

*3 Management accounting values

【MUL】 Infrastructure & Investment

Major Figures (Billion Yen)	FY3/2020	FY3/2021	YOY
Divisional Earnings	3.5	4.1	+0.5
Divisional Net Income Attributable to Owners of the Parent	0.6	0.3	-0.3
New Transactions Volume	14.9	15.5	+0.5
Divisional Assets	95.0	111.2	+16.2

Performance of Overseas Infrastructure Projects

Booking Party	Project Overview	Remarks
MUL	Submarine Power Transmission Business in Germany	In operation
	Wind Power Business in Ireland (1)	In operation
	Water Supply Business in the UK	Investment completed
	Offshore Wind Farm Project in the UK	Scheduled to start operating in 2022
	Power Distribution Project in the UK	Investment completed
	Distributed Solar Power Generation Project in the US	In operation
	Wind Power Business in Ireland (2)	In operation
	Offshore Power Transmission Business in the UK	In operation
JII	Rail Infrastructure Initiative in the UK	In operation
	Optical Submarine Cable Initiative	In operation
	Railway Freight Car Maintenance and Lease Initiative in the UK	In operation
	Passenger Railcar lease and Maintenance Initiative in the UK	Scheduled to start operating in 2022
	Toll Highway Operating Company in India	Investment committed
	Optical Submarine Cable Initiative	Completion planned for 2H 2022

MITSUBISHI HC CAPITAL

【MUL】Details of New Transactions Volume by Division

(Billion Yen)		FY3/2020	FY3/2021	YOY Change	YOY Change (%)
1	Customer Business	812.0	587.2	-224.8	-27.7%
2	Aviation	212.3	106.0	-106.2	-50.0%
3	Real Estate	304.8	146.4	-158.4	-52.0%
4	Logistics	116.0	75.1	-40.8	-35.2%
5	Environment & Energy	37.4	33.1	-4.2	-11.3%
6	Healthcare	40.8	39.5	-1.2	-3.1%
7	Infrastructure & Investment	14.9	15.5	+0.5	+4.0%
8	Volume of All New Transactions	1,538.6	1,003.2	-535.4	-34.8%

MITSUBISHI HC CAPITAL

【MUL】 Credit Cost

MUL/Subsidiaries (Billion Yen)		FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	YOY Change
1	MUL	-2.9	-0.0	-1.8	2.2	-0.6	-2.8
2	Domestic Subsidiaries	0.4	1.5	0.9	0.6	0.6	0.0
3	Overseas Subsidiaries	2.1	0.9	2.1	4.2	14.3	+10.1
4	Total Net Credit Cost	-0.4	2.4	1.1	7.1	14.3	+7.2

By Sector (Billion Yen)		FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	YOY Change
5	Real Estate Sector	-0.6	0.7	-1.2	-0.0	-0.1	-0.1
6	Manufacturing Sector	-0.1	0.4	1.3	1.2	0.4	-0.8
7	Transportation Sector	1.6	0.7	-1.0	0.9	8.4	+7.5
8	Others*	-1.3	0.6	2.0	4.9	5.6	+0.7
9	Total Net Credit Cost	-0.4	2.4	1.1	7.1	14.3	+7.2

* Includes general credit cost calculated based on the historical rate of credit loss and ENGS credit costs

MITSUBISHI HC CAPITAL

【MUL】 Funding Structure

	(Billion Yen)	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	Change from FY3/2020 (%)
1	Borrowing	2,395.1	2,444.7	2,492.0	2,863.2	2,870.3	+0.2%
2	Yen	1,449.4	1,470.6	1,352.2	1,425.5	1,476.6	+3.6%
3	Foreign Currency	945.7	974.1	1,139.8	1,437.6	1,393.7	-3.1%
4	CP (Commercial Paper)	835.9	807.4	742.2	762.1	434.1	-43.0%
5	Securitization	137.4	165.8	145.8	135.7	106.2	-21.8%
6	Corporate Bonds	773.5	833.7	1,060.3	1,169.5	1,224.2	+4.7%
7	Yen	452.0	496.0	583.5	763.3	756.2	-0.9%
8	Foreign Currency	321.5	337.7	476.8	406.2	467.9	+15.2%
9	Total Funding	4,142.0	4,251.7	4,440.3	4,930.6	4,634.9	-6.0%
10	Foreign Currency Funding Ratio*	30.6%	30.9%	37.0%	37.4%	40.2%	+2.8P

* Foreign-currency loans and Corporate Bonds as a proportion of total funding

MITSUBISHI HC CAPITAL

【MUL】Financial Performance: Profit & Loss Statement

(Million Yen)		FY3/2017 16/4～17/3	FY3/2018 17/4～18/3	FY3/2019 18/4～19/3	FY3/2020 19/4～20/3	FY3/2021 20/4～21/3
1	Revenues	838,886	869,948	864,224	923,768	894,342
		+1.6%	+3.7%	-0.7%	+6.9%	-3.2%
2	Cost of Revenues	688,655	713,779	705,904	741,804	733,761
		+4.4%	+3.6%	-1.1%	+5.1%	-1.1%
3	Financial Expenses	35,703	43,722	49,494	59,865	62,418
		-8.4%	+22.5%	+13.2%	+21.0%	+4.3%
4	Gross Profit	150,231	156,169	158,320	181,964	160,581
		-9.5%	+4.0%	+1.4%	+14.9%	-11.8%
5	SG&A Expenses	71,119	76,883	77,949	90,110	98,166
		-8.5%	+8.1%	+1.4%	+15.6%	+8.9%
6	Personnel Expenses	33,790	36,453	36,899	40,601	40,473
		+4.8%	+7.9%	+1.2%	+10.0%	-0.3%
7	Non-personnel Expenses	33,461	35,482	37,689	41,465	42,598
		-4.1%	+6.0%	+6.2%	+10.0%	+2.7%
8	Allowance	3,867	4,946	3,360	8,043	15,095
		-63.6%	+27.9%	-32.1%	+139.4%	+87.7%
9	Operating Income	79,112	79,285	80,371	91,853	62,414
		-10.4%	+0.2%	+1.4%	+14.3%	-32.1%
10	Recurring Income	84,731	86,177	87,605	94,376	65,002
		-8.6%	+1.7%	+1.7%	+7.7%	-31.1%
11	Extraordinary Income	4,257	2,926	7,086	5,030	18,457
		+541.6%	-31.3%	+142.1%	-29.0%	+266.9%
12	Extraordinary Loss	2,517	836	1,136	308	242
		-22.2%	-66.8%	+35.8%	-72.8%	-21.6%
13	Net Income Attributable to Owners of the Parent	53,157	63,679	68,796	70,754	55,330
		-2.7%	+19.8%	+8.0%	+2.8%	-21.8%

(Note) The bottom percentage show year-on-year percentage change

MITSUBISHI HC CAPITAL

【MUL】Financial Performance: Balance Sheet

(Million Yen)		FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
1	Cash and Cash Equivalents	102,011	165,100	195,831	466,228	294,241
		-14.9%	+61.8%	+18.6%	+138.1%	-36.9%
2	Total Equity	686,378	731,124	778,582	798,820	821,233
		+6.9%	+6.5%	+6.5%	+2.6%	+2.8%
3	Total Assets	5,388,844	5,552,712	5,790,929	6,285,966	6,009,831
		+5.2%	+3.0%	+4.3%	+8.5%	-4.4%
4	Divisional Assets	-	-	5,142,614	5,338,325	5,180,874
		-	-	-	+3.8%	-2.9%
5	Operating Assets*	4,876,553	4,910,705	5,060,114	5,248,363	5,064,796
		+5.4%	+0.7%	+3.0%	+3.7%	-3.5%
6	Equity-Method Investments	-	-	82,500	89,962	116,078
		-	-	-	+9.0%	+29.0%
7	Impaired Assets	34,144	34,892	27,286	24,693	39,269
		+22.3%	+2.2%	-21.8%	-9.5%	+59.0%
8	Allowance	16,365	15,658	15,103	13,831	22,501
		+0.4%	-4.3%	-3.5%	-8.4%	+62.7%
9	Net Balance of Impaired Assets	17,779	19,234	12,183	10,862	16,767
		+53.0%	+8.2%	-36.7%	-10.8%	+54.4%

(Note) The bottom percentage show year-on-year percentage change
* Change in definition of "operating assets" from FY3/2021 (refer to page 34 for details)

MITSUBISHI HC CAPITAL

【MUL】Financial Performance: Balance Sheet (Cont'd)

	(Million Yen)		FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
10	Equity Ratio		12.2%	12.7%	13.0%	12.4%	13.4%
			+0.2P	+0.5P	+0.3P	-0.6P	+1.0P
11	ROE		8.4%	9.3%	9.4%	9.2%	7.0%
			-0.6P	+0.9P	+0.1P	-0.2P	-2.2P
12	ROA*		1.0%	1.2%	1.2%	1.2%	0.9%
			-0.1P	+0.2P	+0.0P	-0.0P	-0.3P
13	Total Funding		4,142,073	4,251,769	4,440,352	4,930,692	4,634,956
			+6.0%	+2.6%	+4.4%	+11.0%	-6.0%
14	Indirect Funding		2,395,158	2,444,766	2,492,008	2,863,257	2,870,347
			+10.4%	+2.1%	+1.9%	+14.9%	+0.2%
15	Direct Funding		1,746,914	1,807,002	1,948,344	2,067,434	1,764,608
			+0.4%	+3.4%	+7.8%	+6.1%	-14.6%
16		CP	835,900	807,400	742,200	762,100	434,171
			-2.1%	-3.4%	-8.1%	+2.7%	-43.0%
17		Securitization	137,484	165,897	145,842	135,781	106,230
			-18.6%	+20.7%	-12.1%	-6.9%	-21.8%
18		Corporate Bonds	773,530	833,705	1,060,302	1,169,553	1,224,206
			+7.9%	+7.8%	+27.2%	+10.3%	+4.7%

(Note) The bottom percentage figures with P (point) show year-on-year percentage change
* Net income attributable to owners of the parent on total assets

MITSUBISHI HC CAPITAL

33

【MUL】 Impact of Definitional Changes on Results from FY3/2021

- As we announced in our "FY3/2021 1st Quarter Results", "FY3/2021 2nd Quarter Results" and "FY3/2021 3rd Quarter Results", in order to more accurately portray the actual state of our business, we have made the following definitional changes from FY3/2021.

Items Changed	Details of Definitional Changes
Divisional Earnings	■ From FY3/2021, the Indonesian automotive lease subsidiary, PT. Takari Kokoh Sejahtera (TKS) business domain was transferred from Customer Business to the Logistics, and retroactive adjustments were made for past fiscal years.
New Transactions Volume	■ From FY3/2021, the following two items changed and retroactive adjustments were made for past fiscal years. (1) Factoring, which consists largely of short-term transaction, was excluded from new transactions volume. (2) A portion of equity investments, which were not included in new transactions volume, was added to new transactions volume.
Operating Assets	■ From FY3/2021, the following two items changed and retroactive adjustments were made for past fiscal years. (1) A portion of equity investments, which were not included in the operating assets, was added to operating assets. (2) Same as the definitional change of Divisional Earnings above, "TKS" was transferred from Customer Business to the Logistics.

Revision Impact in FY3/2020

(Billion Yen)		FY3/2020 Before Adjustment	FY3/2020 After Adjustment	Impact
Divisional Earnings[*1]	Total	247.9	247.9	-
	Customer Business	88.1	86.6	-1.4
	Logistics	17.6	19.1	+1.4
New Transactions Volume	Total	1,881.7	1,538.6	-343.0
	Customer Business	1,074.7	812.0	-262.6
	Healthcare	128.8	40.8	-87.9
	Infrastructure & Investment	7.3	14.9	+7.6
Divisional Assets[*2]	Total	5,318.4	5,338.3	+19.9
	Customer Business	2,315.3	2,304.8	-10.5
	Logistics	510.8	521.4	+10.5
	Infrastructure & Investment	75.1	95.0	+19.9

*1 Gross profit (prior to allocation of financial expenses) plus equity-method earnings and dividend income of each division.
*2 Operating assets plus equity-method investments.

MITSUBISHI HC CAPITAL

【HC】Breakdown of Japan Business

Japan Business (Account Solution) (Billion Yen)	FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
Gross Profit	36.9	38.3	+1.3	+3.7%	-2.2	+9.7%	102.6%
Profit Before Tax	20.1	24.1	+3.9	+19.4%	-1.0	+24.5%	122.1%
Volume of Business	828.3	593.4	-234.8	-28.4%	-96.7	-16.7%	90.6%
Operating Assets	1,155.8	1,104.0	-51.8	-4.5%	-35.7	-1.4%	95.3%
ROA*	1.8%	2.1%	+0.3P	-			

Japan Business (Vendor Solution) (Billion Yen)	FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
Gross Profit	16.4	15.8	-0.6	-4.0%	-1.3	+4.4%	96.2%
Profit Before Tax	5.4	6.7	+1.3	+24.7%	-0.3	+30.2%	105.7%
Volume of Business	191.7	161.7	-29.9	-15.6%	-28.0	-1.0%	99.8%
Operating Assets	444.4	433.4	-10.9	-2.5%	-21.3	+2.3%	100.3%
ROA*	1.2%	1.5%	+0.3P	-			

* Profit before tax on operating assets

MITSUBISHI HC CAPITAL

【HC】 Breakdown of Global Business (1): Europe, The Americas

Europe (the UK, Poland, the Netherland, Germany, Austria, Belgium, Czech, Slovakia, Hungary, Finland)

(Billion Yen)	FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
Gross Profit	45.9	45.4	-0.5	-1.2%	-5.5	+10.8%	99.6%
Profit Before Tax	18.5	15.1	-3.3	-18.1%	-4.3	+5.2%	105.3%
Volume of Business	651.4	538.4	-112.9	-17.3%	-109.2	-0.6%	116.9%
Operating Assets	874.7	1,000.4	+125.6	+14.4%	-105.8	+26.5%	116.0%
ROA* (Local Currency Basis)	2.1%	1.7%	-0.5P	-			

The Americas (US, Canada)

(Billion Yen)	FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
Gross Profit	15.4	16.2	+0.7	+4.6%	-1.4	+14.2%	98.5%
Profit Before Tax	3.2	4.2	+1.0	+31.7%	-1.0	+65.2%	123.6%
Volume of Business	332.5	332.9	+0.3	+0.1%	-90.0	+27.2%	114.1%
Operating Assets	312.4	364.3	+51.8	+16.6%	-59.7	+35.7%	105.4%
ROA* (Local Currency Basis)	0.9%	1.3%	+0.4P	-			

* Profit before tax on operating assets

MITSUBISHI HC CAPITAL

【HC】 Breakdown of Global Business (2): China, ASEAN

China (Mainland China, Hong Kong Special Administrative Region)

(Billion Yen)	FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
Gross Profit	4.8	5.2	+0.3	+8.3%	-0.5	+19.4%	111.7%
Profit Before Tax	1.9	1.8	-0.1	-6.0%	-0.3	+11.8%	105.4%
Volume of Business	86.1	91.4	+5.3	+6.2%	-36.1	+48.1%	86.8%
Operating Assets	200.5	166.6	-33.9	-16.9%	-21.6	-6.1%	102.0%
ROA* (Local Currency Basis)	0.8%	1.0%	+0.3P	-			

ASEAN (Singapore, Thailand, Malaysia, Indonesia)

(Billion Yen)	FY3/2020	FY3/2021	YOY Change	YOY Change(%)	COVID-19 Impact	YOY Change (Excluding COVID-19 Impact)	Initial Forecast Comparison
Gross Profit	6.6	5.9	-0.6	-9.4%	-1.1	+8.6%	89.0%
Profit Before Tax	0.7	0.3	-0.3	-46.1%	-1.8	+219.5%	27.5%
Volume of Business	87.7	62.6	-25.0	-28.6%	-39.6	+16.6%	87.4%
Operating Assets	127.6	121.3	-6.3	-5.0%	-21.5	+11.9%	91.4%
ROA* (Local Currency Basis)	0.5%	0.2%	-0.2P	-			

* Profit before tax on operating assets

MITSUBISHI HC CAPITAL

【HC】Breakdown of Cost of Revenues/SG & A

Breakdown of Cost of Revenues (Million Yen)	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	YOY Change	YOY Change(%)
Cost of Revenues	245,100	272,425	312,859	327,703	331,074	+3,371	+1.0%
Financial Expenses	25,982	30,288	38,599	40,027	31,855	-8,172	-20.4%

Breakdown of SG & A (Million Yen)	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	YOY Change	YOY Change(%)
SG &A Expenses	81,902	86,274	110,997	96,442	97,978	+1,536	+1.6%
Personnel Expenses	44,760	47,324	48,703	49,246	50,721	+1,474	+3.0%
Business Management Expenses	31,513	32,815	34,122	35,162	35,719	+557	+1.6%
Credit Costs	5,627	6,134	28,171	12,033	11,537	-495	-4.1%

MITSUBISHI HC CAPITAL

【HC】Credit Trends by Region

	Credit Loss Ratio[*1]					Credit Loss (Million Yen)[*2]				
	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
Total	0.15%	0.20%	0.18%	0.23%	0.35%	5,103	6,452	6,156	7,383	11,498
Japan	0.04%	0.05%	0.06%	0.07%	0.06%	823	812	911	1,160	1,031
Europe	0.26%	0.22%	0.25%	0.30%	0.50%	1,613	1,705	2,169	2,655	4,982
The Americas	0.41%	0.79%	0.49%	0.79%	0.75%	1,357	2,652	2,070	2,480	2,737
Asia	0.27%	0.28%	0.22%	0.33%	0.95%	1,309	1,281	1,005	1,087	2,746

*1 Credit Loss Ratio: Credit Loss divided by Operating Assets
*2 Credit Loss: This is the actual amount of bad debt losses that are different from credit costs and the allowance for bad debt

MITSUBISHI HC CAPITAL

【MUL】Major Group Companies

Division	Company	Ownership Ratio[*1]	Main Business
Customer Business	Mitsubishi UFJ Lease & Finance (Domestic Branches)	-	Leasing, etc.
	DFL Lease	80.0%	Leasing, etc.
	Shutoken Leasing	70.7%	Leasing, etc.
	DRS	100.0%	Rental and leasing, etc.
	Mitsubishi UFJ Lease & Finance (U.S.A.)	100.0%	Leasing, etc.
	ENGS Commercial Finance[*2]	100.0%	Vendor finance, etc.
	Bangkok Mitsubishi UFJ Lease	44.0%	Leasing, etc.
	Mitsubishi UFJ Lease (Singapore)	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance Indonesia	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance (China)	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance (Hong Kong)	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance (Ireland)	100.0%	Finance, etc.
Aviation	MUL (Aviation Business Department)	-	Japanese operating lease, etc.
	Jackson Square Aviation (JSA)	100.0%	Aircraft leasing
	Engine Lease Finance (ELF)	100.0%	Aircraft engine leasing, part-out
Real Estate	MUL (Real Estate Business Department)	-	Securitization finance
	MUL Property (MULP)	100.0%	Real estate leasing
	MUL Realty Investment (MURI)	100.0%	Real estate revitalization investment
	MUL Realty Investments(MRI)	100.0%	Overseas securitization finance

*1 Includes indirect ownership portions
*2 Vendor finance entity of ENGS Holdings Inc.

Division	Company	Ownership Ratio[*1]	Main Business
Real Estate	Diamond Asset Finance (DAF)	100.0%	Real estate rental and other real estate finance
	Miyuki Building	98.3%	Real estate rental
	MUL Realty Advisers (MURA)	66.6%	Real estate asset management
	Center Point Development (CPD)	33.4%	Asset management services for logistics real estate
Logistics	MUL (Logistics Business Department)	-	Ship finance
	Beacon Intermodal Leasing (BIL)	100.0%	Marine container leasing
	MUL Railcars (MULR)	100.0%	Railcar leasing
	Takari Kokoh Sejahtera (TKS)	75.0%	Auto leasing, etc.
	Mitsubishi Auto Leasing (MAL)	50.0%	Auto leasing
Environment & Energy	MUL (Environment & Energy Business Department)	-	Renewable-energy business
	MUL Energy Investment (MEI)	100.0%	Operation and asset management of renewable-energy businesses
	MUL Utility Innovation (MUI)	100.0%	Development of energy-related businesses
Healthcare	MUL (Healthcare Business Department)	-	Medical equipment leasing and medical fee factoring
	Japan Medical Lease	100.0%	Medical equipment and real estate leasing
	MUL Healthcare (MULH)	100.0%	Support service for installment of medical equipment and medical institution consulting
	Healthcare Management Partners (HMP)	66.0%	Management of fund to support management specializing in the medical and long-term care fields
Infrastructure & Investment	MUL (Infrastructure Business Department)	-	Infrastructure business, PFI business
	MUL (Investment Business Department)	-	Corporate investment
	Japan Infrastructure Initiative (JII)	47.6%	Infrastructure investment and loan

MITSUBISHI HC CAPITAL

【HC】Major Group Companies

Division	Company	Ownership Ratio*	Main Business
Account Solution	Hitachi Capital Auto Lease	51.0%	Auto leasing
	Sekisui Leasing	90.0%	Leasing and financial business
	Hitachi Capital Insurance	79.4%	Non-life insurance
	Hitachi Capital Community	100.0%	Real estate development/ management/leasing
	HCD Properti Indonesia	63.5%	Real estate leasing
	Hitachi Capital Trust	100.0%	Trust business
	Hitachi Green Energy	100.0%	Power generation
	Hitachi Wind Power	85.1%	Power generation
	Hitachi Sustainable Energy	85.1%	Power generation
Vendor Solution	Hitachi Capital NBL	100.0%	Leasing
Europe	Hitachi Capital (UK)	100.0%	Leasing and financial business
	Hitachi Capital European Vendor Solutions	100.0%	Leasing and financial business
	Hitachi Capital Polska	100.0%	Auto leasing
	Hitachi Capital Mobility Holding Netherlands	98.6%	Financial holding company
	Hitachi Capital Mobility Netherlands	100.0%	Auto leasing
	Maske Fleet	100.0%	Auto leasing and rental
	Maske Langzeit-Vermietung	100.0%	Auto leasing and rental

* Includes indirect ownership portions

Division	Company	Ownership Ratio*	Main Business
The Americas	Hitachi Capital America	100.0%	Leasing and financial business
	Hitachi Capital Canada	100.0%	Leasing and financial business
	CLE Capital	100.0%	Leasing and financial business
China	Hitachi Capital Management (China)	100.0%	Financial holding company
	Hitachi Capital (Hong Kong)	100.0%	Leasing and financial business
	BOT LEASE (HONG KONG)	100.0%	Leasing and financial business
	Hitachi Capital Leasing (China)	94.1%	Leasing and financial business
	Hitachi Capital Factoring (China)	100.0%	Factoring
ASEAN	Hitachi Capital Asia Pacific	100.0%	Leasing and financial business
	Hitachi Capital (Thailand)	74.0%	Leasing and financial business
	Hitachi Capital Malaysia	100.0%	Leasing and financial business
	Arthaasia Finance	85.0%	Leasing and financial business
	Hitachi Capital Finance Indonesia	73.8%	Leasing and financial business
Others	Hitachi Capital Servicer	100.0%	Credit management and collection
	Hitachi Capital Services	100.0%	Purchase and sale of used goods
	Hitachi Triple Win	100.0%	Outsourcing business, business relating to food, beverages and agriculture
Equity-method Affiliates	Japan Infrastructure Initiative (JII)	47.6%	Infrastructure investment and loan
	Hitachi Auto Service	40.0%	Automobile-related businesses

MITSUBISHI HC CAPITAL

Corporate Profile

Company Name	Mitsubishi HC Capital Inc.
Location	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-6525, Japan
Paid in Capital	33,196 Million Yen
Accounting Standards	J-GAAP
Title and name of representatives	Representative Director, Chairman Seiji Kawabe Representative Director, President & CEO Takahiro Yanai Representative Director, Deputy President Kanji Nishiura
Fiscal Year End	March, 31
Major Shareholders	Mitsubishi UFJ Financial Group, Inc. Mitsubishi Corporation Hitachi, Ltd.

MITSUBISHI HC CAPITAL

Inquiries

I	**Inquiries**	Corporate Communications Department TEL： +81 3-6865-3002
II	**Website**	https://www.mitsubishi-hc-capital.com/english/

MITSUBISHI HC CAPITAL

Legal Disclaimer

- This presentation contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of Mitsubishi HC Capital Inc. and/or its group companies (collectively, the "Group").
- These forward-looking statements are inherently subject to a number of risks and uncertainties that could cause the Group's actual results, performance, achievements, financial position etc. to differ materially from the information expressed or implied by these forward-looking statements, which is based on assumptions and beliefs in light of information currently available to the management of Mitsubishi HC Capital Inc. at the time of publication. Accordingly, due to various risks and uncertainties, the statements are not a guarantee of future performance or developments. We may not be successful in implementing our business strategy, and management may fail to achieve its targets for a wide range of possible reasons.
- The Amount less than one unit is omitted in this presentation, which may cause fraction error in the total amount. We undertake no obligation to update or correct any forward-looking statements after the date of this presentation. The information set forth in this presentation is subject to change without notice.
- This presentation is not intended to solicit, offer, sell or market securities in any jurisdiction, and should not be the sole basis for making investment and other decisions. The reader is cautioned not to place undue reliance on forward-looking statements.
- This presentation is made in Japanese and translated into English. The Japanese text is the original and the English text for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.

MITSUBISHI HC CAPITAL