

Financial Results for the Fiscal Year Ended March 31, 2023

Mitsubishi HC Capital Inc.
May 15, 2023

 MITSUBISHI HC CAPITAL

Greetings, everyone. This is Taiju Hisai. I assumed the position of President & CEO in April this year.

Although I'm sure you are all very busy, thank you kindly for taking the time to attend this briefing on our financial results for FYE3/2023 and the Medium-term Management Plan. In addition to those of you attending in person, we are also joined by many people watching live online. Thank you all.

It has already been more than two years since the business integration of Mitsubishi UFJ Lease & Finance and Hitachi Capital in April, 2021. The post-merger integration process we laid out at the beginning of the integration was completed as planned at the end of March this year, and so we will finally begin our Medium-term Management Plan from this fiscal year, the first step toward achieving Our 10-year Vision, "Together we innovate, challenge and explore the frontiers of the future." I will be referring to this Medium-term Management Plan as 2025 MTMP throughout this presentation.

It is not an overstatement to say that, in a way, this fiscal year represents a new step for the Mitsubishi HC Capital Group, and our true beginning. As President & CEO, I shall stand at the forefront, and work to guide and enhance our Group so that we can make this new start successfully.

I hope that you continue to expect more great things from Mitsubishi HC Capital in the future.

Today, we will hear from Director and Managing Executive Officer Mr. Haruhiko Sato about our financial results for FYE3/2023, and our financial forecast for FYE3/2024. Following this, I would like to talk about overview of the 2025 MTMP and our mindset, as well as introduce some of our initiatives toward accomplishing the plan.

First of all, I must note our overall financial results and some specific points. Please refer to the Highlights on page 4 of the material "Financial Results for the Fiscal Year Ended March 31, 2023" in front of you.

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.
- These forward-looking statements are inherently subject to a number of risks and uncertainties that could cause the 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.
- Amounts are rounded down in this presentation, which may cause a fractional error in total amounts. 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, or sell investments 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.
- We assume no liability for any damage resulting from the use.
- This presentation is created in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.

Definitions of Terms and Figures Used in this Presentation

- MHC: Mitsubishi HC Capital
- MUL: Mitsubishi UFJ Lease & Finance
- HC: Hitachi Capital
- JSA: Jackson Square Aviation (Aircraft leasing company)
- ELF: Engine Lease Finance (Aircraft engine leasing company)
- CAI: CAI International (Marine container leasing company)
- BIL: Beacon Intermodal Leasing (Marine container leasing company)
- DAF: Diamond Asset Finance (Share transfer completed in March 2023)
- Net Income:
Net income (quarterly/annual) attributable to owners of the parent
- Segment Assets:
"Operating assets" + "equity-method investments" + "goodwill" + "investment securities, etc."

Index

- I. Highlights
- II. Financial Results for FYE 3/2023
- III. Segment Updates
- IV. Financial Forecast for FYE 3/2024
- V. Appendix

I. Highlights

Highlights

**Net income for FYE 3/2023 exceeded the forecast with a record-high 116.2 billion yen.
Annual dividend per share to increase by 2 yen, beyond the forecast.**

- Net income for FYE 3/2023 increased by 16.8 billion yen (16.9%) YoY to a record-high 116.2 billion yen thanks to the profit contribution from CAI, a marine container leasing company in the U.S.A. that became our wholly-owned subsidiary in November 2021, a decrease in credit costs, and the business growth in the Americas in the Global Business segment. This exceeds the forecast for FYE 3/2023 (net income: 110.0 billion yen) by 6.2 billion yen.
- Annual dividend per share is to increase by 2 yen from the forecast (up 5 yen YoY) to 33 yen (payout ratio of 40.8%).

**Net income for FYE 3/2024 is forecast to be 120.0 billion yen.
Annual dividend per share is projected to be 37 yen, increase by 4 yen YoY.**

- Net income for FYE 3/2024 will see a limited YoY increase up to 120.0 billion yen, due to investments aiming to realize Our 10-year Vision and costs associated with restructuring and redefining existing businesses, in addition to the absence of a reduction effect in tax expenses recorded in FYE 3/2023, while forecasting the growth of aviation business against the backdrop of the recovery of passenger demand.
- Annual dividend per share is projected to be 37 yen, an increase by 4 yen YoY (payout ratio of 44.3%).

Mid-term management plan ("2025 MTMP") covering the three-year period from FYE 3/2024 was formulated.

- Financial targets at the final fiscal year of the 2025 MTMP (FYE 3/2026) are net income of 160.0 billion yen, ROA* of approx. 1.5%, and ROE* of approx. 10%.
(For details, please refer to the release "Medium-term Management Plan for FY2023–FY2025 ("2025 MTMP")")

* Based on net income

 MITSUBISHI HC CAPITAL

4

The upper part describes our financial results for FYE3/2023. Net income exceeded the forecast by 6.2 billion yen, coming in at 116.2 billion yen. Considering this, the annual dividend per share increases by 2 yen beyond the forecast, up 5 yen YoY to 33 yen.

The middle part describes our financial forecast for FYE3/2024. We expect the net income of 120.0 billion yen. Dividend per share, in line with the forecast payout ratio of 40% or more in the 2025 MTMP, the dividend per share is forecast to be 37 yen, increase by 4 yen YoY.

Finally, although I will talk about the 2025 MTMP later, at the bottom of the page you can see that our financial targets at the final year of the 2025 MTMP (FYE3/2026) are the net income of 160.0 billion yen, ROA of approximately 1.5%, and ROE of approximately 10%. I will explain more in greater detail later.

For now, I will hand over to Mr. Sato.

II. Financial Results for FYE 3/2023

This is Haruhiko Sato, Director and Managing Executive Officer.

I will explain the parts “II. Financial Results for FYE 3/2023,” “III. Segment Updates,” and “IV. Financial Forecast for FYE 3/2024” of the material.

Please look at page 6.

Financial Results for FYE 3/2023

- Gross profit for FYE 3/2023 increased by 22.6 billion yen, or 6.8% YoY, to 357.3 billion yen, thanks to the profit contribution from CAI, a marine container leasing company in the U.S.A., and other factors. Net income increased by 16.8 billion yen, or 16.9% YoY to 116.2 billion yen, thanks to a decrease in credit costs and other factors, despite the absence of large gains on sales of strategic shareholdings (pre-tax basis: 26.7 billion yen), which were recorded as extraordinary income in FYE 3/2022.
- Net income for FYE 3/2023 exceeded the forecast (110.0 billion yen) by 6.2 billion yen (5.7%).

(Billion Yen)	(a)	(b)	(c)-(b)-(a)	(d)	(e)-(c)/(a)	(f)	(g)-(b)-(f)
	FYE 3/2022	FYE 3/2023	YoY Change	Impact of Fluctuation in Exchange Rates ³	YoY Change (%)	FYE 3/2023 Forecast	Change
1 Revenues	1,765.5	1,896.2	+130.6	+66.7	+7.4%	-	-
2 Gross Profit	334.6	357.3	+22.6	+22.4	+6.8%	-	-
3 Operating Income	114.0	138.7	+24.6	+9.0	+21.6%	-	-
4 Recurring Income	117.2	146.0	+28.8	+10.0	+24.6%	-	-
5 Net Income	99.4	116.2	+16.8	+7.8	+16.9%	110.0	+6.2
6 New Transactions Volume	2,507.8	2,640.6	+132.7	+219.7	+5.3%	-	-
7 Total Segment Assets	9,345.3	9,632.9	+287.5 ⁵	+515.2	+3.1% ⁵	-	-
8 Dividend per Share	¥28	¥33	+¥5			¥31	+¥2
9 Payout Ratio	40.4%	40.8%	+0.4pt			40.5%	+0.3pt
10 ROA ¹¹	1.0% ¹³	1.1% ¹⁷	+0.1pt			1.1%	-
11 ROE ¹¹	8.0% ¹⁹	8.2% ¹⁷	+0.2pt			8.2%	-
12 OHR ¹²	54.6%	55.8%	+1.2pt			54.1%	+1.7pt

¹¹ Based on net income

¹² SGA&A expenses divided by (gross profit + non-operating income/expenses), but SGA&A expenses and non-operating income/expenses do not include credit costs

¹³ Calculated by difference from FYE 3/2022 in exchange rates when incorporating the financial statements in overseas subsidiaries (refer to page 31 for applied exchange rates)

¹⁴ Exchange revaluation losses generated in the accounting process in relation to foreign currency-denominated borrowings for multiple deals booked at MHC under Japanese Operating Leases with Call Option (JOLCO) originated for domestic corporate investors

Note: As MHC denominates financial statements in JPY, foreign currency-denominated assets and liabilities for JOLCO are converted into JPY. However, for accounting purposes, while assets (aircraft) use the exchange rate as of the lease start date, the liabilities (borrowing) use the exchange rate as of the final day of the fiscal period. Therefore, exchange revaluation losses or gains (weak yen: revaluation losses, strong yen: revaluation gains) may occur

¹⁵ Change vs. FYE 3/2022

¹⁶ Numerator: Net income for FYE 3/2022

Denominator: Average of FYE 3/2022 equity or total assets and FYE 3/2021 equity or total assets (calculated by adding IFRS-based figures of HC to those of MUL in a simplified manner under J-GAAP as reference figures, then making adjustments upon the integration)

¹⁷ Numerator: Net income for FYE 3/2023

Denominator: Average of FYE 3/2022 and FYE 3/2023 equity or of FYE 3/2022 and FYE 3/2023 total assets

Impact of the exchange rates on net income
The impact of the exchange rates was approx. +5.7 billion yen including exchange revaluation losses related to Japanese Operating Lease with Call Option (JOLCO) (approx. -2.1 billion yen).

 MITSUBISHI HC CAPITAL

6

Here, I will explain our financial results.

At the top section of the table, the column “(a)” shows the results for FYE 3/2022. Next to that in the orange column “(b)” are the figures for FYE 3/2023, the results we announced yesterday. Right next to that, the columns “(c)” to “(e)” show YoY changes, the impact of fluctuation in exchange rates applied to P/L, and YoY changes as a percentage.

First, Gross Profit in row 2 increased by 22.6 billion yen, or 6.8% YoY, to 357.3 billion yen. This is mainly thanks to the full-year profit contribution from CAI, a marine container leasing company in the U.S.A. which we acquired in November 2021.

Net Income in row 5 increased by 16.8 billion yen, or 16.9% YoY, to 116.2 billion yen. This is mainly thanks to an increase in gross profit and a decrease in credit costs, despite the absence of large gains on sales of strategic shareholdings, which were recorded as extraordinary income in FYE 3/2022.

As a result, the net income exceeded the forecast for FYE 3/2023 of 110.0 billion yen by 6.2 billion yen, achieving a record-high net income.

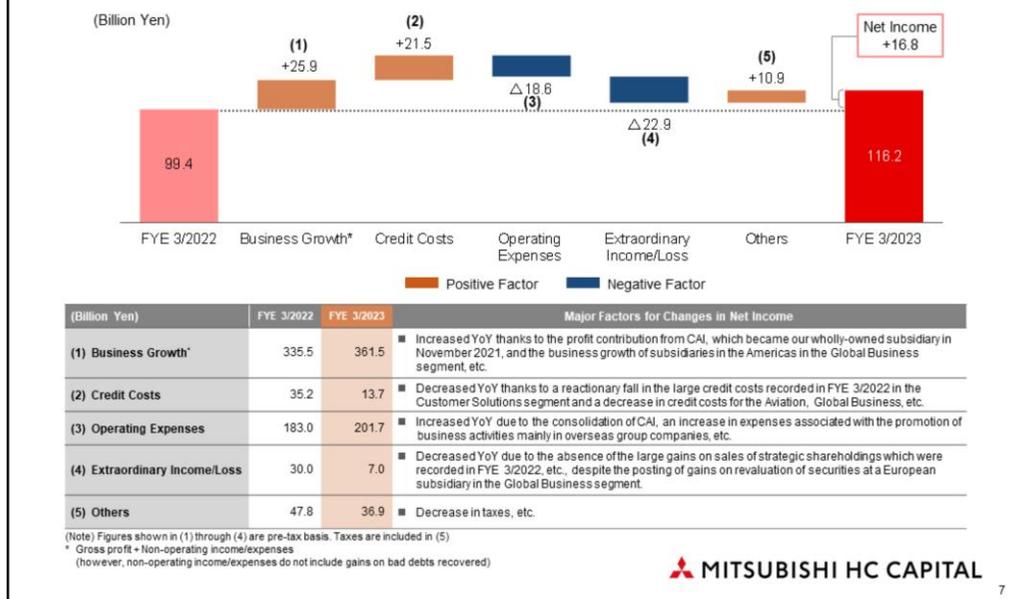
Also related to the net income, column “(d)” shows that the impact of the fluctuation in exchange rates on the P/L of overseas subsidiaries was a positive 7.8 billion yen. In addition, the all-in impact of the fluctuation in exchange rates on net income, the sum of the positive 7.8 billion yen and the negative 2.1 billion yen caused by revaluation losses related to foreign currency borrowings with JOLCO, was a positive 5.7 billion yen, as described in the pink bubble.

The lower part of the page from row 8 describes our management targets. Row 8 shows Dividend per Share, and as we heard from Mr. Hisai earlier, our forecast dividend is now 33 yen per share, 2 yen higher than what we predicted at the start of FYE 3/2023.

With regard to other management targets, we can see that ROA and ROE were 1.1% and 8.2% respectively, and these figures are the same as our initial forecast. On the other hand, OHR increased by 1.7 pt to 55.8%, compared to our initial forecast.

Next, please proceed to page 7.

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



Here, I will explain the factors for the change in Net Income Attributable to Owners of the Parent using this waterfall chart.

The leftmost bar shows the net income of 99.4 billion yen for FYE 3/2022. The rightmost bar in red shows the net income of 116.2 billion yen for FYE 3/2023. In the middle are the factors for the increase and decrease.

Please note that (1) through (4) are pre-tax basis, and the final net income is calculated after deducting taxes and other expenses, etc., shown in (5).

Item (1), Business Growth, shows a YoY increase of 25.9 billion yen. This was thanks to the full-year profit contribution of CAI, which became a wholly-owned subsidiary in November 2021, the business growth of subsidiaries in the Americas in the Global Business segment, and other factors.

Item (2), Credit Costs, resulted in a decrease of 21.5 billion yen YoY. This was mainly thanks to a reactionary fall in large credit costs recorded in FYE 3/2022 in the Customer Solutions segment, and decreases in credit costs for the Aviation segment, Global Business segment, and other segments.

Item (3), Operating Expenses, ended with an increase of 18.6 billion yen YoY. This was due to the consolidation of CAI, an increase in expenses associated with the promotion of business activities mainly in overseas subsidiaries, and other factors.

Item (4), Extraordinary Income and Loss, resulted in a decrease of 22.9 billion yen YoY. This was due to the absence of the large gains on sales of strategic shareholdings recorded in FYE 3/2022, despite the posting of gains on revaluation of securities at a European subsidiary in the Global Business segment.

Item (5), Others, had a positive impact of 10.9 billion yen YoY, mainly thanks to decrease in taxes.

Taken as a whole, the above has resulted in net income for FYE 3/2023 of 116.2 billion yen, an increase by 16.8 billion yen YoY.

Next, please turn to page 9.

III. Segment Updates

Increase/Decrease in Segment Profit and Assets



(Billion Yen)	Segment Profit			Segment Assets			Major Factors for Changes in Segment Profit
	FYE 3/2022	FYE 3/2023	YoY	FYE 3/2022 ¹⁾	FYE 3/2023	Change from FYE 3/2022	
Customer Solutions	32.6	38.1	+5.4	3,337.6	3,227.7	-109.9	Increased thanks to the posting of large gains on sales, the absence of large credit costs recorded in FYE 3/2022, etc.
Global Business	40.8	29.0	-11.8	2,316.3	2,644.2	+327.9	Decreased due to the absence of gains on sales of strategic shareholdings recorded in FYE 3/2022, etc., despite the business growth in the Americas.
Environment, Energy & Infrastructure	2.2	11.6	+9.3	419.3	433.2	+13.8	Increased thanks to increases in profits from overseas renewable energy-related equity-method investments, a decrease in credit costs, etc.
Aviation	5.6	6.2	+0.5	1,365.1	1,640.2	+275.1	Increased thanks to a reduction in credit costs and an increase in gains on sales of owned assets, etc., despite increases in exchange revaluation losses related to JOLCO ²⁾ and impairment losses.
Logistics	0.8	15.3	+14.5	1,026.7	1,092.9	+66.1	Increased thanks to the profit contribution from CAI, a marine container leasing company in the U.S.A. that became our wholly-owned subsidiary in November 2021, etc.
Real Estate	12.3	12.6	+0.2	712.7	447.2	-265.4	Increased thanks to a decrease in tax expenses associated with share transfer of DAF, while credit costs and other factors were posted for certain projects in the U.S.A.
Mobility	3.1	3.7	+0.6	129.4	41.4	-88.0	Increased thanks to an increase in gains on sales of vehicles for which the leasing term matured, etc., against a backdrop of the strong used car market in Japan.
Adjustments	1.5	-0.6	-2.1	37.9	105.8	+67.9	-
Total	99.4	116.2	+16.8	9,345.3	9,632.9	+287.5	

¹⁾ Final figures (figures presented in the Financial Results for the Fiscal Year Ended March 31, 2022 and the Financial Results for the 1st/2nd/3rd Quarter of Fiscal Year Ending March 31, 2023 are for reference).

²⁾ Exchange revaluation losses generated in the accounting process in relation to foreign currency-denominated borrowings for multiple deals booked at MHC under Japanese Operating Leases with Call Option (JOLCO) originated for domestic corporate investors (refer to footnote 4 on page 6 for details).

MITSUBISHI HC CAPITAL

9

This page shows an overview of each segment.

The horizontal bar graphs in the upper half show each segment profit for FYE 3/2022 and FYE 3/2023. The table in the lower half shows the status of segment profits and assets for each segment.

In the subsequent pages, I will provide some explanations for each segment.

Please turn to page 10.

Customer Solutions

Major Figures (Billion Yen)			
	FYE 3/2022	FYE 3/2023	YoY ^{*1}
Gross Profit	116.0	116.5	+0.5
Segment Profit	32.6	38.1	+5.4
New Transactions Volume	958.0	933.2	-24.8
Customer Finance ^{*2}	799.6	776.2	-23.3
Vendor Solution	158.4	156.9	-1.4
Segment Assets	3,337.6	3,227.7	-109.9
Customer Finance ^{*2}	2,817.4	2,721.9	-95.4
Vendor Solution	520.2	505.8	-14.4

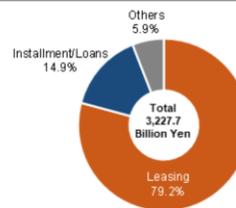
^{*1} Segment assets figures are vs. FYE 3/2022

^{*2} Strategic shareholdings, purchasing and sale of used products, etc. are included

Comments

- Segment profit increased YoY thanks to the posting of large gains on sales related to real estate leasing, non-operating income for a certain deal (insurance claim income), the absence of large credit costs recorded in FYE 3/2022, etc.
- Segment assets decreased compared to FYE 3/2022 due to the impact of a decrease in new transactions volume, etc.

Segment Assets of Customer Solutions by Transaction Type (FYE 3/2023)



 MITSUBISHI HC CAPITAL

10

In Customer Solutions segment, the segment profit increased by 5.4 billion yen YoY to 38.1 billion yen. This was mainly thanks to the posting of large gains on sales related to real estate leasing and the absence of large credit costs recorded in FYE 3/2022.

Next, please turn to page 11.

Global Business

Major Figures*1 (Billion Yen)

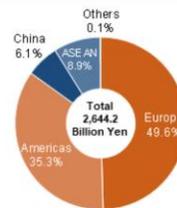
	FYE 3/2022	FYE 3/2023	YoY ²
Gross Profit	112.2	121.1	+8.8
Segment Profit	40.8	29.0	-11.8
Europe	15.7	17.6	+1.9
Americas	7.3	10.5	+3.2
China	-1.3	0.0	+1.4
ASEAN	1.1	2.3	+1.1
Others	17.9	-1.6	-19.6
New Transactions Volume	1,109.0	1,300.7	+191.6
Europe	635.3	729.7	+94.3
Americas	301.3	393.7	+92.4
China	94.9	65.8	-29.1
ASEAN	77.4	111.4	+33.9
Others	-	-	-
Segment Assets	2,316.3	2,644.2	+327.9
Europe	1,157.2	1,310.7	+153.4
Americas	718.7	934.8	+216.0
China	221.7	162.1	-59.5
ASEAN	214.3	234.5	+20.2
Others	4.3	2.0	-2.3

*1 As the figures are results for the Global Business segment, figures for overseas business in the Aviation, Logistics, and other segments are not included
 *2 Segment assets figures are vs. FYE 3/2022

Comments

- Gross profit increased YoY thanks to the business growth of subsidiaries mainly in the Americas.
- Segment profit decreased YoY due to the posting of a loss from revaluation of strategic shareholdings, the absence of large gains on sales of strategic shareholdings which were recorded in FYE 3/2022, etc., despite factors contributing to profit increase such as a decrease in credit costs and posting of gains on revaluation of securities at a European subsidiary.
- Segment assets increased compared to FYE 3/2022 thanks to an increase in new transactions volume in Europe and the Americas, the impact of the exchange rates, etc.

Segment Assets of the Global Business*1 by Region (FYE 3/2023)



MITSUBISHI HC CAPITAL

11

This is the Global Business segment.

I would like to remind everyone that the details on this page are for the Global Business segment, and do not include the results of global transactions that belong to other segments such as Aviation and Logistics.

Now, the gross profit in the “Global Business” segment increased by 8.8 billion yen YoY to 121.1 billion yen, mainly thanks to the business growth of subsidiaries in the Americas.

On the other hand, the segment profit decreased by 11.8 billion yen YoY to 29.0 billion yen due to the absence of large gains on sales of strategic shareholdings recorded in FYE 3/2022 and other factors, despite the factors contributing to profit increase, such as an increase in gross profit, a decrease in credit costs, and posting of gains on the revaluation of securities at a European subsidiary.

Now, please turn to page 12.

Environment, Energy & Infrastructure

Major Figures (Billion Yen)

	FYE 3/2022	FYE 3/2023	YoY ¹
Gross Profit	17.6	16.4	-1.1
Segment Profit	2.2	11.6	+9.3
New Transactions Volume	36.4	35.8	-0.6
Segment Assets	419.3	433.2	+13.8
Finance	99.5	92.9	-6.6
Environment and Energy Business	226.4	224.5	-1.8
Infrastructure Business	90.2	113.2	+23.0
Others	3.2	2.5	-0.6

¹ Segment assets figures are vs. FYE 3/2022

Comments

- Gross profit decreased YoY due to a decrease in electricity sales revenue from wind power generation business as a result of wind conditions, and other factors.
- Segment profit increased YoY thanks to an increase in profits from overseas renewable energy-related equity-method investments, gains on sales of equity interests in certain infrastructure projects, a decrease in credit costs, and other factors.
- Segment assets increased compared to FYE 3/2022 thanks to the closing of large transactions in overseas infrastructure-related projects, the impact of the exchange rates, etc.

Equity-owned Power Generation Capacity of Renewable Energy Generation Business^{2,3} (MW)

	FYE 3/2022	FYE 3/2023	Change from FYE 3/2022
Total ⁴	1,216	1,366	+149
Solar Power ⁴	939	1,020	+80
Domestic ⁴	923	990	+67
Overseas	16	30	+13
Wind Power	273	340	+66
Domestic	190	193	+3
Overseas	83	147	+63
Others	2	4	+2

² Management figures

³ Equity-owned power generation capacity in domestic and overseas renewable energy business. The output corresponds to the segment assets of environment and energy business and the part of infrastructure business

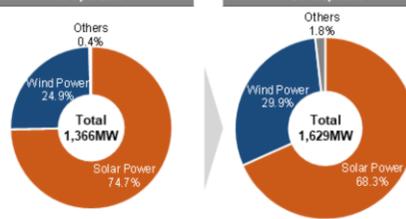
⁴ An adjustment corresponding to the equity ownership ratio was made for a certain deal (Change in FYE 3/2022)

Domestic solar power: 934→923, Solar power total: 951→939, Equity-owned power total: 1,227→1,216

Equity-owned Power Generation Capacity of Renewable Energy Generation Business (FYE 3/2023)

(1) Renewable Capacity in Operation

(2) Including Projects under Development



MITSUBISHI HC CAPITAL

12

In Environment, Energy & Infrastructure segment, the gross profit decreased by 1.1 billion yen YoY to 16.4 billion yen due to a decrease in domestic electricity sales revenue from wind power generation business as a result of wind conditions, and other factors.

On the other hand, the segment profit increased by 9.3 billion yen YoY to 11.6 billion yen thanks to an increase in profits from equity method investments associated with starting commercial operation of a wind power generation project in Europe, gains on sales of equity interests in certain infrastructure projects, a decrease in credit costs, and other factors.

Let's turn to page 13.

Aviation

Major Figures (Billion Yen)			
	FYE 3/2022	FYE 3/2023	YoY ¹⁾
Gross Profit	35.0	33.6	-1.4
Segment Profit	5.6	6.2	+0.5
New Transactions Volume	181.3	195.6	+14.2
Segment Assets	1,365.1	1,640.2	+275.1
Aircraft Leasing (JSA)	995.1	1,203.6	+208.5
Engine Leasing (ELF)	299.5	366.5	+66.9
Aircraft Leasing, etc. (MHC)	70.4	70.0	-0.3

¹⁾ Segment assets figures are vs. FYE 3/2022

Owned Aviation-related Assets ²⁾³⁾			
	FYE 3/2022	FYE 3/2023	Change from FYE 3/2022
Number of Aircraft (JSA)	191	199	+8
Number of Aircraft Purchased	22	13	-9 ⁴⁾
Number of Aircraft Sold	8	5	-3 ⁴⁾
Average Age (JSA)	4.5 years	4.9 years	+0.4 years
Average Leasing Term (JSA)	7.3 years	7.1 years	-0.2 years
Number of Aircraft Engines (ELF)	341	347	+6

²⁾ Management figures

³⁾ Figures before consolidated adjustments

⁴⁾ Vs. FYE 3/2022

⁵⁾ Exchange revaluation losses generated in the accounting process in relation to foreign currency-denominated borrowings for multiple deals booked at MHC under Japanese Operating Leases with Call Option (JOLCO) originated for domestic corporate investors (refer to the footnote 4 on page 6 for details)

⁶⁾ Single-lease aircraft mainly used for domestic and short-distance flights (A320 series by Airbus, B737 series by Boeing, etc.)

Comments

- Gross profit decreased YoY due to the absence of gains on sales of certain receivables from bankrupt debtors recorded in FYE 3/2022 and an increase in impairment losses, etc., despite an increase in leasing revenue and gains on sales of owned assets associated with the market recovery.
- Segment profit increased YoY thanks to a decrease in credit costs despite an increase in exchange revaluation losses on foreign currency-denominated borrowings in JOLCO⁵⁾.
- There were no off-leasing aircraft as of the end of March 2023 in our aircraft leasing business.



MITSUBISHI HC CAPITAL

13

In Aviation segment, the gross profit decreased by 1.4 billion yen YoY to 33.6 billion yen mainly due to the absence of gains on sales of certain receivables from bankrupt debtors in FYE 3/2022 and an increase in impairment losses, despite an increase in leasing revenues and gains of sales of the owned assets associated with the market recovery.

Conversely, the segment profit increased by 500 million yen YoY to 6.2 billion yen mainly thanks to a large reduction in credit costs, despite an increase in exchange revaluation losses on foreign currency borrowings in JOLCO.

As of the end of March, 2023, there were no off-leasing aircraft in our aircraft leasing business.

Please turn to page 14.

Logistics

Major Figures (Billion Yen)

	FYE 3/2022	FYE 3/2023	YoY ^{*1}
Gross Profit	6.9	32.1	+25.2
Segment Profit	0.8	15.3	+14.5
New Transactions Volume	74.6	55.3	-19.2
Segment Assets	1,026.7	1,092.9	+66.1
Marine Containers	736.5	793.0	+56.5
Railway Freight Cars	223.2	256.8	+33.6
Shipping	66.9	43.0	-23.9

*1 Segment assets figures are vs. FYE 3/2022

Owned Logistics-related Assets^{*2}

	FYE 3/2022	FYE 3/2023	Change from FYE 3/2022
Marine Container Fleet (TEU 1,000 ^{*3})	3,492	3,412	-80
Marine Container Fleet (CEU 1,000 ^{*4})	3,701	3,610	-90
Number of Railway Freight Cars	21,818	22,654	+836

*2 Management figures

*3 TEU: TwentyFoot Equivalent Unit (unit equivalent to the capacity of a 20-foot long container)

*4 CEU: Cost Equivalent Unit (Conversion unit for various container volumes, calculated on the basis of 1 CEU = average historical price of a newly built 20-foot dry container)

Comments

- Segment profit increased YoY thanks to the full-year profit contribution from CAI, a marine container leasing company in the U.S.A. that became our wholly-owned subsidiary in November 2021, the steady performance of BIL, etc.
- Segment assets increased compared to FYE 3/2022 thanks to the impact of the exchange rates, etc., despite the decline in owned fleets as a result of sales of used marine containers.

Trend of Marine Container Fleet (TEU 1,000)^{*5}



*5 The figures of CAI for FYE 3/2019 through FYE 3/2021 are pre-acquisition figures provided for reference

MITSUBISHI HC CAPITAL

14

In Logistics segment, the segment profit increased by 14.5 billion yen YoY to 15.3 billion yen driven by the marine container leasing business, with thanks to the full-year profit contribution from CAI, and the steady performance of BIL.

These two companies merged on January 1, 2023. As a result, they together had the global third largest share of the marine container leasing market in terms of cost equivalent unit (“CEU”) as of the end of December 2022. Having become a world-leading marine container leasing company, we expect it to increase its global competitiveness, work toward the growth opportunities, and strengthen and expand it as a driver of the growth for MHC.

Let’s look at page 15.

Real Estate

Major Figures (Billion Yen)			
	FYE 3/2022	FYE 3/2023	YoY ^{*1}
Gross Profit	26.6	24.9	-1.6
Segment Profit	12.3	12.6	+0.2
New Transactions Volume	116.2	87.9	-28.2
Segment Assets	712.7	447.2	-265.4
Securitization (Debt)	145.7	145.2	-0.5
Domestic ^{*2}	121.2	120.7	-0.5
Overseas	24.5	24.5	0.0
Securitization (Equity)	56.8	55.1	-1.7
Domestic ^{*2}	39.6	37.1	-2.5
Overseas	17.2	18.0	+0.8
Real Estate Revitalization Investment	193.0	157.1	-35.8
Real Estate Rental Business	85.5	71.9	-13.6
Other Real Estate Finance	231.4	17.7	-213.6

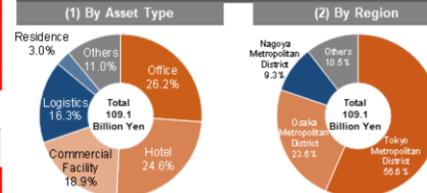
^{*1} Segment assets figures are vs. FYE 3/2022
^{*2} The amount is booked by the Real Estate Business Department

Amount of Equity Contribution for Domestic Securitization/ Real Estate Revitalization Investment ^{*3,4} (Billion Yen)			
	FYE 3/2022	FYE 3/2023	Change from FYE 3/2022
Total	124.2	109.1	-15.1
Domestic Securitization	33.6	29.4	-4.2
Real Estate Revitalization Investment	90.5	79.7	-10.8

Comments

- Gross profit decreased YoY due to the posting of a market valuation loss on a certain project in the U.S.A.
- Segment profit increased YoY thanks to a decrease in tax expenses associated with the share transfer of DAF, etc., while credit costs were posted for another project in the U.S.A., in addition to the above.
- Segment assets decreased compared to FYE 3/2022 due to the impact of the deconsolidation associated with share transfer of DAF, etc.

Amount of Equity Contribution for Domestic Securitization/
Real Estate Revitalization Investment^{*3,4} (FYE 3/2023)



^{*3} Management figures (total of equity investment in domestic securitization/real estate revitalization). The figures are not equal to the equity balance of segment assets because some investees are consolidated subsidiaries and investment and capital are offset in financial accounting

^{*4} Relevant segment assets for domestic securitization are 39.6 billion yen for FYE 3/2022 and 37.1 billion yen for FYE 3/2023. Those for real estate revitalization investment are 193.0 billion yen for FYE 3/2022 and 157.1 billion yen for FYE 3/2023

MITSUBISHI HC CAPITAL

15

In Real Estate segment, the gross profit decreased by 1.6 billion yen to 24.9 billion yen mainly due to the posting of a market valuation loss on a project in the U.S.A.

Despite credit costs posted for another project in the U.S.A. on top of the decline in gross profit, the segment profit increased by 200 million yen YoY to 12.6 billion yen, mainly thanks to a decrease in tax expenses associated with the share transfer of Diamond Asset Finance.

Please turn to page 16.

Mobility

Major Figures (Billion Yen)			
	FYE 3/2022	FYE 3/2023	YoY ¹
Gross Profit	8.2	9.0	+0.7
Segment Profit	3.1	3.7	+0.6
New Transactions Volume	31.9	31.8	-0.1
Segment Assets	129.4	41.4	-88.0

¹ Segment Assets figure is vs. FYE 3/2022

Number of Operational Vehicles ² (Unit: 1,000)			
	FYE 3/2022	FYE 3/2023	Change from FYE 3/2022
Number of Operational Vehicles ³	358	355	-2

² Management figures

³ Including the number of operational vehicles of equity-method affiliates

Comments

- Segment profit increased YoY thanks to an increase in gains on sales of vehicles for which leasing term matured against a backdrop of the strong used car market in Japan, an increase in profit from equity-method investments, etc.
- Segment assets decreased compared to FYE 3/2022 due to the impact of deconsolidation of Mitsubishi HC Capital Auto Lease associated with reorganization of group companies.

Business Integration of Mitsubishi HC Capital Auto Lease and Mitsubishi Auto Leasing

- On April 1, 2023, the merger of Mitsubishi HC Capital Auto Lease ("CA") and Mitsubishi Auto Leasing ("MAL") was completed (MAL, which is an equity-method affiliate, is the surviving company).
- As a part of the merger proceedings, CA was changed from a consolidated subsidiary to an equity-method affiliate in March 2023. The impacts on our financial results are below.

	FYE 3/2022	FYE 3/2023
Gross Profit		
Segment Profit		
New Transactions Volume	Full-year results of CA were fully incorporated	
Segment Assets	Results as of the end of the fiscal year were fully posted	Investments of MHC in CA were posted as equity-method investments

 MITSUBISHI HC CAPITAL

16

In Mobility segment, the segment profit increased by 600 million yen YoY to 3.7 billion yen mainly thanks to an increase in gains on sales of vehicles for which leasing term matured, against a backdrop of the strong used car market in Japan.

On April 1 of this year, the merger between our equity-method affiliate Mitsubishi Auto Leasing and our consolidated subsidiary Mitsubishi HC Capital Auto Lease ("CA") was completed, with Mitsubishi Auto Leasing, which is an equity-method affiliate, as the surviving company.

In March 2023, the status of CA was changed from a consolidated subsidiary to an equity-method affiliate as a part of the merger proceedings. The effect of this merger on the consolidated financials for FYE 3/2023 was that the full-year profits and the new transactions volume of CA were fully incorporated into our consolidated financials, however, in terms of the segment assets (B/S), only our investments in CA as of the end of March 2023 were posted as equity-method investments. For this reason, the segment assets were down by 88.0 billion yen compared to FYE 3/2022, finishing at 41.4 billion yen.

Now, I would like to talk about our financial forecasts for FYE 3/2024. Let's move on to page 18.

IV. Financial Forecast for FYE 3/2024

Financial Forecast for FYE 3/2024

- Net income for FYE 3/2024 will see a limited YoY increase up to 120.0 billion yen, due to investments aiming to realize Our 10-year Vision and costs associated with restructuring and redefining existing businesses, in addition to the absence of reduction effect in tax expenses recorded in FYE 3/2023, while forecasting the growth of aviation business against the backdrop of the recovery of passenger demand.
- ROA^{*1} in FYE 3/2024 is estimated to remain flat YoY and ROE^{*1} is estimated to be 7.8%, down 0.4pt YoY, due to the impact of the exchange rates.
- We estimate the annual dividend per share of 37 yen, up 4 yen YoY (interim dividend: 18 yen, year-end dividend: 19 yen) and the payout ratio of 44.3%.

	FYE 3/2023	FYE 3/2024 ^{*2,3}	YoY Change (%)
1 Net Income Attributable to Owners of the Parent (Billion Yen)	116.2	120.0	+3.7 (+3.2%)
2 ROA ^{*1}	1.1%	1.1%	-
3 ROE ^{*1}	8.2%	7.8%	-0.4pt
4 Dividend per Share (Payout Ratio)	¥33 (40.8%)	¥37 (44.3%)	+¥4 (+3.5pt)

^{*1} Based on net income

^{*2} Forecast as of May 15, 2023

^{*3} The assumed foreign exchange rates are \$1=¥130, £1=¥160

 MITSUBISHI HC CAPITAL

18

In FYE 3/2024, the first fiscal year of the 2025 MTMP, we are expecting steady business growth, such as the growth in the aviation business against the backdrop of the recovery of passenger demand.

On the other hand, we do anticipate costs for restructuring and redefining existing businesses toward achieving “Our 10-year Vision.”

In terms of these forecasting, the net income for FYE 3/2024 is planned to be 120.0 billion yen, an increase by 3.7 billion yen YoY.

And we expect that ROA in FYE 3/2024 will remain flat YoY at 1.1%, and ROE will be 7.8%, down 0.4 pt YoY due to the impact of exchange rates etc.

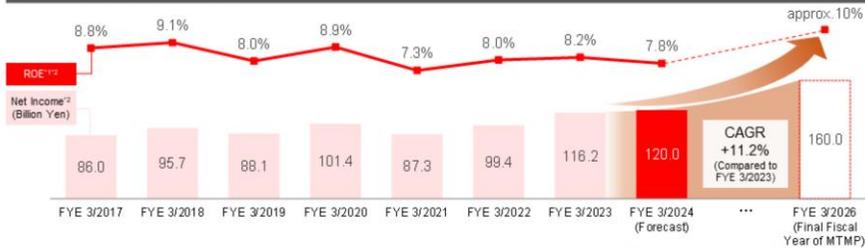
These calculations are based on the assumed exchange rates of 130 yen to the dollar and 160 yen to the pound.

Let's look at page 19.

Transition of Major Figures

- Mid-term management plan ("2025 MTMP") covering the three-year period from FYE 3/2024 was formulated.
- Financial targets at the final fiscal year of 2025 MTMP (FYE 3/2026) are net income of 160.0 billion yen, ROA^{*1} of approx. 1.5%, and ROE^{*1} of approx. 10%.

Transition of Net Income^{*2} and ROE^{*1,2}



	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 ^{*4}	YoY (Change)	FYE 3/2026 (Final Fiscal Year of MTMP)
1 Net Income^{*2} (Bn Yen)	86.0	95.7	88.1	101.4	87.3	99.4	116.2	120.0	+3.7	160.0
2 ROA^{*1,2}	1.0%	1.1%	1.0%	1.0%	0.9%	1.0%	1.1%	1.1%	-	Approx. 1.5%
3 ROE^{*1,2}	8.8%	9.1%	8.0%	8.9%	7.3%	8.0%	8.2%	7.8%	-0.4pt	Approx. 10%
4 Dividend per Share^{*3}	¥13.0	¥18.0	¥23.5	¥25.0	¥25.5	¥28.0	¥33.0	¥37.0	+¥4.0	-
5 Payout Ratio^{*3}	21.8%	25.2%	30.4%	31.5%	41.1%	40.4%	40.8%	44.3%	+3.5pt	More than 40%

^{*1} Based on net income

^{*2} Figures for FYE 3/2017 to FYE 3/2021 are simple sums of MUL's (net income attributable to owners of the parent under J-GAAP) and HC's (net income attributable to owners of the parent under IFRS)

^{*3} MUL's results from FYE 3/2017 to FYE 3/2021

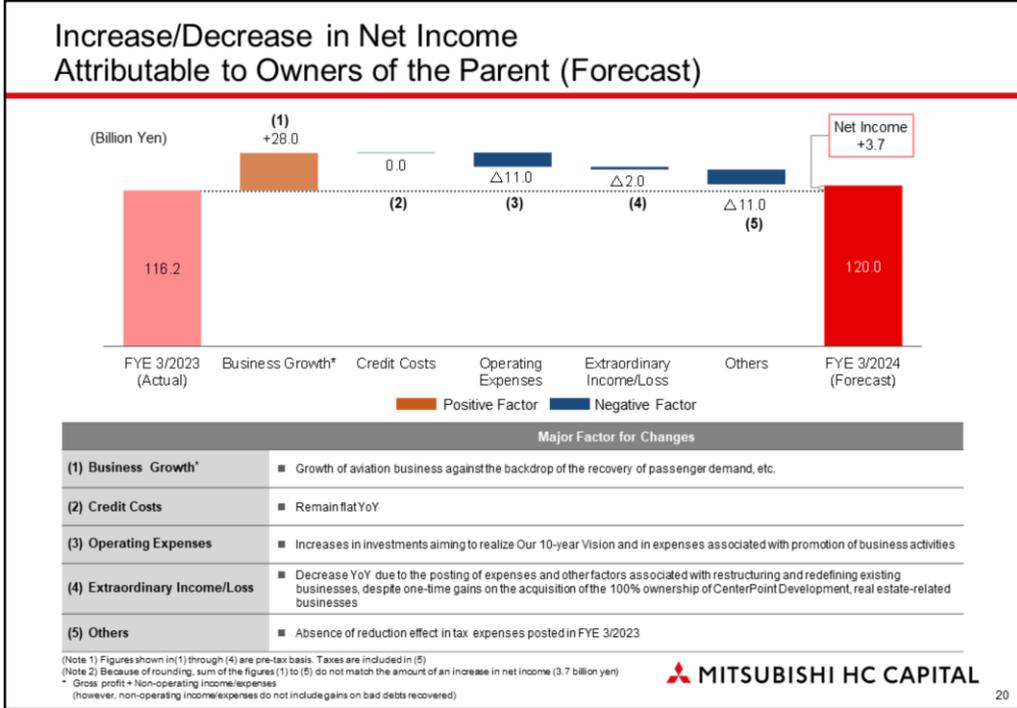
^{*4} The assumed foreign exchange rates for FYE 3/2024 are \$1=¥130, €1=¥160

MITSUBISHI HC CAPITAL

19

Here you can see a transition of some major figures. Our financial forecast for FYE 3/2024 is set for the net income of 120.0 billion yen. This figure marks three consecutive years of increased net income, and represents a new historical high for the net income.

Please turn to page 20.



The forecast net income for this fiscal year of 120.0 billion yen is presented here with a waterfall chart, comparing positive factors and negative factors with the previous fiscal year.

In item (1), Business Growth, we expect a 28.0 billion yen increase YoY thanks to the growth in the Aviation segment against the backdrop of the recovery of passenger demand and other factors.

Next, looking at the blue parts of the graph, we can see negative factors on income.

In item (3), Operating Expenses, we expect an increase by approximately 11.0 billion yen YoY due to the investments aiming to achieve “Our 10-year Vision”, and the expenses associated with the promotion of business activities.

In item (4), Extraordinary Income and Loss, despite the one-time gains associated with our 100% acquisition of CenterPoint Development in the Real Estate segment, we anticipate a decrease of approximately 2.0 billion yen YoY due to the expenses associated with restructuring and redefining existing businesses, and other factors.

In item (5), Others, we expect the absence of a reduction effect in tax expenses posted in FYE 3/2023.

Based on these factors, we have set our forecast net income for FYE 3/2024 at 120.0 billion yen, an increase by 3.7 billion yen YoY.

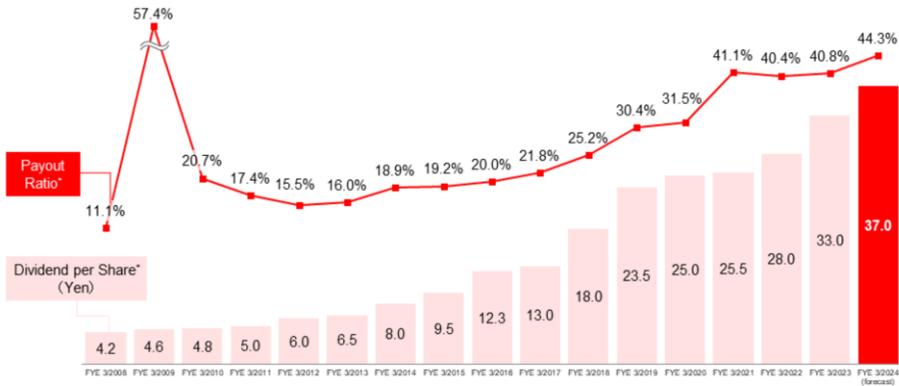
Finally, I would like to talk about our dividend forecast for FYE 3/2024.

Let’s move on to page 21.

Dividend Forecast for FYE 3/2024

- We will return profits to shareholders by distributing dividends and sustainably increase the total amount of dividend payment through profit growth.
Payout ratio during 2025 MTMP is targeted to be more than 40%. Annual dividend per share for FYE 3/2024 is forecast to be 37 yen, up 4 yen YoY.
Assuming net income of 120.0 billion yen and dividend per share of 37 yen, the payout ratio is estimated to be 44.3%.

Transition of Dividend



* MUL's results from FYE 3/2008 to FYE 3/2021

 MITSUBISHI HC CAPITAL

21

Pursuing our basic policy of returning profits to shareholders by distributing dividends, we are planning a payout ratio of more than 40% during the 2025 MTMP. Accordingly, the annual dividend per share for FYE 3/2024 is forecast to be 37 yen, up 4 yen YoY.

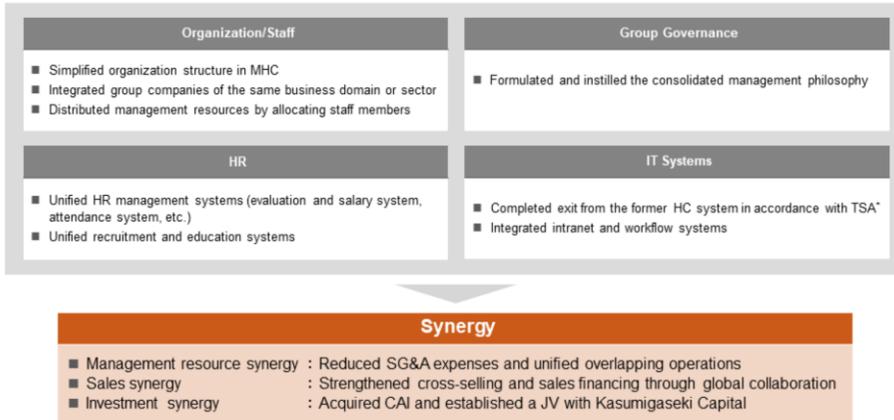
Assuming net income of 120.0 billion yen, the payout ratio is estimated to be 44.3%.

Thank you for your time.

V. Appendix

Major PMI Measures Implemented during the Two Years after the Integration

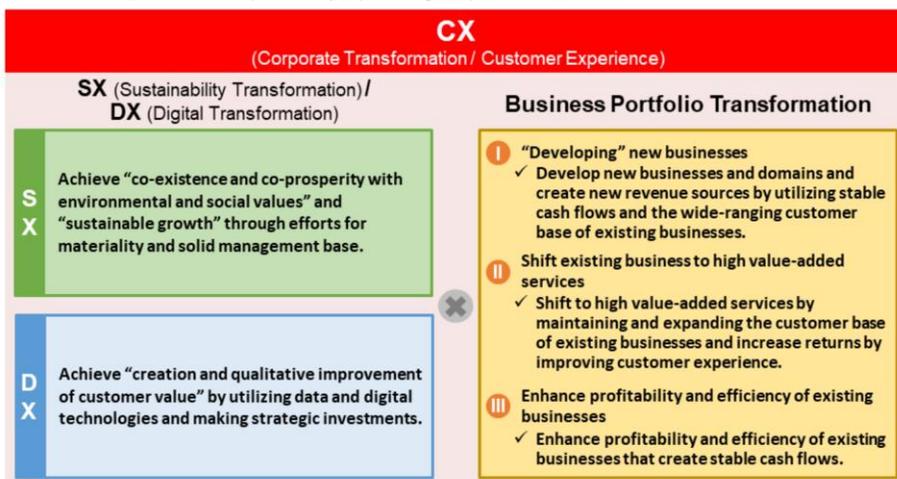
- The tasks for the post-merger integration (PMI) process, which was planned at the beginning of the integration, was completed by the end of March 2023 as scheduled.
- Management resource synergy of about 5.0 billion yen was generated by FYE 3/2023, and the amount is estimated to be 10.0 billion yen by FYE 3/2024 as initially planned.



* Transition Service Agreement

Medium- to Long-term Management Direction (announced in May 2022): Implementing CX

- Achieve Our 10-year Vision by promoting CX through "SX / DX" and "Business Portfolio Transformation."
- We can achieve "Customer Experience" by implementing "Corporate Transformation."



Major Initiatives to Promote CX (From April 2022)



An Initiative Related to Renewable Energy SX*1

- Announced the acquisition of partial stake of distributed solar power generation project in Massachusetts, U.S.A. (May 2022)
- Constructed a new solar power plant next to the Akita Tembinno Wind Farm completed in September 2015 in Akita City, Akita Prefecture, and began operation as a solar and wind hybrid power station (July 2022)



Akita Tembinno Wind Farm / Akita Tembinno solar hybrid power plant

Completed Logistics Facilities with Less Environmental Impact SX*1

- Completed the construction of CPD Nagoya Minato in Nagoya City, a multi-tenant logistics facility focusing on reducing environmental impact (May 2022)
- Completed the construction of CPD Nishiyodogawa in Nishiyodogawa Ward, Osaka City, a logistics facility focusing on reducing environmental impact (September 2022)



CPD Nagoya Minato

CPD Nishiyodogawa

*1 Sustainability Transformation
*2 Digital Transformation

Initiatives toward Decarbonization SX*1 Business portfolio transformation

- Started examinations together with Wastebox and Zeroboard toward the commercialization of the CO2 visualization management service that will contribute to GX (April 2022)
- Mitsubishi HC Capital Energy and Japan Exchange Group concluded a memorandum of understanding for a joint study in the field of solar power generation (October 2022)
- Contribution to the decarbonization of the Japanese aviation industry by establishing a hydrogen value chain under a collaboration with U.S. company Universal Hydrogen (UH2) and Sojitz (March 2023)



Zeroboard's dashboard (example)



UH2's hydrogen fuel cell-powered aircraft

Development of New Businesses by Promoting DX DX*2 Business Portfolio Transformation

- Acquired a stake in a newly established subsidiary of Mitsubishi Corporation. The subsidiary undertakes warehouse DX operations developed by Mitsubishi Corporation (July 2022)
- Closed a capital tie-up agreement with Connected Robotics, which is engaged in research and development of robot services for the food industry (December 2022)

Business Portfolio Transformation in Real Estate Segment Business portfolio transformation

- Aiming to concentrate resources on focused businesses in the real estate segment and to improve profitability in the segment, we transferred shares of Diamond Asset Finance, which mainly operates residential real estate-related financing (share transfer completed in March 2023)
- Acquired a 100% stake in Center Point Development, a group company engaging in the development of logistics facilities and asset management business specializing in logistics facilities (April 2023)

Segment Profit (by Quarter)

(Billion Yen)	FYE 3/2022				FYE 3/2023				QoQ	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
1 Customer Solutions	8.3	10.0	10.3	3.9	11.2	9.3	8.1	9.3	+1.1	+5.3
2 Global Business	24.2	5.1	6.5	4.8	10.2	13.3	3.3	2.0	-1.2	-2.7
3 Environment, Energy & Infrastructure	0.8	0.2	-2.3	3.5	1.9	3.5	2.8	3.3	+0.4	-0.1
4 Aviation	-2.4	6.5	-1.8	3.3	-0.9	-1.8	2.8	6.1	+3.3	+2.7
5 Logistics	0.0	0.8	-1.2	1.1	4.8	4.5	3.1	3.0	0.0	+1.8
6 Real Estate	1.1	2.7	2.3	6.0	2.6	2.5	2.2	4.8	+2.5	-1.2
7 Mobility	0.9	0.9	0.9	0.2	1.3	1.0	0.9	0.4	-0.4	+0.2
8 Adjustments	0.0	0.6	0.5	0.4	0.8	-1.6	-0.8	1.0	+1.8	+0.6
9 Total Segment Profit	33.1	27.3	15.2	23.6	32.0	31.1	22.7	30.3	+7.5	+9.6

(Billion Yen)	FYE 3/2022				FYE 3/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
1 Customer Solutions	3Q: Gains on sales of owned assets, approx. JPY2.0bn (+) 4Q: Large credit costs, approx. JPY1.0bn (-)				1Q: Large gains on sales related to real estate leasing, approx. JPY2.0bn (+) Non-operating income in a certain deal (insurance claim income), approx. JPY1.0bn (+)			
2 Global Business	1Q: Gains on sales of strategic shareholdings, JPY26.7bn (+)				2Q: Gains on revaluations of the securities held by a European subsidiary as they were excluded from the scope of application of the equity method, approx. JPY2.0bn (+) 3Q: Losses on revaluation of strategic shareholdings, approx. JPY2.0bn (-) One-time IT-related expenses in Europe, approx. JPY1.0bn (-) Transition operating expenses in China, approx. JPY1.0bn (-)			
3 Environment, Energy & Infrastructure	2Q: Market valuation losses in the infrastructure business, approx. JPY2.0bn (-) 3Q: Credit costs relating to the infrastructure business, approx. JPY4.0bn (-) 4Q: Gains on sales of owned assets, approx. JPY3.0bn (+)				1Q: Increases in profit from equity-method investment in a wind power generation project in Europe, approx. JPY1.0bn (+) 2Q: Sales of equity interest in certain projects in the infrastructure business, approx. JPY2.0bn (+) 4Q: Gains on sales of owned assets, approx. JPY3.0bn (+)			
4 Aviation	1Q: Expenses related to modification of terms for certain existing contracts, approx. JPY2.0bn (-) Exchange revaluation losses in JOLCO*, approx. JPY2.0bn (-) 2Q: Gains on revaluation of certain receivables from bankrupt debtors, approx. JPY7.0bn (+) 3Q: An impairment loss on owned aircraft, approx. JPY3.0bn (-) 4Q: Gains on sales of owned assets, approx. JPY3.0bn (+)				1Q: Exchange revaluation losses in JOLCO*, approx. JPY3.0bn (-) 2Q: An impairment loss on owned aircraft, approx. JPY4.0bn (-) Exchange revaluation losses in JOLCO*, approx. JPY3.0bn (-) 3Q: Exchange revaluation losses in JOLCO*, approx. JPY1.0bn (-) 4Q: Gains on sales of owned assets, approx. JPY3.0bn (+) Expenses associated with bankruptcy of a certain customer, approx. JPY2.0bn (-) Exchange revaluation gains in JOLCO*, approx. JPY2.0bn (+); An impairment loss on owned aircraft, approx. JPY1.0bn (-)			
5 Logistics	3Q: Expenses for the reconfiguration of railway freight car portfolio, approx. JPY2.0bn (-) 4Q: Expenses for the reconfiguration of railway freight car portfolio, approx. JPY3.0bn (-)				1Q: Gains on sales of owned assets, approx. JPY1.0bn (+) 3Q: Impairment losses on the replacement of railway freight car portfolio, approx. JPY2.0bn (-)			
6 Real Estate	2Q: Gains on sales of owned assets, approx. JPY2.0bn (+) 3Q: Gains on sales of owned assets, approx. JPY2.0bn (+) 4Q: Gains on sales of owned assets, approx. JPY5.0bn (+)				1Q: Gains on sales of owned assets, approx. JPY4.0bn (+); Large credit costs, approx. JPY2.0bn (-) 2Q: Gains on sales of owned assets, approx. JPY3.0bn (+) 3Q: Gains on sales of owned assets, approx. JPY2.0bn (+) (Impact of the transfer of DAF shares**); approx. JPY2.0bn (+) 4Q: Gains on sales of owned assets, approx. JPY5.0bn (+); Market valuation losses on a certain project, approx. JPY2.0bn (-)			

* Exchange revaluation losses generated in the accounting process in relation to foreign currency-denominated borrowings for multiple deals booked at MHC under Japanese Operating Leases with Call Option (JOLCO) originated for domestic corporate investors (refer to footnote 4 on page 6 for details)

** Based on figures after tax



New Transactions Volume by Segment

(Billion Yen)	FYE 3/2022	FYE 3/2023	YoY Change	YoY Change (%)
1 Customer Solutions	958.0	933.2	-24.8	-2.6%
2 Global Business	1,109.0	1,300.7	+191.6	+17.3%
3 Environment, Energy & Infrastructure	36.4	35.8	-0.6	-1.8%
4 Aviation	181.3	195.6	+14.2	+7.8%
5 Logistics	74.6	55.3	-19.2	-25.8%
6 Real Estate	116.2	87.9	-28.2	-24.3%
7 Mobility	31.9	31.8	-0.1	-0.5%
8 Total New Transactions Volume	2,507.8	2,640.6	+132.7	+5.3%

Credit Costs by Segment

(Billion Yen)	FYE 3/2022	FYE 3/2023	YoY Change
1 Customer Solutions	7.1	-0.2	-7.4
2 Global Business	12.4	6.8	-5.6
3 Environment, Energy & Infrastructure	5.7	1.8	-3.9
4 Aviation	9.7	3.0	-6.7
5 Logistics	-0.1	0.0	0.0
6 Real Estate	0.5	2.2	+1.7
7 Mobility	0.0	0.0	0.0
8 Adjustments	-0.3	0.0	+0.3
9 Total Credit Costs	35.2	13.7	-21.5

Financial Performance: Profit & Loss Statement

(Million Yen)	FYE 3/2021*	FYE 3/2022	FYE 3/2023
1 Revenues	1,713,891	1,765,559	1,896,231
	-	+3.0%	+7.4%
2 Cost of Revenues	1,418,066	1,430,898	1,538,904
	-	+0.9%	+7.5%
3 Cost of Funds	92,392	77,493	136,656
	-	-16.1%	+76.3%
4 Gross Profit	295,825	334,661	357,327
	-	+13.1%	+6.8%
5 SG&A Expenses	197,774	220,569	218,600
	-	+11.5%	-0.9%
6 Personnel Expenses	91,011	99,286	112,007
	-	+9.1%	+12.8%
7 Non-personnel Expenses	79,162	83,806	89,735
	-	+5.9%	+7.1%
8 Allowance	27,599	37,477	16,858
	-	+35.8%	-55.0%
9 Operating Income	98,051	114,092	138,727
	-	+16.4%	+21.6%
10 Recurring Income	105,419	117,239	146,076
	-	+11.2%	+24.6%
11 Extraordinary Income	20,591	30,399	11,350
	-	+47.6%	-62.7%
12 Extraordinary Loss	299	388	4,262
	-	+29.8%	+998.4%
13 Net Income Attributable to Owners of the Parent	87,166	99,401	116,241
	-	+14.0%	+16.9%

(Note) Percentage figures (%) in the lower column are YoY

* Figures for FYE 3/2021 are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, and are presented as reference values

Financial Performance: Balance Sheet, etc.

(Million Yen)	FYE 3/2021 ^{*1} (end-Mar. 2021)	FYE 3/2022 (end-Mar. 2022)	FYE 3/2023 (end-Mar. 2023)
1 Cash and Cash Equivalents	603,321	540,942	589,688
	-	-10.3%	+9.0%
2 Total Equity	1,250,216	1,333,467	1,551,029
	-	+6.7%	+16.3%
3 Total Assets	9,730,027	10,328,872	10,726,196
	-	+6.2%	+3.8%
4 Segment Assets	8,604,876	9,345,376	9,632,966
	-	+8.6%	+3.1%
5 Operating Assets	8,259,624	9,058,273	9,311,185
	-	+9.7%	+2.8%
6 Equity-Method Investments	140,291	142,469	163,109
	-	+1.6%	+14.5%
7 Goodwill, Investment Securities, etc.	204,960	144,633	158,670
	-	-29.4%	+9.7%
8 Impaired Assets	95,543	108,188	99,912
	-	+13.2%	-7.6%
9 Allowance	58,066	76,791	68,806
	-	+32.2%	-10.4%
10 Net Balance of Impaired Assets	37,476	31,397	31,106
	-	-16.2%	-0.9%
11 Equity Ratio	12.5%	12.7%	14.3%
	-	+0.2pt	+1.6pt
12 ROE ^{*2}	-	8.0%	8.2%
	-	-	+0.2pt
13 ROA ^{*2}	-	1.0%	1.1%
	-	-	+0.1pt

(Note) Percentage figures (%) in the lower column are vs. end of the previous fiscal year

*1 Figures for FYE 3/2021 are the sum of consolidated results of MUL and those of HC (IFRS basis)

converted into J-GAAP basis in a simplified manner, and are presented as reference values

*2 Based on net income

Financial Performance: Balance Sheet, etc. (Cont'd)

(Million Yen)	FYE 3/2021 ^{*1} (end-Mar. 2021)	FYE 3/2022 (end-Mar. 2022)	FYE 3/2023 (end-Mar. 2023)
14 Total Funding	7,633,836	8,066,082	8,236,106
	-	+5.7%	+2.1%
15 Indirect Funding	4,193,928	4,515,103	4,846,586
	-	+7.7%	+7.3%
16 Direct Funding	3,439,908	3,550,978	3,389,520
	-	+3.2%	-4.5%
17 CP	643,812	682,593	559,485
	-	+6.0%	-18.0%
18 Securitization	584,565	604,493	604,302
	-	+3.4%	0.0%
19 Corporate Bonds	2,211,530	2,263,891	2,225,731
	-	+2.4%	-1.7%
20 Direct Funding Ratio	45.1%	44.0%	41.2%
	-	-1.1pt	-2.8pt
21 Long-Term Funding Ratio ^{*2}	81.5%	81.1%	82.5%
	-	-0.4pt	+1.4pt
22 Foreign Currency Funding Ratio	43.1%	49.4%	56.3%
	-	+6.3pt	+6.9pt

(Note) Percentage figures (%) in the lower column are vs. end of the previous fiscal year

*1 Figures for FYE 3/2021 are the sum of consolidated results of MUL and those of HC (FRS basis) converted into J-GAAP basis in a simplified manner, and are presented as reference values

*2 Definition of calculation was changed (Before: the denominator included corporate bonds and long-term borrowings with repayment (redemption) periods of over one year. After: corporate bonds and long-term borrowings to be repaid (redeemed) within one year are added to corporate bonds and long-term borrowings to be repaid (redeemed) beyond one year and beyond)

Exchange Rate Applied to Financial Results of Major Overseas Subsidiaries^{*3}

	Major Overseas Subsidiaries with FY Ending in December		Major Overseas Subsidiaries with FY Ending in March			
	FYE 3/2022	FYE 3/2023	FYE 3/2022		FYE 3/2023	
23 Exchange Rate Applied to PL	\$1=JPY109.80	\$1=JPY131.43	£1=JPY153.56	\$1=JPY112.38	£1=JPY163.15	\$1=JPY135.47
24 Exchange Rate Applied to BS	\$1=JPY115.02	\$1=JPY132.70	£1=JPY160.89	\$1=JPY122.39	£1=JPY165.56	\$1=JPY133.53

*3 Major overseas subsidiaries with FY ending in December → Average exchange rates during Jan. through Dec. applied to PL

FYE 3/2022 BS: exchange rate as of end-Dec. 2021 is applied

FYE 3/2023 BS: exchange rate as of end-Dec. 2022 is applied

Major overseas subsidiaries with FY ending in March → Average exchange rates during Apr. through Mar. applied to PL

FYE 3/2022 BS: exchange rate as of end-Mar. 2022 is applied

FYE 3/2023 BS: exchange rate as of end-Mar. 2023 is applied

 MITSUBISHI HC CAPITAL

Major Companies (1)

Segment	Major Companies	Consolidated/ Equity method	Main Business	Segment	Major Companies	Consolidated/ Equity method	Main Business	
Customer Solutions	Mitsubishi HC Capital/ Domestic Business Branches	-	Leasing, etc.	Americas	Mitsubishi HC Capital America	Consolidated	Leasing and financial business	
	Mitsubishi HC Business Lease	Consolidated	Sales Finance		Mitsubishi HC Capital Canada Leasing	Consolidated	Leasing and financial business	
	DFL Lease	Consolidated	Leasing, etc.	China Region	Mitsubishi HC Capital Leasing (Beijing)	Consolidated	Leasing, etc.	
	Shutoken Leasing	Consolidated	Leasing, etc.		Mitsubishi HC Capital (Shanghai)	Consolidated	Leasing, etc.	
	DRS	Consolidated	Rental and leasing, etc.		Mitsubishi HC Capital (Hong Kong)	Consolidated	Leasing, etc.	
	Sekisui Leasing	Consolidated	Leasing, etc.	Global Business	Mitsubishi HC Capital Asia Pacific	Consolidated	Leasing, etc.	
	Mitsubishi HC Capital Property	Consolidated	Real estate leasing		Mitsubishi HC Capital (Singapore)	Consolidated	Leasing, etc.	
	Mitsubishi HC Capital Community	Consolidated	Real estate leasing, Real estate development and management		Mitsubishi HC Capital and Finance Indonesia	Consolidated	Leasing, etc.	
	Japan Medical Lease	Consolidated	Medical equipment and real estate leasing		ASEAN	Arthaasia Finance	Consolidated	Leasing and financial business
	Healthcare Management Partners	Consolidated	Management of fund to support management specializing in the medical and long-term care fields			Bangkok Mitsubishi HC Capital	Consolidated	Leasing, etc.
	U-MACHINE	Consolidated	Purchase and sale of used goods			Mitsubishi HC Capital (Thailand)	Consolidated	Leasing, etc.
MHC Reuse Services	Consolidated	Purchase and sale of used goods	Mitsubishi HC Capital Malaysia		Consolidated	Leasing, etc.		
Global Business	Europe	Mitsubishi HC Capital UK	Consolidated	Leasing and financial business				
		MHC Mobility [Germany]*	Consolidated	Auto leasing and rental				
		MHC Mobility [Netherlands]*	Consolidated	Auto leasing				
		MHC Mobility [Poland]*	Consolidated	Auto leasing				

(Note) Company names are as of May 15, 2023
* Office location

 MITSUBISHI HC CAPITAL

Major Companies (2)

Segment	Major Companies	Consolidated/ Equity-method	Main Business	Segment	Major Companies	Consolidated/ Equity-method	Main Business
Environment, Energy & Infrastructure	Mitsubishi HC Capital/ Environment & Energy Business Department	-	Investment in environment and energy-related companies	Real Estate	Mitsubishi HC Capital/ Real Estate Business Department	-	Real estate securitization finance
	Mitsubishi HC Capital/ Environment & Energy Sales Department	-	Environment-related and renewable energy business		Mitsubishi HC Capital Realty	Consolidated	Real estate revitalization investment
	Mitsubishi HC Capital/ Infrastructure Business Department	-	Renewable energy and infrastructure business		Mitsubishi HC Capital Realty Advisors	Consolidated	Asset management services
	Mitsubishi HC Capital Energy	Consolidated	Operation and asset management of renewable energy business		Miyuki Building	Consolidated	Real estate rental
	HSE	Consolidated	Wind power generation business		Mitsubishi HC Capital Realty (U.S.A.)	Consolidated	Overseas (North America) securitization finance
Aviation	Mitsubishi HC Capital/ Aviation Business Department	-	Japanese Operating Lease with call option, etc.		Center Point Development	Consolidated	Asset management services for logistics real estate
	Jackson Square Aviation <JSA>	Consolidated	Aircraft leasing		Logi Flag Development	Equity-method	Asset management services for logistics real estate
	Engine Lease Finance <ELF>	Consolidated	Aircraft engine leasing, part-out		Mitsubishi HC Capital/ Mobility Business Department	-	Investment in mobility-related companies
Logistics	Mitsubishi HC Capital/ Logistics Business Department	-	Ship finance		Takari Kokoh Sejahtera	Consolidated	Auto leasing
	CAI International <CAI>	Consolidated	Marine container leasing		Mitsubishi Auto Leasing	Equity-method	Auto leasing
	PNW Railcars	Consolidated	Railway Freight car leasing				

(Note) Company names are as of May 15, 2023 and words inside of "<>" denote abbreviations of companies

Inquiries

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