

MITSUBISHI HC CAPITAL

FOR IMMEDIATE RELEASE

Mitsubishi HC Capital Management (China) Signed Sustainability Linked Loan Agreement in Hong Kong

Tokyo, March 14, 2022 --- Mitsubishi HC Capital Inc. (TSE: 8593, Representative Director, President & CEO: Takahiro Yanai, “Mitsubishi HC Capital”) hereby announces that today its group company, Mitsubishi HC Capital Management (China) Limited (Managing Director: Keiichi Sato, “Mitsubishi HC Capital MC”), with a financial management function in the China area signed the Sustainability Linked Loan Agreement with Hong Kong Branch of MUFG Bank, Ltd. (President & CEO: Junichi Hanzawa). Sustainability Linked Loan is aligned with the Sustainability Linked Loan Principles set forth by the Loan Market Association*¹ and other organizations.

Sustainability Linked Loan is a loan product that a borrower sets sustainability performance targets (“SPTs”) consistent with its sustainability strategy and can get incentives such as better interest rate according to its achievement of the targets.

Global warming and climate change have come to the fore as serious issues. To achieve a carbon neutrality by 2050, Hong Kong Special Administrative Region (“Hong Kong”) has committed to cease the new registration of fuel-propelled and hybrid private cars by 2035, as well as to increase the share of renewable energy in the fuel mix for electricity generation to 10 per cent by 2035. Mitsubishi HC Capital MC has been introducing businesses that contribute to reducing the environment impact from the fund procurement aspect, such as issuing green bond in 2017*² and concluding green loan*³ in 2020.

Mitsubishi HC Capital MC sets the number of sites installing solar power generation system and the number of EVs under management as SPTs. It aims to achieve its SPTs by offering finance for solar power generation system and EV related products through its subsidiary, Mitsubishi HC Capital (Hong Kong) Limited (Managing Director: Keiichi Sato). Accordingly, it will contribute to realizing a decarbonized society in Hong Kong. In addition, these SPTs will contribute to “Promote a decarbonized society”, one of the materiality that Mitsubishi HC Capital group has identified and announced in December, 2021.

Second-party opinion on this loan has been provided by Hong Kong Quality Assurance Agency for compliance with the Sustainability Linked Loan Principles and the rationality of its SPTs.

【Overview of the SPTs】

Materiality of Mitsubishi HC Capital group	Sustainability performance targets (SPTs)
Promote a decarbonized society	Achieve 35 sites of installing solar power generation systems in Hong Kong by the end of March, 2023
	Achieve 700 EVs under management and increase the proportion of EV to 5.74% of all vehicles managed by Mitsubishi HC Capital (Hong Kong) Limited in Hong Kong by the end of March, 2023

Mitsubishi HC Capital group will continue to contribute to realizing a decarbonized society and sustainable and prosperous future through eco-friendly fund procurement and business with partner companies that meet needs and expectations of society and customers.

- *1 An association, based in the UK, dedicated to improving the liquidity, efficiency, and transparency in the primary and secondary syndicated loan markets in Europe, the Middle East, and Africa. It has over 700 member organizations in over 60 countries, mainly in Europe and the Middle East.
<https://www.lma.eu.com/>
- *2 Ex-Hitachi Capital Corporation’s News Release dated December 15, 2017
“The First Issuance of Foreign Currency Denominated Green Bonds in Asia as a Japanese Company”
<https://www.mitsubishi-hc-capital.com/pdf/english/investors/hc/2017/20171215english.pdf>
- *3 Loans received for projects with environmental improvement benefits.

■ Overview of the loan agreement

Execution date of agreement	March 14, 2022
Lender	Hong Kong Branch, MUFG Bank, Ltd.
Total amount	500 million HKD (approx. 7.3 billion yen)
Contract period	2 years
Use of proceeds	Business fund

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