

Notice Concerning the Absorption-type Merger of a Consolidated Subsidiary

Tokyo, February 10, 2023 --- Mitsubishi HC Capital Inc. (TSE, NSE: 8593, Representative Director, President & CEO: Takahiro Yanai, the “Company”) announces that at the meeting of Board of Directors held today, it resolved to absorb and merge Japan Infrastructure Initiative Company Limited (President & CEO: Hiroaki Odajima, “JII”) after making JII a wholly-owned subsidiary on the premise that MUFG Bank, Ltd. would sell all of the shares of JII which it holds to the Company (“the Merger”). Please note that certain disclosure items and details have been omitted since the Merger is a simplified absorption-type merger involving a consolidated subsidiary.

Through the Merger, the Company intends to create synergy enhancing business operation platform by effectively using JII’s management resources as well as its infrastructure financing know-how and expertise.

1. Purpose of the Merger

JII was established in January 2017 through a joint investment between MUFG Bank, Mitsubishi UFJ Lease & Finance Company Limited, and Hitachi Capital Corporation, as an open financial platform to provide financial support for exports of Japanese infrastructure industry*. Moreover, in April 2021, Mitsubishi UFJ Lease & Finance and Hitachi Capital were integrated and Mitsubishi HC Capital Inc. was born. As a consequence, JII became its consolidated subsidiary (owned 95.1%).

And now, the Company resolved to perform the Merger to improve efficiency and to enhance business platform integrating the business operations of the Company and JII by combining the know-how, expertise, and management resources of the two companies.

The Mitsubishi HC Capital Group has positioned “Social Infrastructure & Life” and “Environment & Energy” as the areas of focus. In addition, the Mitsubishi HC Capital Group will contribute to solving social issues and realizing more prosperous lives for people by operating a unique and progressive business.

* Press release dated January 4, 2017: Announcement of the Incorporation the Open Financial Platform to Provide Support for the Japanese Infrastructure Industry
<https://www.mitsubishi-hc-capital.com/english/investors/mul/library/pressrelease/20170104e.pdf>

2. Summary of the Merger

(1) Merger Schedule

Date of resolution at the Board of Directors	February 10, 2023
Date of conclusion of the merger agreement	February 10, 2023
Effective date of the Merger	April 1, 2023 (scheduled)

* Since this is a simplified absorption-type merger for the Company pursuant to Article 796, paragraph (2) of the Companies Act of Japan and is also a short-form merger for JII pursuant to Article 784, paragraph (1) of the Companies Act, each company will not hold a general meeting of shareholders to approve the merger agreement.

(2) Type of the Merger

The Merger will be conducted as an absorption-type merger, with the Company as the surviving company and JII as the merged company.

(3) Allotment related to the Merger

Not applicable.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights in connection with the Merger

Not applicable.

3. Overview of the Companies Involved in the Merger

(1) Company name	Mitsubishi HC Capital Inc. (surviving company)	Japan Infrastructure Initiative Company Limited (merged company)
(2) Location	1-5-1, Marunouchi, Chiyoda-ku, Tokyo	2-1-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Representative	Takahiro Yanai, Representative Director, President & CEO	Hiroaki Odajima, President & CEO
(4) Line of business	Lease, installment sales, various types of financing, etc.	Investing and financing for infrastructure business, other financial services, etc.
(5) Paid-in capital	33.1 billion yen	17.5 billion yen
(6) Date of establishment	April 12, 1971	January 4, 2017
(7) Number of issued shares	1,466,912,244 shares	20,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratio (as of September 30, 2022)	Mitsubishi Corporation (18.38%) Mitsubishi UFJ Financial Group, Inc. (14.50%) Hitachi, Ltd. (9.10%)	Mitsubishi HC Capital Inc. (95.1%) MUFG Bank, Ltd. (4.9%)

Financial standing and business (10) performance in FYE3/2022 (units: millions of yen)	Net assets	1,333,467	30,283
	Total assets	10,328,872	55,364
	Net assets per share (yen)	912.19	1,514,170.43
	Revenues	1,765,559	1,302
	Operating income	114,092	△4,278
	Recurring income	117,239	△4,538
	Net income	99,401	△5,321
	Net Income per share (yen)	69.24	△266,056.20

4. Status after the Merger

There will be no changes to the name, head office location, title and name of the representatives, line of business, paid-in capital, or fiscal year-end of the Company. In addition, the Company will succeed to all of the businesses, transactions, agreements, rights, and obligations of JII as of the effective date of the Merger.

5. Future Outlook

The impact of the Merger on the consolidated financial results for the current fiscal year will be minor.

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