

Financial Results

for the Fiscal Year Ended March 31, 2024

Mitsubishi HC Capital Inc.

May 15, 2024

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Definitions of Terms and Figures Used in this Presentation

- MHC: Mitsubishi HC Capital
- MUL: Mitsubishi UFJ Lease & Finance
- HC: Hitachi Capital
- EE: European Energy (Became an equity-method affiliate in April 2024)
- 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 (Merger with CAI (surviving company) completed in January 2023)
- DAF: Diamond Asset Finance (Share transfer completed in March 2023)
- CPD: CenterPoint Development (Became a wholly-owned subsidiary in April 2023)
- CA: Mitsubishi HC Capital Auto Lease (Merger with Mitsubishi Auto Leasing (surviving company) completed in April 2023)
- Asset-related gain/loss:
The sum of gain/loss on sales and impairment losses of owned assets based on gross profit in the Customer Solutions, Environment & Energy, Aviation, Logistics, and Real Estate segments
- Base profit: Gross profit other than asset-related gain/loss
- Income Gain: Base profit + non-operating income/loss (do not include gains on bad debts recovered)
- Net Income: Net income (quarterly/annually) attributable to owners of the parent
- ROA:
$$\frac{\text{Net income}}{(\text{total assets at the end of previous FY} + \text{total assets at the end of this FY}) / 2}$$
- ROE:
$$\frac{\text{Net income}}{(\text{equity at the end of previous FY} + \text{equity at the end of this FY}) / 2}$$
- Segment Assets:
Operating assets + equity-method investments + goodwill + investment securities, etc.

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I. Highlights

Net income for FYE3/2024 increased by 7.6 billion yen YoY to 123.8 billion yen.

Annual DPS is to be 37 yen, increasing for 25 consecutive years.

- ✓ Net income exceeded the initial forecast (120.0 billion yen) by 3.8 billion yen (3.2%), hitting a record high for two consecutive years.
- ✓ While net income had been slow compared to the initial forecast until the 3Q due to losses and expenses not anticipated in the initial plan, the initial forecast was achieved because profits in Aviation and Logistics businesses and gains on sales of assets in Real Estate and Environment & Energy businesses exceeded the plans.
- ✓ The annual dividend per share is to be 37 yen* (up 4 yen YoY) as per the initial forecast, increasing for 25 consecutive years.

Forecast net income of 135.0 billion yen and annual DPS of 40 yen (+3 yen) for FYE3/2025.

- ✓ We forecast the net income for FYE3/2025 will increase by 11.1 billion yen (9.0%) YoY to 135.0 billion yen thanks mainly to the growth in Aviation and other businesses, and an absence of large losses recorded in FYE3/2024, despite a reactionary fall in extraordinary income recorded in FYE3/2024.
- ✓ The annual dividend per share will increase by 3 yen YoY to 40 yen (payout ratio of 42.5%), increasing for 26 consecutive years.

The first year of the Medium-term Management Plan (2025 MTMP) for the enhancement of the medium- to long-term corporate value got off to a satisfactory start.

- ✓ We had a smooth start for financial and non-financial targets. The replacement of business portfolios has also progressed steadily.
- ✓ While there are issues with the pace of the “Evolution and Layering of Business Models” and the Americas of Global Business, we will recover on a company-wide basis.
- ✓ Regarding the “Frameworks to Promote Transformation”, we have steadily fostered the awareness of transformation through the use of the Innovation Investment Fund, etc.

* The fiscal year-end dividend for FYE3/2024 will be resolved in the Board of Directors meeting to be held on May 22, 2024.

II. Financial Results for FYE3/2024

Financial Results for FYE3/2024

- ✓ Net income increased by 7.6 billion yen YoY to 123.8 billion yen, exceeding the initial forecast and hitting a record high.
- ✓ New transactions volume increased by 411.3 billion yen YoY to 3.0519 trillion yen. New transactions increased in Aviation, Real Estate businesses, etc
- ✓ ROA was 1.1%, as per the initial forecast, while ROE was 7.7%, slightly lower than the initial forecast due to depreciation of the yen.

(Billion Yen)		(a)	(b)	(c)=(b)-(a)	(d)=(c)/(a)	(e)	(f)	(g)=(b)-(f)
		FYE3/2023	FYE3/2024	Change	%	Change (Excl. Impact of Exchange Rates ^{*1})	FYE3/2024 Forecast	Change
				YoY				
1	Revenue	1,896.2	1,950.5	+54.3	+2.9%	-4.7	-	-
2	Gross Profit	357.3	380.0	+22.7	+6.4%	+5.8	-	-
3	Recurring Income	146.0	151.6	+5.5	+3.8%	-1.9	-	-
4	Net Income	116.2	123.8	+7.6	+6.5%	+2.0 ^{*2}	120.0	+3.8
5	New Transactions Volume	2,640.6	3,051.9	+411.3	+15.6%	+261.0	-	-
				Change from FYE3/2023				
(Billion Yen)		FYE3/2023	FYE3/2024	Change	%	Change (Excl. Impact of Exchange Rates ^{*1})		
6	Total Segment Assets	9,632.9	10,179.4	+546.5	+5.7%	-41.7		
		FYE3/2023	FYE3/2024	YoY Change	FYE3/2024 Forecast	Change		
7	DPS	33 yen	37 yen	+4 yen	37 yen	0 yen		
8	Payout Ratio	40.8%	42.9%	+2.1pt	44.3%	-1.4pt		
9	ROA	1.1%	1.1%	0.0pt	1.1%	0.0pt		
10	ROE	8.2%	7.7%	-0.5pt	7.8%	-0.1pt		

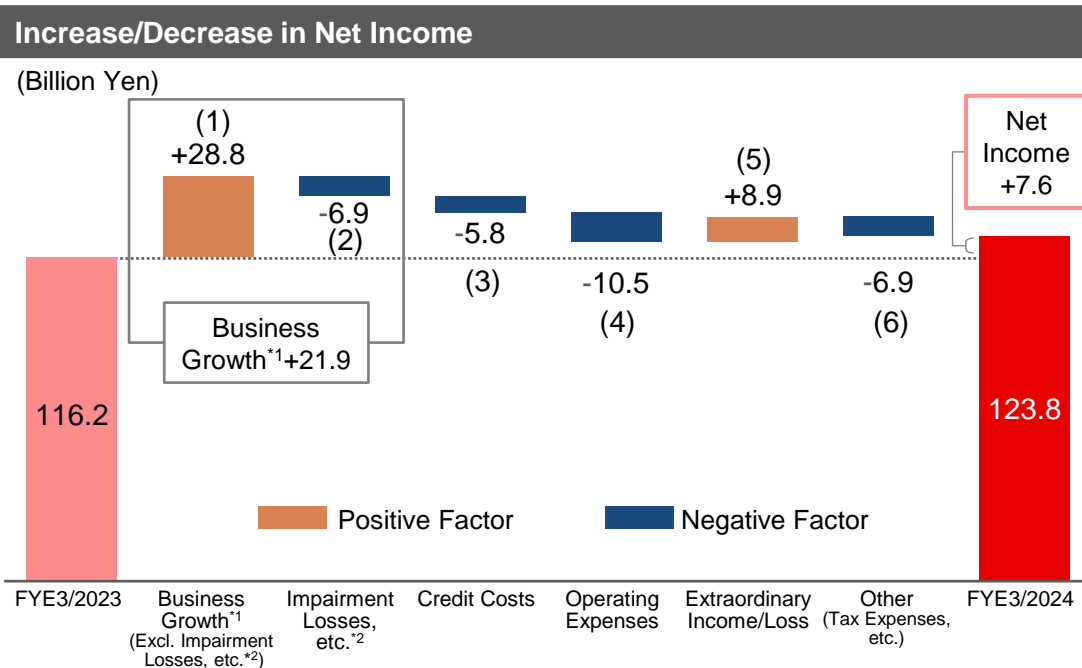
*1 An impact of the YoY difference in exchange rates when incorporating the financial statements of overseas subsidiaries (refer to page 53 for applied exchange rates)

*2 The YoY change was approx. +1.3 billion yen, excluding a decrease in exchange revaluation losses (approx. +0.7 billion yen) in relation to foreign currency-denominated borrowings for leasing transactions of aircraft owned by MHC
 (Note) As MHC denominates financial statements in JPY, foreign currency-denominated assets and liabilities 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

Increase/Decrease Factors in Net Income (YoY)

- ✓ Though there were impairment losses not included in the initial plan and an increase in credit costs in Global Business (the Americas), net income increased by 7.6 billion yen (6.5%) YoY thanks to business growth mainly in Aviation business, and large gains on sales of assets and strategic shareholdings, etc.

+ : Positive effect on net income
- : Negative effect on net income



(Billion Yen)	FYE3/2023	FYE3/2024
(1) Business Growth ^{*1} (Excl. Impairment Losses, etc. ^{*2})	372.9	401.7
(2) Impairment Losses, etc. ^{*2}	11.3	18.3
(3) Credit Costs	13.7	19.5
(4) Operating Expenses	201.7	212.3
(5) Extraordinary Income/Loss	7.0	16.0
(6) Other (Tax Expenses, etc.)	36.9	43.8

(Note) Figures shown in (1) through (5) are on a pre-tax basis. Tax expenses are included in (6)

*1 Gross profit + non-operating income/loss (however, non-operating income/loss do not include gains on bad debts recovered)

*2 Impairment losses and losses in the Real Estate business in the U.S.

(1) Business Growth^{*1} (Excl. Impairment Losses, etc.^{*2}): Up ¥28.8Bn

- Global Business (+¥14.6Bn): Impact of exchange rates and positive effects of the reorganization of subsidiaries in the Americas^{*3} (+¥3.1Bn)
- Aviation (+¥13.5Bn): An increase in leasing revenues, etc.

(2) Impairment Losses, etc.^{*2}: Up ¥6.9Bn

- Real Estate (-¥6.8Bn): Losses in U.S. real estate businesses
- Environment & Energy^{*4} (-¥5.8Bn): Impairment losses related to a solar power generation project in Japan
- Aviation (+¥3.2Bn): A decrease of impairment losses
- Logistics (+¥2.4Bn): An absence of impairment losses in FYE3/2023

(3) Credit Costs: Up ¥5.8Bn

- Global Business (-¥15.9Bn): An increase in credit costs in the Americas, etc.
- Aviation (+¥9.7Bn): A large reversal of allowance for doubtful accounts

(4) Operating Expenses: Up ¥10.5Bn

- Global Business (-¥9.6Bn): Impact of exchange rates and negative effects of the reorganization of subsidiaries in the Americas^{*3} (-¥2.2Bn)

(5) Extraordinary Income/Loss: Up ¥8.9Bn

- Customer Solutions, etc. (+¥9.2Bn): An increase in gains on sales of strategic shareholdings, etc.
- Real Estate (+¥5.8Bn): Extraordinary income as a result of making CPD a wholly-owned subsidiary, etc.
- Global Business (-¥5.0Bn): An absence of gains on revaluation of securities in Europe in FYE3/2023, etc.

*3 Refer to page 43 for details

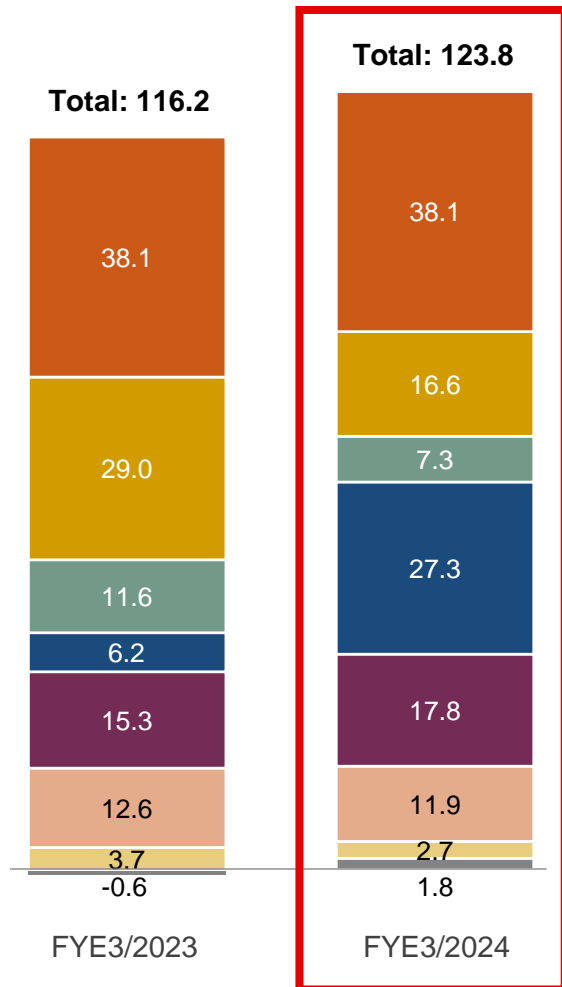
*4 The segment name was changed due to the reorganization on April 1, 2023

III. Segment Updates

Increase/Decrease Factors in Segment Profit (YoY) MITSUBISHI HC CAPITAL

Segment Profit

(Billion Yen)



(Billion Yen)	Segment Profit			Major Factors for Changes in Segment Profit
	FYE3/2023	FYE3/2024	YoY	
Customer Solutions	38.1	38.1	0.0	【+】 An increase in gains on sales of strategic shareholdings, etc. 【-】 Absences of large gains on sales related to real estate leasing and of non-operating income (insurance claim income) in FYE3/2023
Global Business	29.0	16.6	-12.4	【-】 An increase in credit costs in the Americas and an absence of gains on revaluation of securities in Europe in FYE3/2023
Environment & Energy	11.6	7.3	-4.3	【+】 An increase in gains on sales of owned assets and a decrease in tax expenses associated with the absorption-type merger of subsidiaries 【-】 Impairment losses related to a solar power generation project, a decrease in profits from equity-method investments, and the temporary expenses in infrastructure business
Aviation	6.2	27.3	+21.1	【+】 An increase in leasing revenue, a large reversal of allowance for doubtful accounts, and a decrease in impairment losses
Logistics	15.3	17.8	+2.4	【+】 An increase in gains on sales of owned assets
Real Estate	12.6	11.9	-0.7	【+】 An increase in gains on sales of owned assets, extraordinary income as a result of making CPD a wholly-owned subsidiary 【-】 Losses in U.S. projects and the negative effects of the deconsolidation of DAF in FYE3/2023
Mobility	3.7	2.7	-1.0	【-】 Negative effects of the deconsolidation of CA in FYE3/2023
Adjustments	-0.6	1.8	+2.4	【+】 An increase in gains on sales of strategic shareholdings, etc.
Total	116.2	123.8	+7.6	

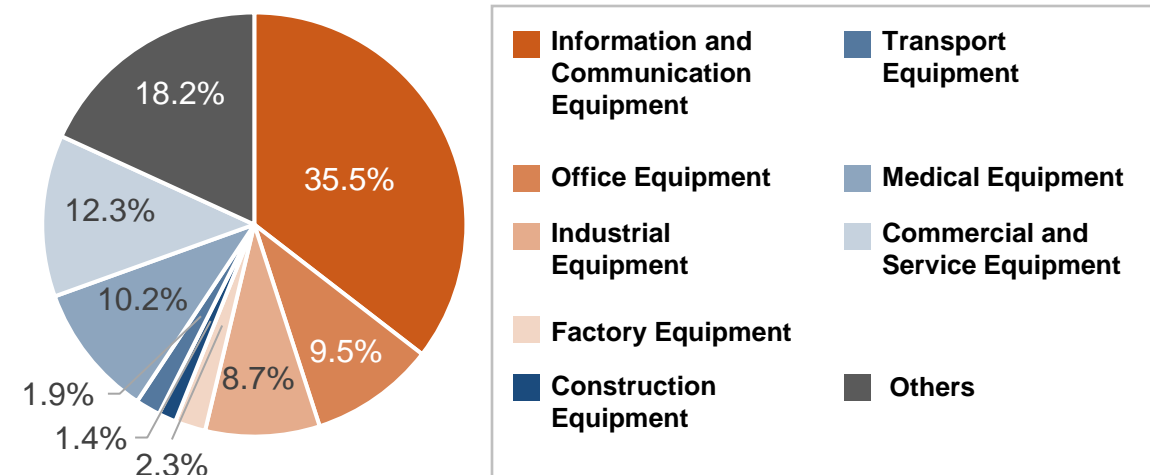
Major Figures (Billion Yen)			
	FYE3/2023	FYE3/2024	YoY
Gross Profit	116.5	115.9	-0.5
Base Profit	112.3	113.5	+1.2
Asset-related Gain/Loss	4.2	2.4	-1.8
Credit Costs	-0.2	1.1	+1.4
Recurring Income	55.2	49.5	-5.6
Segment Profit	38.1	38.1	0.0
New Transactions Volume	933.2	984.8	+51.6
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Segment Assets	3,227.7	2,966.5	-261.1
Leasing	2,557.2	2,403.8	-153.4
Installment Sales/Loans	481.9	403.4	-78.4
Other	188.5	159.2	-29.3

*1 Refer to the release on November 8, 2023, "Notice Concerning Share Transfer Involving a Change in Consolidated Subsidiaries"

Comments

- Gross profit decreased YoY due to an absence of large gains on sales related to real estate leasing in FYE3/2023, etc., despite an increase in base profit.
- Segment profit remained unchanged YoY mainly due to an increase in gains on sales of strategic shareholding, etc., despite an increase in credit costs and an absence of non-operating income (insurance claim income) in FYE3/2023.
- Segment assets decreased YoY due to the negative effects of the deconsolidation of Shutoken Leasing and DFL Lease associated with share transfer*1.

Leasing Transaction Volume in Customer Solutions by Asset Type*2 (FYE3/2024)



*2 Leasing transaction volume in sales offices, major subsidiaries, etc. that belong to the Customer Solutions segment Mitsubishi Auto Leasing, which mainly deals with transport equipment, is not included in the scope because it belongs to the Mobility segment

Major Figures*1 (Billion Yen)				
	FYE3/2023	FYE3/2024	YoY Change	Excl. Impact of Exchange Rates*2
Total*3				
Gross Profit	121.1	135.3	+14.2	+3.2
Credit Costs	6.8	22.7	+15.9	+14.2
Recurring Income	35.3	24.3	-10.9	-13.5
Segment Profit	29.0	16.6	-12.4	-14.3
Europe				
Gross Profit	62.1	71.8	+9.7	+2.3
Credit Costs	3.9	4.7	+0.8	+0.2
Recurring Income	18.2	22.7	+4.4	+2.0
Segment Profit	17.6	17.0	-0.6	-2.4
Americas				
Gross Profit	41.5	46.5	+4.9	+2.1
Credit Costs	1.4	16.9	+15.4	+14.3
Recurring Income	14.4	-1.5	-16.0	-15.9
Segment Profit	10.5	-1.3	-11.9	-11.8
China				
Gross Profit	6.5	6.0	-0.5	-0.8
Credit Costs	0.9	0.8	0.0	0.0
Recurring Income	0.1	0.8	+0.6	+0.5
Segment Profit	0.0	-0.2	-0.2	-0.3
ASEAN				
Gross Profit	10.9	10.9	0.0	-0.5
Credit Costs	0.4	0.1	-0.2	-0.2
Recurring Income	3.0	2.8	-0.1	-0.3
Segment Profit	2.3	1.6	-0.6	-0.8

*1 As these figures are results for the Global Business segment, figures for overseas business in the Aviation, Logistics, and other segments are not included

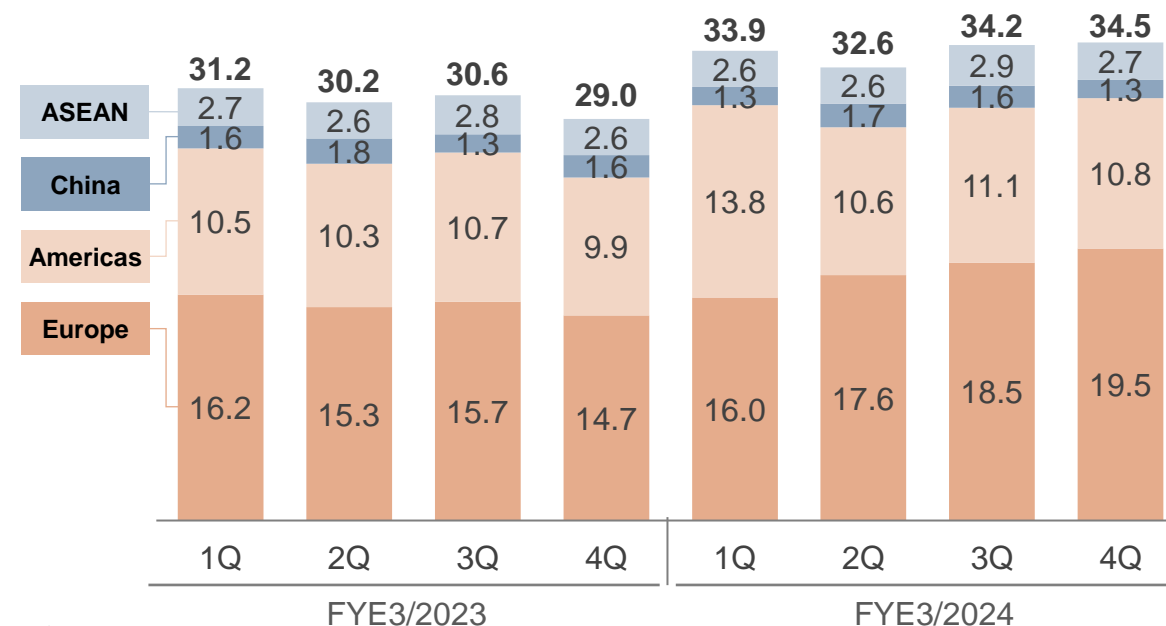
*2 An impact of the YoY difference in exchange rates when incorporating the financial statements of overseas subsidiaries (refer to page 53 for applied exchange rates)

*3 The figures are not equal to the total of each region because they include "Other" figures recorded in the MHC head office account

Comments

- Gross profit increased YoY thanks to positive effects of adjusting the fiscal period associated with the reorganization of subsidiaries in the Americas, an absence of temporary expenses in Europe in FYE3/2023, etc.
- Recurring income decreased YoY due to increases in credit costs in line with the worsening market conditions of the transportation sector that was strong during the COVID-19 pandemic in the Americas, etc.
- Segment profit decreased YoY due to a decrease in recurring income, an absence of gains on revaluation of securities in Europe in FYE3/2023, etc.

Gross Profit by Quarter (Billion Yen)



Major Figures*1 (Billion Yen)				
	FYE3/2023	FYE3/2024	YoY Change	Excl. Impact of Exchange Rates*2
New Transactions Volume	1,300.7	1,389.6	+88.8	-28.7
Europe	729.7	822.2	+92.5	+8.3
Americas	393.7	414.7	+20.9	-3.7
China	65.8	33.9	-31.8	-34.3
ASEAN	111.4	118.6	+7.2	+0.9
Other	-	-	-	-

	FYE3/2023	FYE3/2024	Change from FYE3/2023	Excl. Impact of Exchange Rates*2
Segment Assets	2,644.2	3,070.8	+426.5	+47.3
Europe	1,310.7	1,621.7	+311.0	+93.4
Americas	934.8	1,086.7	+151.8	+25.1
China	162.1	115.3	-46.8	-62.9
ASEAN	234.5	241.6	+7.1	-11.7
Other	2.0	5.3	+3.3	+3.3

Additional information (general situation at businesses, etc.)

- Europe
 - ✓ In the consumer finance (financing for individual customers) business, as the market interest rates have stabilized and costs are passed on to customers, profitability has been gradually recovering. If market interest rates continue to remain stable going forward, it is expected that earnings improvement will progress.
 - ✓ In the vehicle solutions business (provision of comprehensive vehicle solutions, including leasing), the supply of new vehicles has been on a recovery trend thanks to the improvement of supply chain issues, such as the lack of semiconductors, and this trend is supporting the increase of new transactions.

- Americas
 - ✓ Regarding commercial trucks, which are major assets being handled, the financial standing of some customers (transportation companies) has deteriorated, being affected by the decline in fares in the transportation sector. Fares are forecasted to turn upward in the second half of 2024, compared to the same period in the previous year.

*1 As these figures are results for the Global Business segment, figures for overseas business in the Aviation, Logistics, and other segments are not included

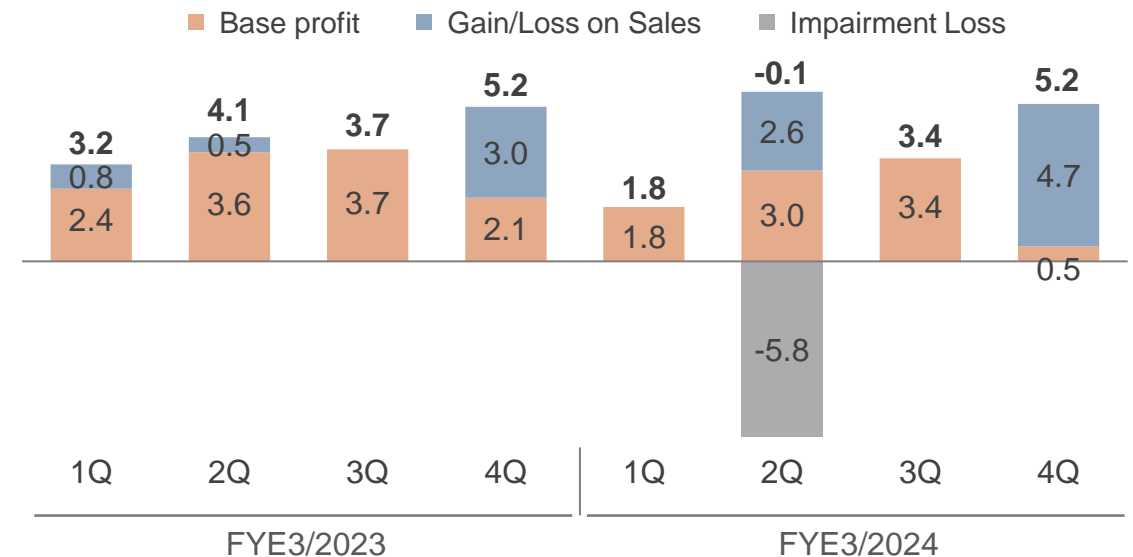
*2 An impact of the YoY difference in exchange rates when incorporating the financial statements of overseas subsidiaries (refer to page 53 for applied exchange rates)

Major Figures (Billion Yen)			
	FYE3/2023	FYE3/2024	YoY
Gross Profit	16.4	10.4	-5.9
Base Profit	12.0	8.9	-3.1
Asset-related Gain/Loss	4.4	1.5	-2.8
Credit Costs	1.8	2.3	+0.4
Recurring Income	14.3	5.3	-9.0
Segment Profit	11.6	7.3	-4.3
New Transactions Volume	35.8	22.8	-12.9
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Segment Assets	433.2	416.6	-16.6
Renewable Energy Finance	92.9	76.6	-16.2
Renewable Energy Business	295.7	288.5	-7.1
Domestic	219.4	206.6	-12.8
Overseas	76.2	81.9	+5.6
Other	44.6	51.3	+6.6

Comments

- Gross profit decreased YoY due to impairment losses related to a solar power generation project in Japan, the temporary expenses in infrastructure business, negative effects of adjusting fiscal period associated with the reorganization of subsidiaries, etc., despite an increase in the gains on sale of assets.
- Segment profit decreased YoY due to decreases in gross profit and in profits from equity-method investments and an absence of gain on sales of equity interests in infrastructure business in FYE3/2023, etc., despite a decrease in tax expenses.

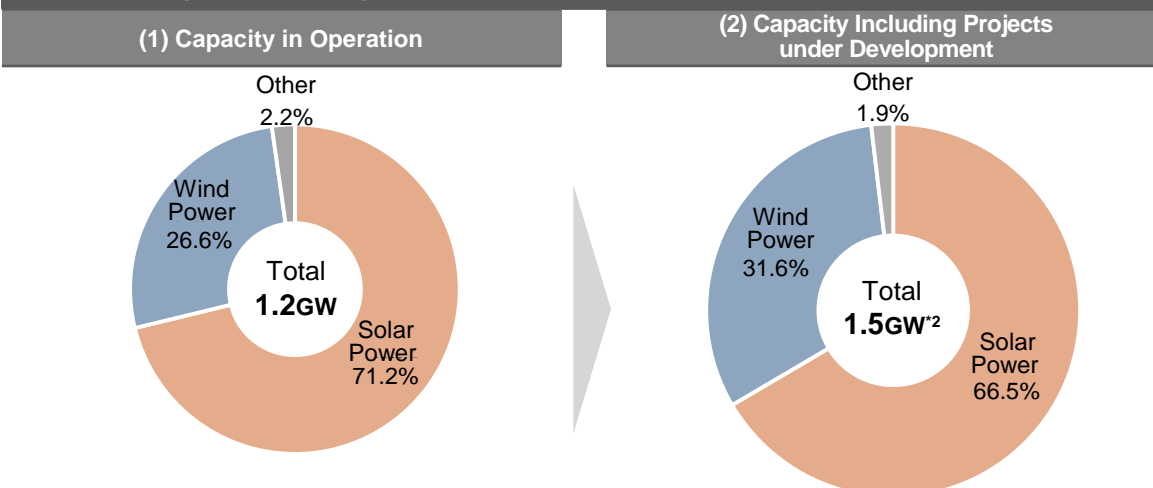
Gross Profit by Quarter (Billion Yen)



Equity-owned Power Generation Capacity of Renewable Energy Business*¹ (MW)

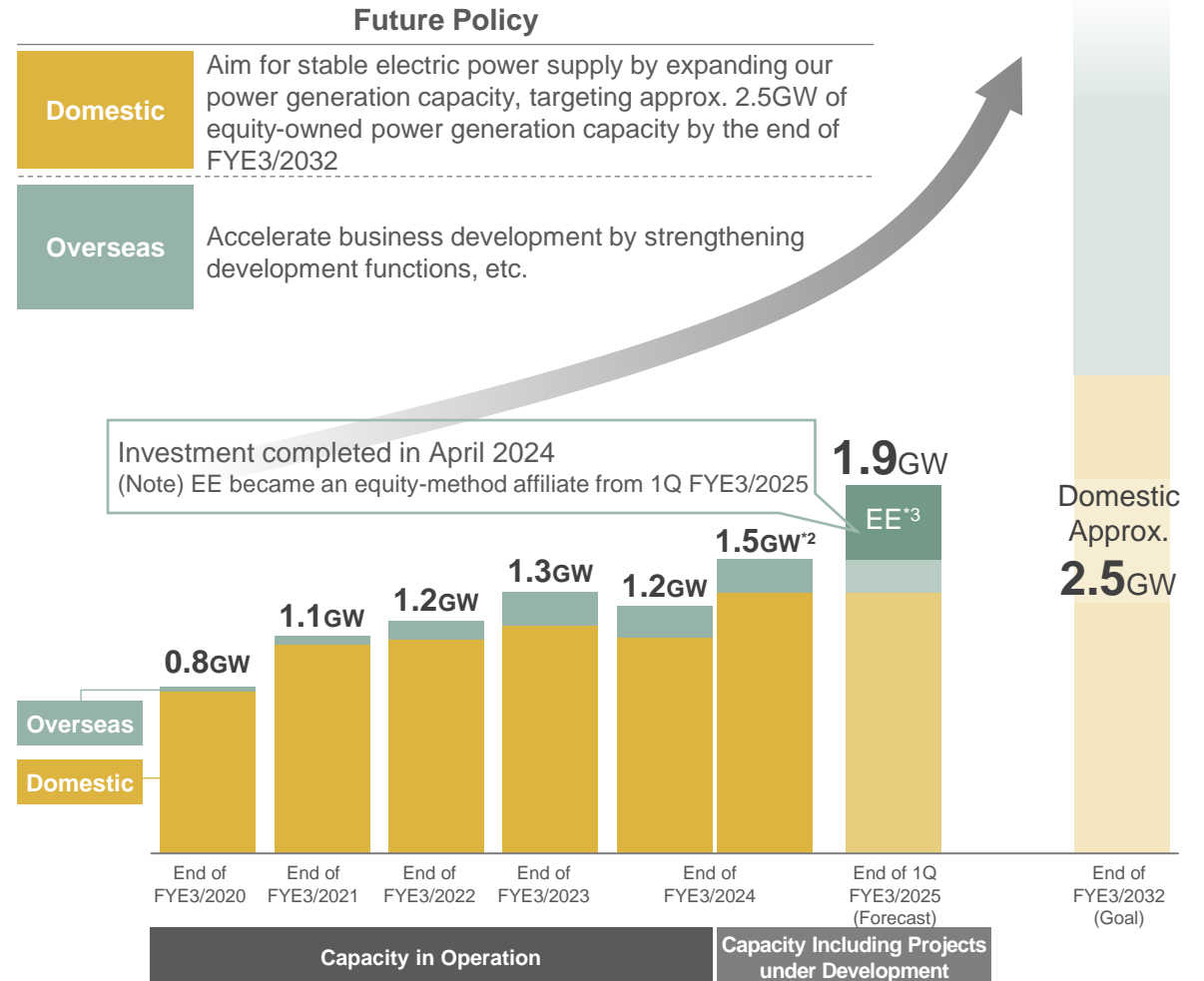
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Total	1,366	1,293	-72
Solar Power	1,020	920	-100
Domestic	990	904	-86
Overseas	30	16	-13
Wind Power	340	343	+3
Domestic	193	196	+3
Overseas	147	147	-
Other	4	29	+24

Equity-owned Power Generation Capacity of Renewable Energy Business (FYE3/2024)



*1 Equity-owned power generation capacity in domestic and overseas renewable energy business. The output corresponds to the segment assets of the domestic renewable energy business and a part of the overseas renewable energy business (excl. European Energy)

Change in Equity-owned Power Generation Capacity of Renewable Energy Business



*2 Forecasted capacity that reflects only projects already concluded but not yet being operated as of the end of FYE3/2024 (not considering business activities in FYE3/2025 and beyond)

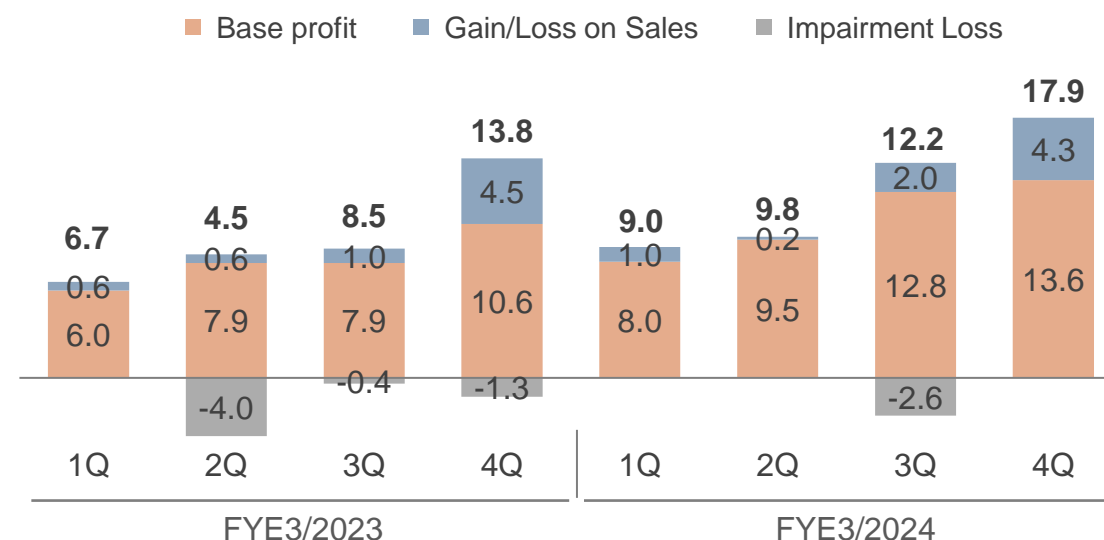
*3 Acquired 20% of EE shares on April 16, 2024 (Refer to page 39 for details)

Major Figures (Billion Yen)			
	FYE3/2023	FYE3/2024	YoY
Gross Profit	33.6	49.1	+15.5
Base Profit	32.5	44.1	+11.5
Asset-related Gain/Loss	1.0	4.9	+3.9
Credit Costs	3.0	-6.6	-9.7
Recurring Income	9.1	32.3	+23.2
Segment Profit	6.2	27.3	+21.1
New Transactions Volume	195.6	456.3	+260.6
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Segment Assets	1,640.2	2,020.0	+379.8
Aircraft Leasing (JSA)	1,203.6	1,428.5	+224.9
Engine Leasing (ELF)	366.5	527.3	+160.7
Aircraft Leasing, etc. (MHC)	70.0	64.1	-5.8

Comments

- Gross profit increased YoY thanks to an increase in leasing revenues associated with market recovery, increased assets, the improvement of engine utilization rates, etc., a decrease in impairment losses, etc.
- Segment profit increased YoY thanks to an increase in gross profit as well as a large reversal of allowance for doubtful accounts, a decrease in exchange revaluation losses related to leasing transactions of aircraft owned by MHC, etc.
- Segment assets increased compared with FYE3/2023 thanks to the execution of new leasing transactions of aircraft and engines, the impact of exchange rates, etc.

Gross Profit by Quarter (Billion Yen)



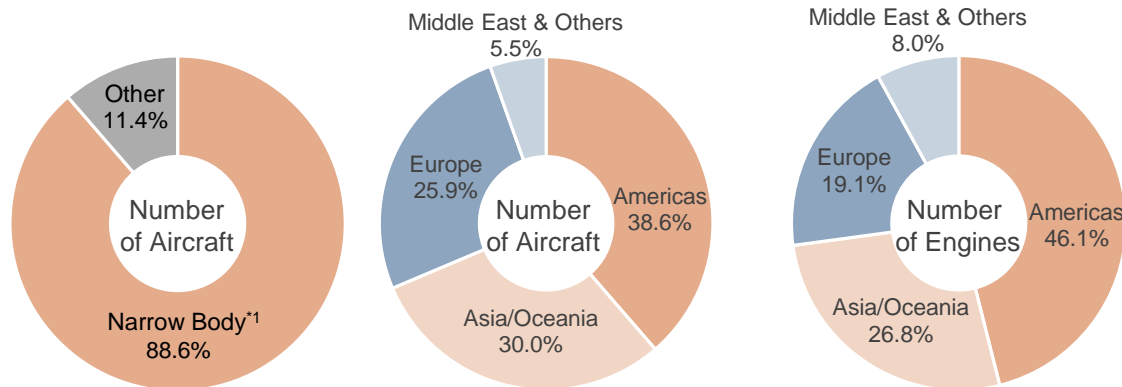
Owned Aviation-related Assets

	FYE3/2023	FYE3/2024	Change from FYE3/2023
Number of Aircraft (JSA)	199	220	+21
Aircraft Purchased	13	32	+19
Aircraft Sold	5	11	+6
Average Age (JSA)	4.9 years	5.0 years	+0.1 years
Average Remaining Leasing Term (JSA)	7.1 years	7.2 years	+0.1 years
Number of Aircraft Engines (ELF)	347	411	+64

Breakdown of Owned Aviation-related Assets (FYE3/2024)

(1) Aircraft Assets by Type/Region

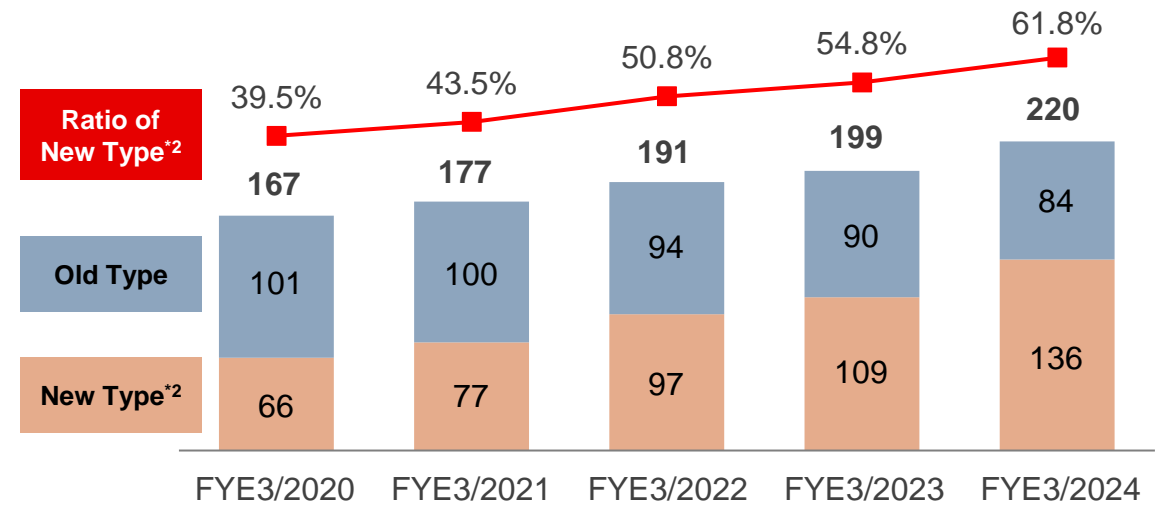
(2) Aircraft Engines by Region



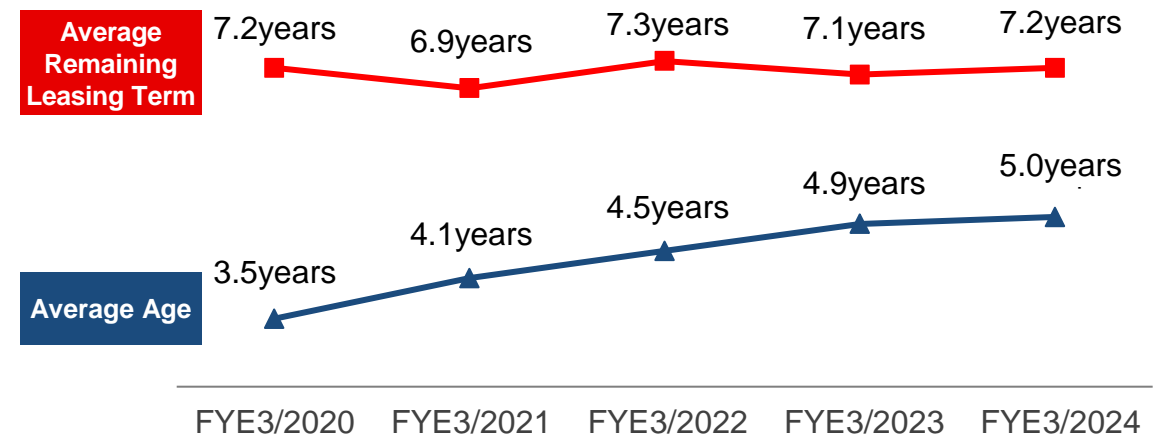
*1 Single-aisle aircraft mainly used for short-distance flights (A320 series by Airbus, B737 series by Boeing, etc.)

*2 Fuel-efficient aircraft that emit less CO2 compared with older models
Models: A220 / A320NEO / A321NEO / A350 / B737MAX / B787

Change in the Number of Aircraft Owned by JSA



Historical Key Figures of Aircraft

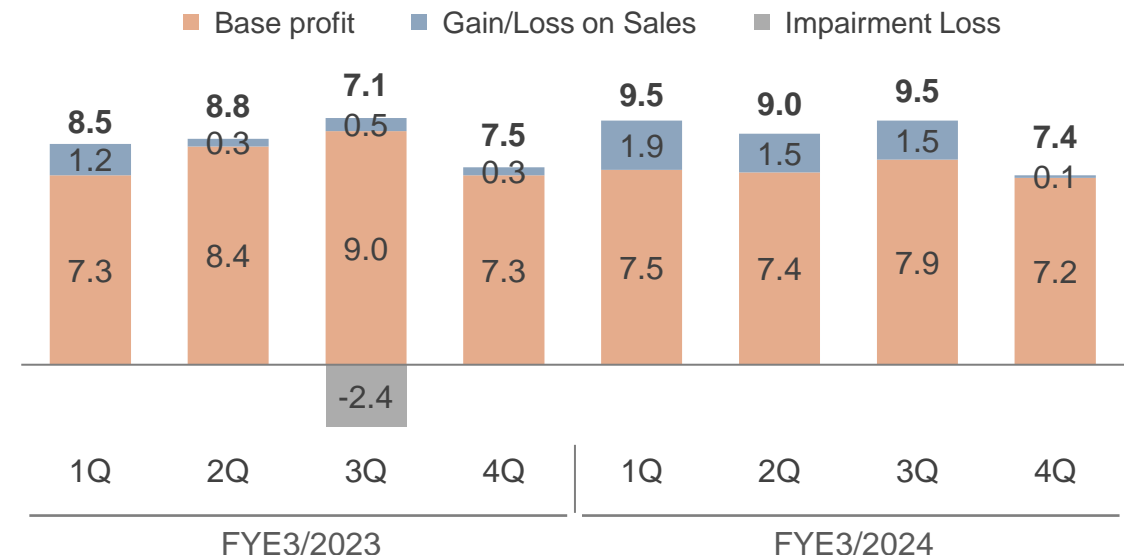


Major Figures (Billion Yen)			
	FYE3/2023	FYE3/2024	YoY
Gross Profit	32.1	35.5	+3.4
Base Profit	32.2	30.2	-1.9
Asset-related Gain/Loss	0.0	5.2	+5.3
Credit Costs	0.0	0.0	0.0
Recurring Income	19.9	22.9	+2.9
Segment Profit	15.3	17.8	+2.4
New Transactions Volume	55.3	38.3	-17.0
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Segment Assets	1,092.9	1,099.0	+6.1
Marine Containers	793.0	782.6	-10.3
Railway Freight Cars	256.8	290.6	+33.7
Shipping	43.0	25.7	-17.2

Comments

- Segment profit increased YoY thanks to an increase in gains on sales of owned assets (mainly shipping), etc., despite a decrease in leasing revenue associated with the normalization of utilization rates in marine containers after a period of overheated market conditions.
- New transactions volume decreased YoY due to the suppression of execution of new investments in marine containers in consideration of market conditions.
- Segment assets increased compared with FYE3/2023 thanks to the impact of exchange rates, despite a decrease in new transactions volume and the sale of shipping assets.

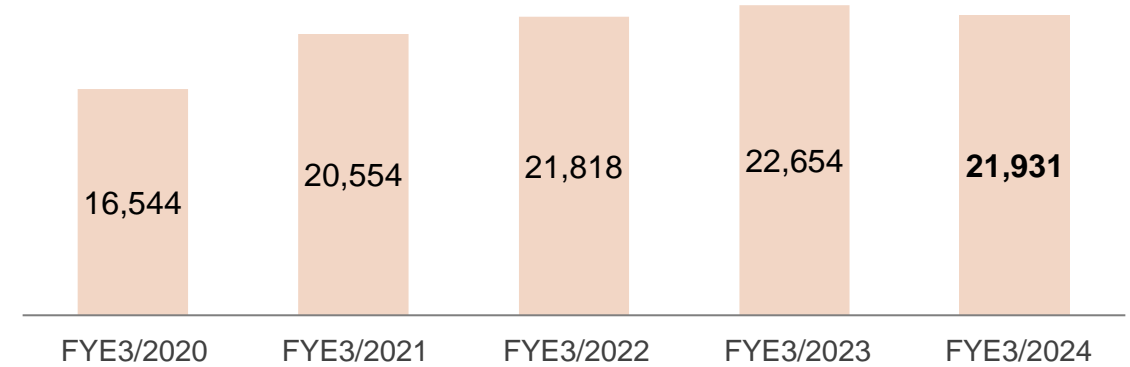
Gross Profit by Quarter (Billion Yen)



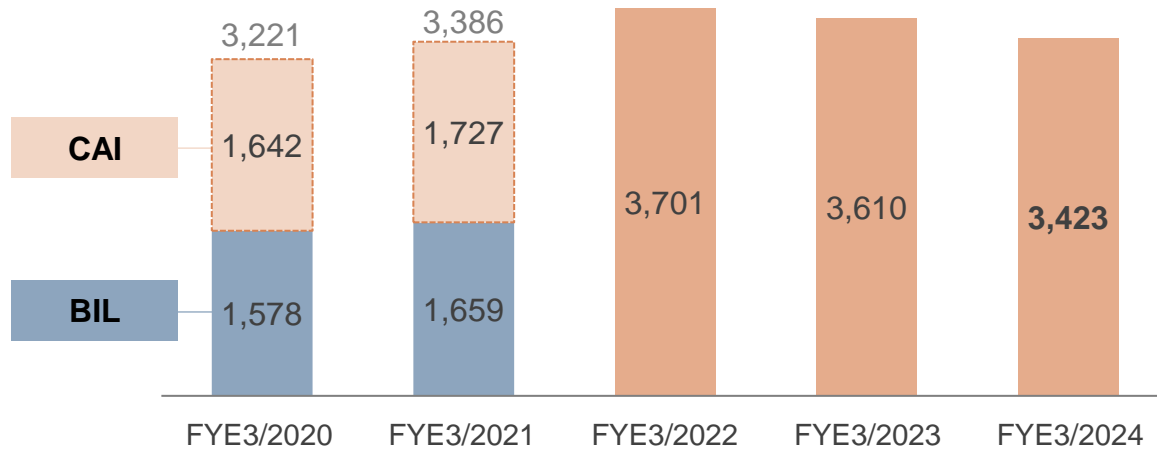
Owned Logistics-related Assets

	FYE3/2023	FYE3/2024	Change from FYE3/2023
Marine Container Fleet (TEU 1,000*1)	3,412	3,246	-165
Marine Container Fleet (CEU 1,000*2)	3,610	3,423	-187
Number of Railway Freight Cars	22,654	21,931	-723

Change in the Number of Railway Freight Cars

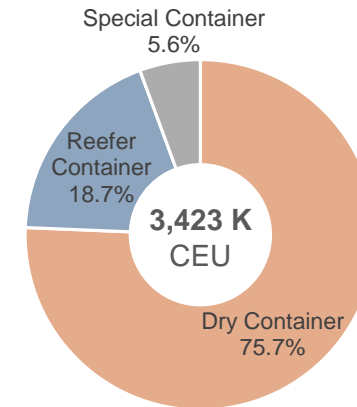


Change in the Number of Marine Container Fleet (CEU 1,000)*3

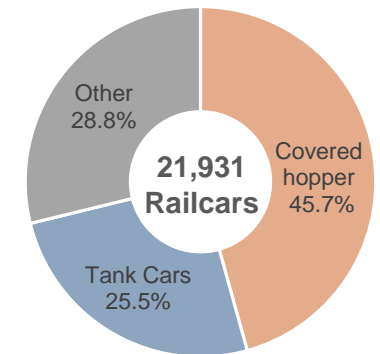


Breakdown of Owned Logistics-related Assets (FYE3/2024)

(1) Marine Container Fleet by Asset Type



(2) Railway Freight Cars by Asset Type



*1 TEU: Twenty Foot Equivalent Unit (unit equivalent to the capacity of a 20-foot long dry container)

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

*3 CAI's figures for FYE3/2020 and FYE3/2021 are for reference because they are before being acquired

Major Figures (Billion Yen)			
	FYE3/2023	FYE3/2024	YoY
Gross Profit	24.9	23.8	-1.0
Base Profit	10.9	3.7	-7.1
Asset-related Gain/Loss	14.0	20.1	+6.1
Credit Costs	2.2	0.0	-2.3
Recurring Income	13.6	15.9	+2.2
Segment Profit	12.6	11.9	-0.7
New Transactions Volume	87.9	152.0	+64.1

	FYE3/2023	FYE3/2024	Change from FYE3/2023
Segment Assets	447.2	525.4	+78.1
Domestic	384.6 ^{*1}	462.2	+77.6
Finance Business	155.4 ^{*1}	177.7	+22.3
Investment Business	157.1 ^{*1}	209.3	+52.1
Rental Business	71.9	75.1	+3.2
Overseas (Finance Business Only)	59.1 ^{*1}	48.1	-11.0
Goodwill, etc.	3.4 ^{*1}	15.0	+11.5

*1 Corrected some figures from the previous year due to changes of definitions

(1) The category of overseas transactions (3.7 billion yen) booked at the Head Office was changed from "Domestic (Finance Business)" to "Overseas"

(2) The category of equity method investments for operating companies (1.1 billion yen) was changed from "Investment Business" to "Goodwill, etc."

Domestic: 389.4 ⇒ 384.6 (-4.8), Domestic (Finance Business): 159.2 ⇒ 155.4 (-3.7),

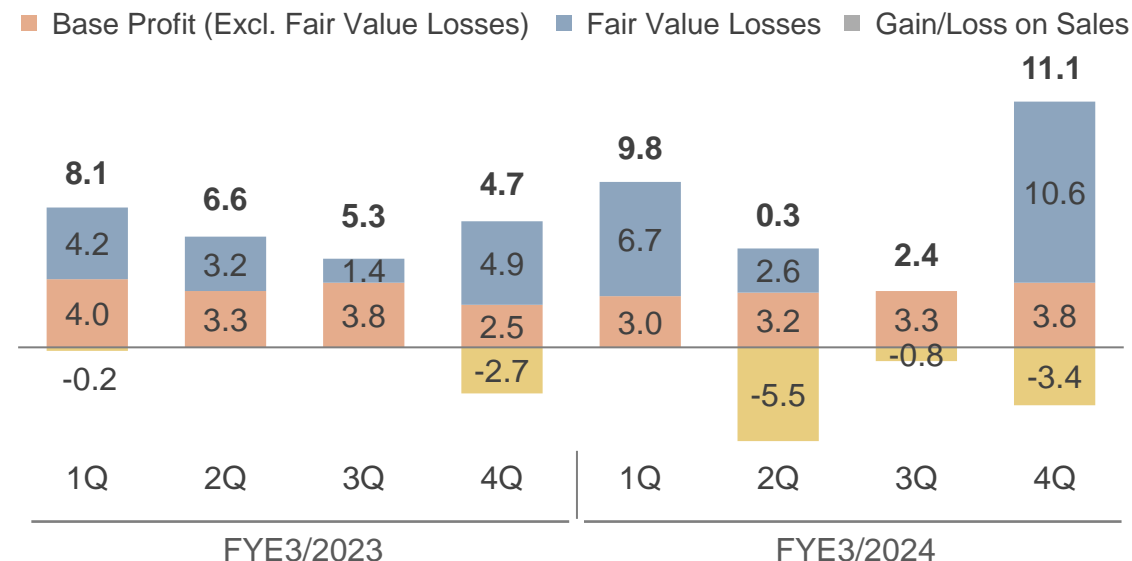
Investment Business: 158.2 ⇒ 157.1 (-1.1), Overseas: 55.4 ⇒ 59.1 (+3.7), Goodwill, etc.: 2.3 ⇒ 3.4 (+1.1)

*2 Losses are not included in asset-related gain/loss as those are fair value losses related to investees and borrowers, not impairment losses (refer to page 1 for details of asset-related gain/loss)

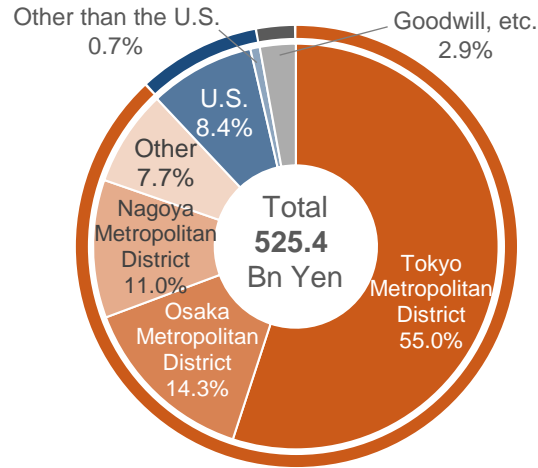
Comments

- Gross profit decreased YoY due to fair value losses^{*2} in line with the worsening conditions in the real estate market in the U.S. and the negative impact of the deconsolidation of DAF, etc., despite an increase in gains on sales of owned assets.
- Recurring income increased YoY thanks to a decrease in credit costs, etc.
- Segment profit decreased YoY due to an increase in tax expenses, etc., despite an increase in recurring income and extraordinary income as a result of making CPD a wholly-owned subsidiary.
- Segment assets increased compared with FYE 3/2023 thanks to making CPD a wholly-owned subsidiary, the increase in new transactions volume in the investment business and the finance business, etc.

Gross Profit by Quarter (Billion Yen)

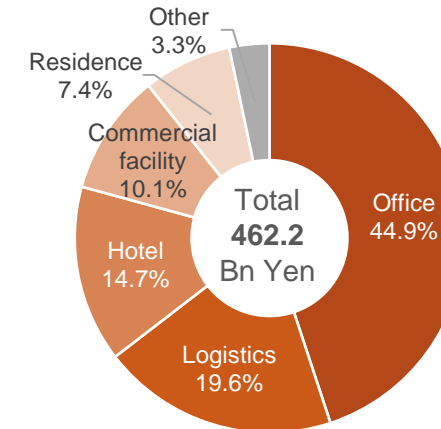


Segment Assets in Real Estate by Region (FYE3/2024)

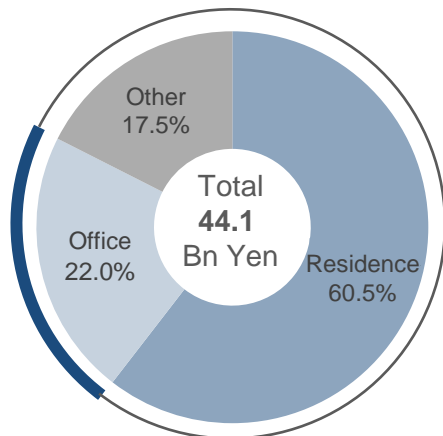


Domestic	JPY462.2Bn (88%)
Overseas	JPY48.1Bn (9%)
Goodwill, etc.	JPY 15.0Bn (3%)
Total	JPY525.4Bn (100%)

Domestic Segment Assets by Type of Assets (FYE3/2024)



Segment Assets in the U.S. by Asset Type (FYE3/2024)



Office	JPY9.7Bn (22%)
Residence and Other	JPY34.4Bn (78%)
Total	JPY44.1Bn (100%)

Overview of the U.S. Real Estate Business

Business Description

- ✓ Mainly engaged in Finance business (mezzanine loan, equity, etc.)

Asset Composition

- ✓ Segment assets in the U.S. real estate business are worth 44.1 billion yen.
- ✓ The assets of the office market, whose condition has been worsening in the U.S., are worth 9.7 billion yen, 1.8% of the Real Estate segment assets and 0.1% of MHC's total segment assets.

Major Figures (Billion Yen)			
	FYE3/2023	FYE3/2024	YoY
Gross Profit	9.0	1.2	-7.7
Credit Costs	0.0	0.0	0.0
Recurring Income	4.1	2.3	-1.7
Segment Profit	3.7	2.7	-1.0
New Transactions Volume	31.8	14.3	-17.4
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Segment Assets	41.4	51.9	+10.5

Number of Operational Vehicles (Unit: 1,000)			
	FYE3/2023	FYE3/2024	Change from FYE3/2023
Mobility Segment*1	355	353	-2
【Reference】 Total of MHC Group*2	-	638	-

*1 Including the number of operational vehicles of equity-method affiliates.

*2 Total including the number of operational vehicles belongs to other than the Mobility segment (reference value).

*3 The auto leasing business was transferred from Bangkok Mitsubishi HC Capital, which belongs to the Global Business segment (Refer to the release on February 1, 2023, "Mitsubishi HC Capital and ALD Agree to Establish an Auto Leasing Joint Venture in Thailand")

Comments

- Each profit item decreased YoY due to the negative effects of the deconsolidation of CA associated with the reorganization of subsidiaries, etc.
- New transactions volume decreased YoY due to the deconsolidation of CA, etc.
- Segment assets increased compared with FYE3/2023 thanks to the transfer of business*3 to the auto leasing company in Thailand, which was newly established in the previous fiscal year.

IV. Financial Forecast for FYE3/2025

Financial Forecast for FYE3/2025

- ✓ Net income for FYE3/2025 is estimated to increase by 11.1 billion yen (9.0%) YoY to 135.0 billion yen. Net income is estimated to increase thanks to the growth in Aviation and other businesses, an absence in large losses recorded in FYE3/2024, etc., despite a reactionary fall in extraordinary income recorded in FYE3/2024.
- ✓ ROA in FYE3/2025 is estimated to increase by 0.1pt YoY to 1.2% and ROE is estimated to increase by 0.3pt YoY to 8.0%.
- ✓ The annual dividend per share will increase by 3 yen YoY to 40 yen (interim dividend: 20 yen, year-end dividend: 20 yen), increasing for 26 consecutive years. We estimate the payout ratio of 42.5%.

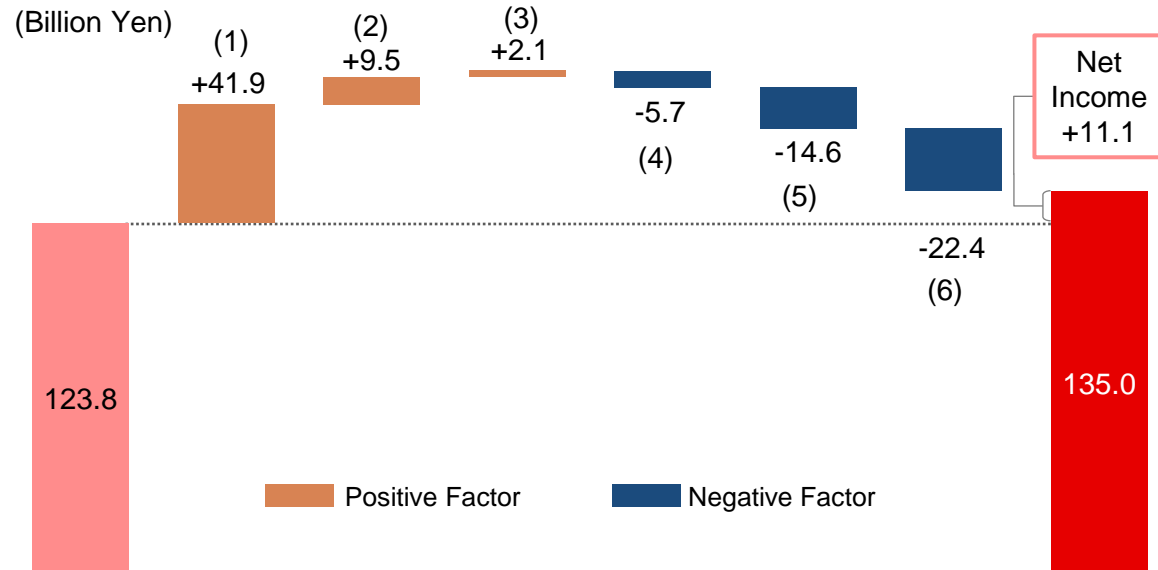
		FYE3/2024	FYE3/2025*1	YoY Change (%)
1	Net Income Attributable to Owners of the Parent (Billion Yen)	123.8	135.0	+11.1 (+9.0%)
2	ROA	1.1%	1.2%	+0.1pt
3	ROE	7.7%	8.0%	+0.3pt
4	DPS 〈Payout Ratio〉	¥37*2 〈42.9%〉	¥40 〈42.5%〉	+¥3 〈-0.4pt〉

*1 The assumed foreign exchange rates are \$1=¥140, £1=¥170

*2 The fiscal year-end dividend for FYE3/2024 will be resolved in the Board of Directors meeting to be held on May 22, 2024.

Increase/Decrease Factors in Net Income (Forecast) MITSUBISHI HC CAPITAL

Increase/Decrease in Net Income



FYE3/2024 (Actual)	Income Gain*	Asset-related Gain/Loss	Credit Costs	Operating Expenses	Extraordinary Income/Loss	Other (Tax Expenses, etc.)	FYE3/2025 (Forecast)
123.8	+41.9	+9.5	+2.1	-5.7	-14.6	-22.4	135.0

(Billion Yen)	FYE3/2024 (Actual)	FYE3/2025 (Forecast)
(1) Income Gain*	349.0	391.0
(2) Asset-related Gain/Loss	34.3	43.9
(3) Credit Costs	19.5	17.3
(4) Operating Expenses	212.3	218.0
(5) Extraordinary Income/Loss	16.0	1.3
(6) Other (Tax Expenses, etc.)	43.8	66.2

(Note) Figures shown in (1) through (5) are on a pre-tax basis. Taxes are included in (6)

* Base profit + non-operating income/loss (however, non-operating income/loss do not include gains on bad debts recovered)

(1) Income Gain*: Up ¥41.9Bn

- Business growth mainly in Aviation, Environment & Energy and Customer Solutions businesses
- A decrease in losses in the U.S. real estate businesses

(2) Asset-related Gain/Loss: Up ¥9.5Bn

- An increase in gains on sales of owned assets in Aviation business
- An absence of impairment losses recorded in FYE3/2024 in Environment & Energy business
- A reactionary fall in large sales gains recorded in FYE3/2024 in Real Estate business

(3) Credit Costs: Down ¥2.1Bn

- A decrease in credit costs in the Americas of Global Business
- An absence of the large reversal of allowance for doubtful accounts in FYE3/2024 in Aviation business

(4) Operating Expenses: UP ¥5.7Bn

- An increase in expenses associated with sales promotion activities

(5) Extraordinary Income/Loss: Down ¥14.6Bn

- An absence of the temporary income in FYE3/2024 in Real Estate businesses
- A reactionary fall in gains on sales of strategic shareholdings, etc. recorded in Customer Solutions businesses, etc. in FYE3/2024

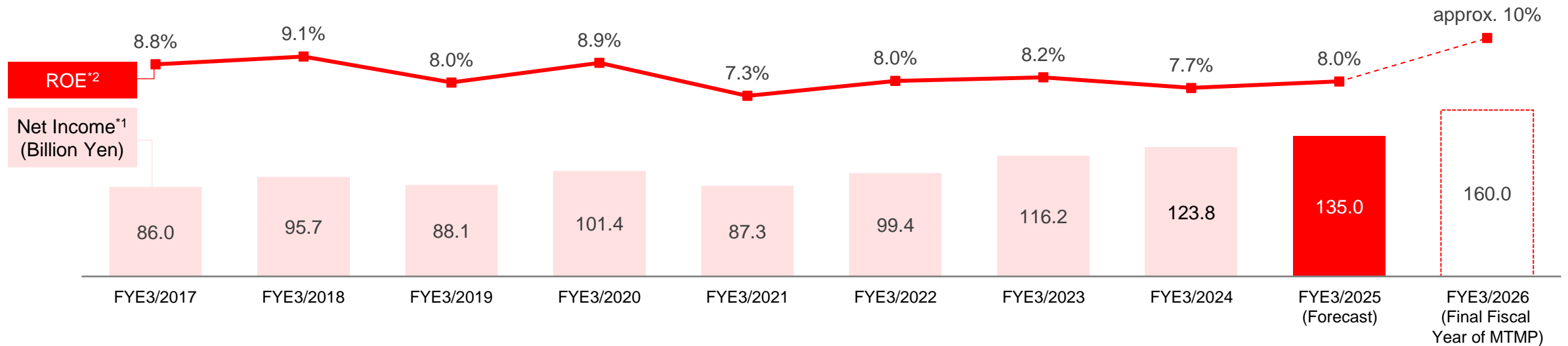
(6) Other (Tax Expenses, etc.): Up ¥22.4Bn

- An increase in tax expenses as a result of an increase in income
- An absence of the effects of a decrease in tax expenses in FYE3/2024, etc.

Change in Major Figures

- ✓ The Medium-term Management Plan (“2025 MTMP”) covering the three-year period from FYE3/2024 was formulated and announced in May 2023.
- ✓ The financial targets for the final fiscal year of the 2025 MTMP (FYE3/2026) are net income of 160.0 billion yen, ROA of approx. 1.5%, and ROE of approx. 10%.

Change in Net Income*1 and ROE*2



	FYE3/2017	FYE3/2018	FYE3/2019	FYE3/2020	FYE3/2021	FYE3/2022	FYE3/2023	FYE3/2024	FYE3/2025 (Forecast)	YoY (Change)	FYE3/2026 (Final Fiscal Year of MTMP)
1 Net Income*1 (Bn Yen)	86.0	95.7	88.1	101.4	87.3	99.4	116.2	123.8	135.0	+11.1	160.0
2 ROA*2	1.0%	1.1%	1.0%	1.0%	0.9%	1.0%	1.1%	1.1%	1.2%	+0.1pt	Approx. 1.5%
3 ROE*2	8.8%	9.1%	8.0%	8.9%	7.3%	8.0%	8.2%	7.7%	8.0%	+0.3pt	Approx. 10%
4 DPS*2	¥13.0	¥18.0	¥23.5	¥25.0	¥25.5	¥28.0	¥33.0	¥37.0	¥40.0	+¥3.0	-
5 Payout Ratio*2	21.8%	25.2%	30.4%	31.5%	41.1%	40.4%	40.8%	42.9%	42.5%	-0.4pt	40% or more

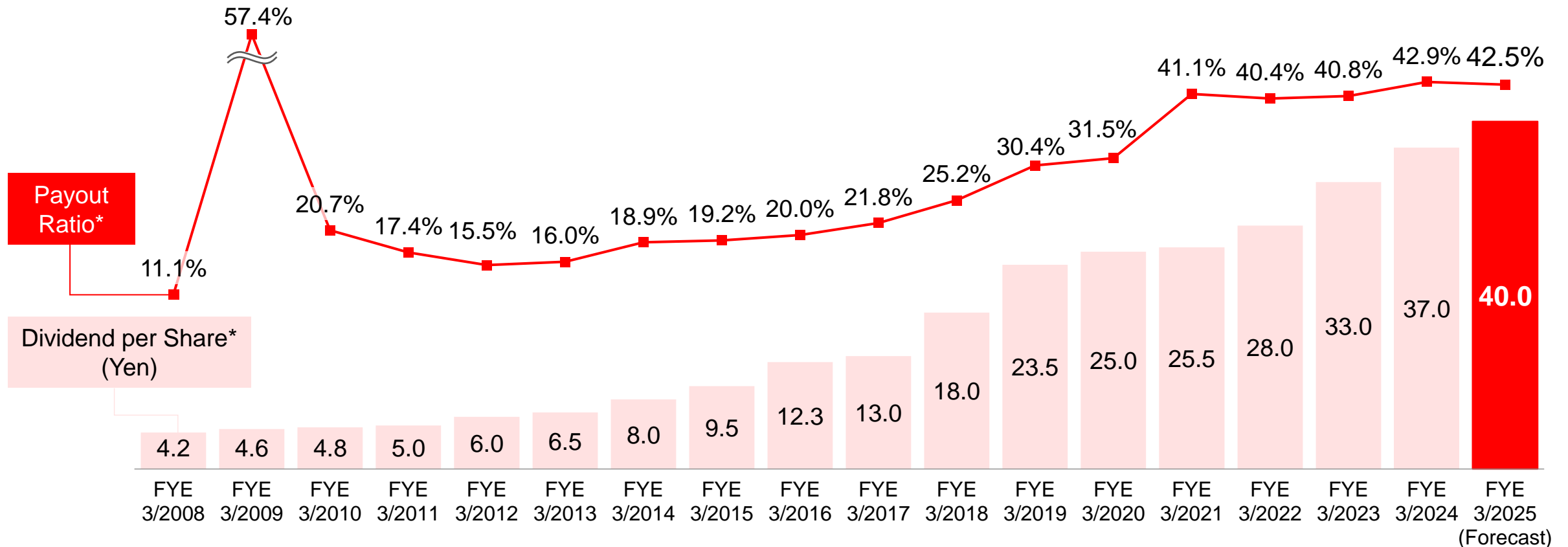
*1 Figures for FYE3/2017 to FYE3/2021 are simple sums of MUL's (net income attributable to owners of the parent under J-GAAP) and HC's (net income attributable to owners of the parent under IFRS)

*2 MUL's results from FYE3/2017 to FYE3/2021

Dividend Forecast for FYE3/2025

- ✓ We will return profits to shareholders by distributing dividends and increase the total amount of dividend payments through profit growth. The payout ratio during the 2025 MTMP is targeted to be 40% or more.
- ✓ The annual dividend per share for FYE3/2025 is forecasted to be 40 yen, up 3 yen YoY. (interim dividend: 20 yen, year-end dividend: 20 yen).

Change in Dividend



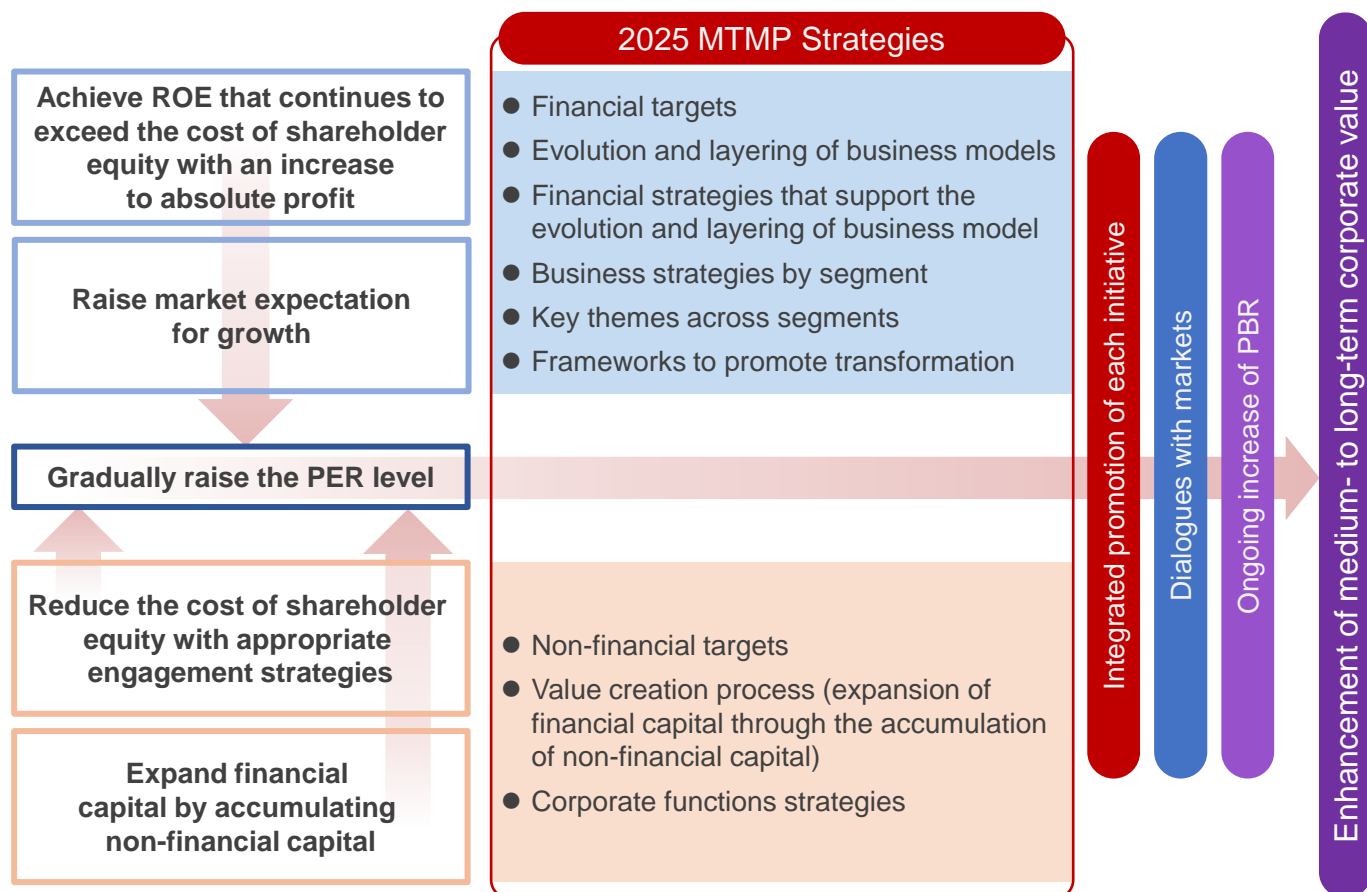
* MUL's results from FYE3/2008 to FYE3/2021

V. Progress of the Medium-term Management Plan (2025 MTMP)

Initiatives for the Medium- to Long-term Enhancement of Corporate Value

- ✓ Aim to enhance medium- to long-term corporate value through the achievement of ROE that continues to exceed the cost of shareholder equity and the enhancement of PER by fostering expectations for growth and reducing the cost of shareholder equity. With the achievement of the goals of the 2025 MTMP as a milestone, we will appropriately report on our progress to markets and engage in dialogues.

Relationship between the Road to Enhancement of Corporate Value and the 2025 MTMP



$$\begin{aligned} \text{Theoretical } PBR &= \text{Expected } ROE \times \text{Expected } PER \\ &= \text{Expected } ROE \times \frac{1}{\text{Cost of shareholder equity} - \text{Expected profit growth rate}} \end{aligned}$$

(Denominator) Cost of shareholder equity in a broad sense :currently approx. 10%

MHC's Priorities

Probability of achieving the 2025 MTMP

Realization of profitability exceeding the cost of shareholder equity

- Achievement of an ROE of approximately 10%
- Portfolio management through the analysis of the return on capital per business, etc.

Enhancement of stakeholders' understanding of our business

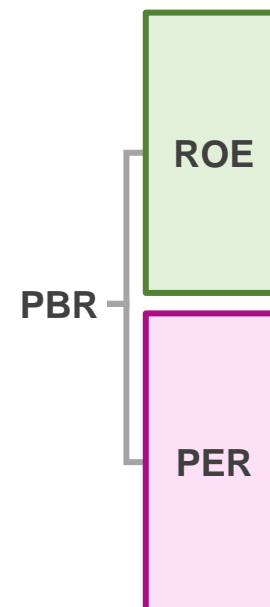
- IR for each segment, etc.

Fostering of expectations for growth

- Promotion of the evolution and layering of business models, etc.

Reduction of the cost of shareholder equity

- Reduction of ESG risks, enhancement of disclosures on non-financial and other information, dialogues with markets, etc.



Results

- ▶ Achieved the financial targets for the first year of the 2025 MTMP, excluding ROE. Aviation and Logistics have driven the entire business.
- ▶ Steady progress has been made on non-financial targets as well.
- ▶ Replacement of assets has progressed smoothly toward the transformation of our business portfolio and the improvement of capital efficiency.
 - New investment: Investment in European Energy, making CPD a wholly-owned subsidiary, etc.
 - Sale/withdrawal: Sale of Shutoken Leasing and DFL Lease, sale of Sekisui Leasing (planned), withdrawal from the credit card business for personal customers, sales of strategic shareholdings, etc.

Issues

- ▶ Lack of speed in the progress of the evolution and layering of business models (shift to business with high added value and ROA, etc.).
In particular, the issue for the future is the generation of businesses that significantly contribute to profit in Customer Solutions.
- ▶ In the Americas of Global Business, credit costs increased in its main business, sales finance business for commercial trucks.
Recovering its profitability is a pressing task.

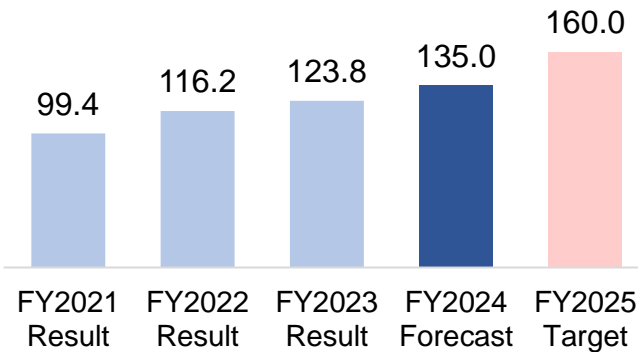
Direction for FY2024- 2025

- ▶ Achieve various financial and non-financial targets and continue to raise PBR and corporate value.
- ▶ Realize the evolution and layering of business models at an early stage and promote various initiatives to expand profit in Customer Solutions.
- ▶ In the Americas of Global Business, recover and expand profitability at an early stage by reviewing the risk management framework and diversifying and restructuring business portfolios.
- ▶ Move forward with “sowing seeds” looking ahead to the next MTMP by accelerating various initiatives relating to key themes across segments and frameworks to promote transformation.

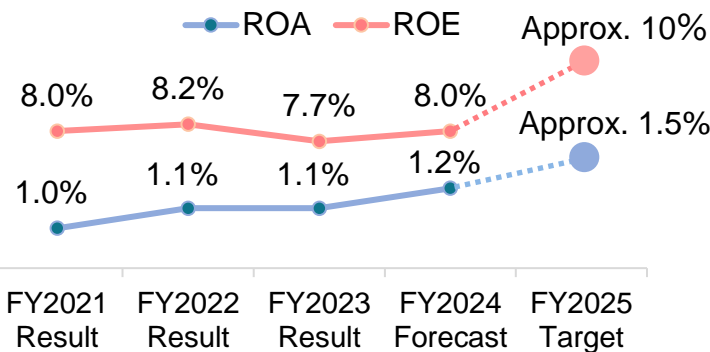
Financial Targets

- ✓ Financial targets for FY2025 remain unchanged from the ones externally announced on May 15, 2023; net income of JPY160.0Bn, an ROA of approximately 1.5%, and an ROE of approximately 10%. By segment, Aviation and Logistics, of which markets have been strong, will drive profit growth, and Environment & Energy and Real Estate, which have steadily executed strategies, will support profit growth. Thus, we expect to achieve profit growth on a company-wide basis.
- ✓ We will promote the evolution and layering of business models by enhancing the profitability of existing businesses, investing in new businesses, and selling/withdrawing from low-profit businesses to improve ROA in all segments.

Net Income (Billion Yen)



ROA-ROE



(Reference) ROA by Segment

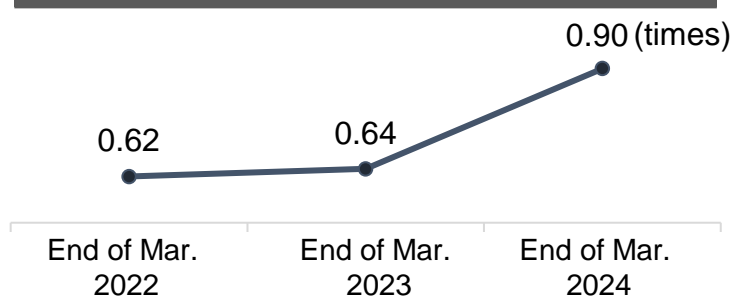
Segment	FY2022 (Result)	FY2023 (Result)	FY2025 (Target)
Customer Solutions	1.1%	1.2%	1.3%
Global Business	1.1%	0.5%	1.3%
5 Business Divisions*	1.3%	1.6%	1.8%
Total	1.1%	1.1%	Approx. 1.5%

* A weighted average of Environment & Energy, Aviation, Logistics, Real Estate, and Mobility

Payout Ratio/Financial Soundness

	FY2023 Plan	FY2024-2025 Target
Payout Ratio	42.9%	40% or more
Rating	A	Maintaining A

PBR (Reference)



Non-financial Targets

- ✓ Steady progress has been made on non-financial targets. Qualitative targets for DX-related items have been quantified. We continue initiatives to achieve targets and the quantification of the qualitative targets.

		KPI (<i>Italics in parentheses: target scope (consolidated or non-consolidated)</i>)	Targets (2025 MTMP)	FY2023 Results	Assessment
Talent Base/Know-how	Human Capital	Level of fulfillment of a talent portfolio in line with our management strategies (<i>non-consolidated</i>)	Formulate the talent portfolio framework and visualize the level of fulfillment	Conducted an assessment on approx. 1,200 employees	○
		Results of the employee engagement survey (<i>non-consolidated</i>)	Refine the survey content and enhance analysis	Conducted a comprehensive review of the engagement survey questions	○
	Intellectual Capital	DX assessment* Ratio of standard or higher level talent (<i>non-consolidated</i>)	80% or more	46.8% (+22.0pt YoY)	○
		Monthly average overtime hours (operational efficiency) (<i>non-consolidated</i>)	14 hours or less	18 hours and 47 minutes (-0.6 hours YoY)	▲
		Rate of annual paid holidays taken by employees (<i>non-consolidated</i>)	70% or more	74.4% (+5.7pt YoY)	◎
Asset Base/External Relationship	Manufacturing Capital	GHG emissions amount (Scope 3) (<i>consolidated</i>)	Analyze the categories which have a major impact and visualize Scope 3 emissions	Investigated the actual status and verified the method regarding each asset and transaction	○
	Natural Capital	GHG emissions amount (Scope 1,2) (<i>consolidated</i>)	-55% in FY2030 vs. FY2019 and net zero in FY2050	FY2022 result: -31.3% (FY2023 result is being calculated)	○
	Social and Relation Capital	Energy consumption (domestic) (<i>non-consolidated + domestic Group companies</i>)	-1% YoY continually	FY2022 result: -16.9% (FY2023 result is being calculated)	◎

: New KPIs and targets
(Existing KPIs and targets were updated)

* DX assessment: A tool provided by an external vendor for measuring levels of DX literacy. Employees are categorized into three levels: beginner, standard, and expert

Business Strategies (Key Themes across Segments) MITSUBISHI HC CAPITAL

- ✓ These four key themes contribute to “sowing seeds,” a key word in the 2025 MTMP. The initiatives are largely progressing steadily, although timeframes for generating profits differ per theme.
- ✓ Collaboration between segments has been stimulated through initiatives for each theme.

Hydrogen

Future Vision

As a leading holder of renewable energy power sources in Japan, we will contribute to building a hydrogen supply chain with green hydrogen at the core

Major Initiatives in FY2023

- Set individual themes for domains with demand for hydrogen. Considered the origination of verification projects, etc. together with partner companies, for each theme of airports/aviation, urban development, decentralized autonomous communities (remote islands, etc.), logistics industry, etc.

Logistics

Future Vision

To address social issues and customer needs in logistics supply chains, develop and provide optimal logistics solutions by collaborating with leading partners and thereby achieve a full line-up of logistics services

Major Initiatives in FY2023

- Collaborated with logistics solutions partners such as LOGISTEED and NEXT Logistics Japan and made joint proposals to MHC’s customers.

EVs

Future Vision

Contribute to realizing a carbon-neutral society based on EVs

Major Initiatives in FY2023

- Began providing an integrated EV service that makes comprehensive proposals in Japan and overseas regarding the introduction and the operation of EVs and charging equipment, parking lots where charging equipment can be installed, and the supply of renewable energy.

Decarbonization Solutions

Future Vision

Evolve into an integrated service provider to realize a decarbonized society

Major Initiatives in FY2023

- Developed and proposed an integrated service for managing customers’ energy and facilities and began providing a service to help customers formulate a CO2 reduction roadmap.

- ✓ Employees' awareness of transformation has been steadily fostered ((1) "Lay" the foundation of transformation). Regarding the initiatives to actually create and promote transformation ((2) "Create" transformation, (3) "Promote" transformation), we launched an intra-entrepreneurship program and established and changed various rules in FY2023, and plan to further expand such initiatives in FY2024 and beyond.

(1) "Lay" the foundation of transformation > Foster all employees' awareness of transformation.

FY2023 Results (Major Initiatives)

- Conducted a survey on the 2025 MTMP. Based on the survey results, implemented initiatives to foster awareness of transformation.
- Enhanced opportunities to transmit information from management to employees by opening a blog of the President & CEO, etc.

FY2024-2025 Plan (Major Initiatives)

- Implement initiatives to save time through business process re-engineering, etc.
- Under the leadership of Division Head, each division implements initiatives to promote transformation.

(2) "Create" transformation > Develop frameworks so that efforts contributing to transformation can be actively launched.

FY2023 Results (Major Initiatives)

- Implemented the first round of the intra-entrepreneurship program in the Zero-Gravity Venture Lab (called "ZERO-GRA") and reinforced initiatives including the program to seek business ideas.
- Began implementing a new organizational evaluation system to promote transformation.

FY2024-2025 Plan (Major Initiatives)

- Implement the second round of the intra-entrepreneurship program in addition to verifications toward the commercialization of the first round of projects. Consider the further expansion and improvement of the initiative.
- Consider the further improvement of the organizational evaluation system.

(3) "Promote" transformation > Develop an agile discussion framework and promote transformation by advancing efficient decision-making processes and the delegation of authority that comes with responsibility, etc.

FY2023 Results (Major Initiatives)

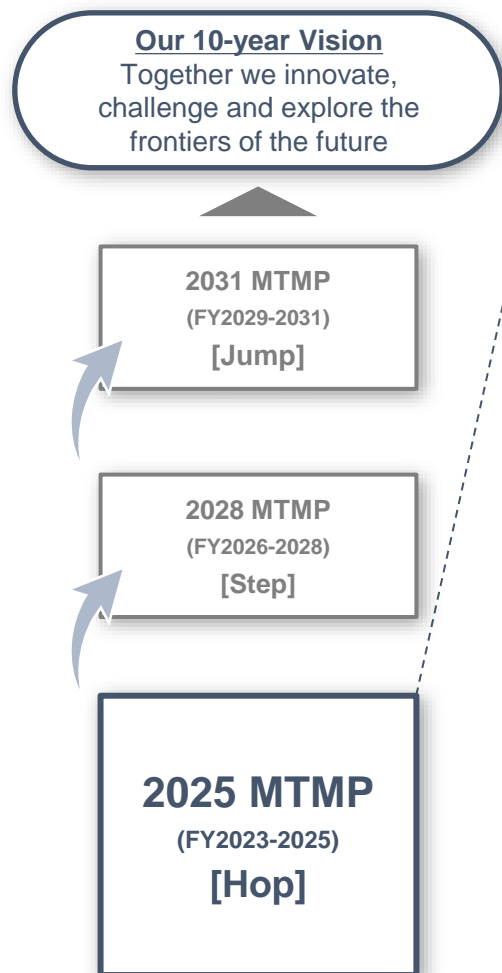
- Established the Innovation Investment Fund (JPY10.0Bn), an in-house investment fund targeted at startups (used for investments worth JPY0.69Bn in seven projects).
- Promoted the delegation of authority to front offices by revising the standards for items to be submitted to the Board of Directors (aiming to spend more time on deliberating important themes.)

FY2024-2025 Plan (Major Initiatives)

- Consider expanding and improving the Innovation Investment Fund.
- Continue to revise various internal regulations and restructure organizations with a view to decentralization and delegation of authority.

【Reference (1)】 2025 MTMP (Content Announced on May 15, 2023)

- ✓ The 2025 MTMP is positioned as the “hop” plan toward achieving Our 10-year Vision. We will promote the evolution and layering of business models while steadily engaging in “sowing seeds” for new domains and “gaining a solid foothold” by redeveloping and redefining existing domains. Thus, we aim to achieve the medium- to long-term enhancement of our corporate value.



Outline of the 2025 MTMP

- ▶ Increase profitability by promoting the evolution and layering of business models (the accumulation of business types ③, ④, and ⑤ (see the figure on the right) is a key theme).
- ▶ Aim to achieve an optimal balance sheet based on well-balanced growth potential, return on capital, and financial soundness.
- ▶ “Sowing seeds” and “gaining a solid foothold” leading to a leap to the “step” and “jump” plans are the keywords.

Major Strategies

- ▶ Business strategies
Implement Company-wide business strategies and business strategies by segment based on the evolution and layering of business models.
- ▶ Corporate functions strategies
Foster and secure talent and bolster the financial base and internal organizational base.
- ▶ Frameworks to promote transformation
Promote the awareness reform of employees to achieve transformation.

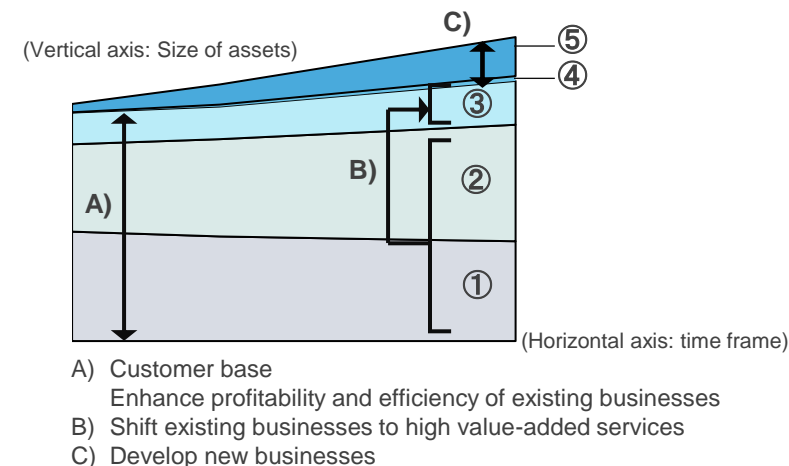
Targets

- Financial: Net income: JPY160.0Bn, ROA: approx. 1.5%, ROE: approx. 10% (Payout ratio of 40% or more, maintaining A ratings)
- Non-financial: GHG emissions (Scope1, 2): FY2030: -55% in FY2030 vs. FY2019 and net zero in FY2050
Formulate a talent portfolio framework and visualize the level of fulfillment, etc.

[Vision of the Evolution and Layering of Business Models]

Five Business Models

- ⑤ Asset utilization business
- ④ Data utilization platform services
- ③ Finance + services
- ② Asset finance
- ① Customer finance



【Reference (2)】 Business Strategies (Directions by Segment)

Customer Solutions

- Enhance profitability by launching many new services for which we have conducted PoC*¹ with each partner company.
- We will accelerate the evolution and layering of business models by creating various solutions that help us provide added value to customers and resolve their management issues, and promoting internal collaboration on and the dissemination of such solutions.
- Reform sales processes by improving accuracy and efficiency of sales activities through the development/usage of a new CRM*² and the reallocation of human resources.

*¹ PoC (Proof of Concept): Verification of feasibility of new ideas and technologies

*² CRM (Customer Relationship Management): Customer information management system

Global Business

[Europe]

- Promote the accumulation of high-quality new assets in the decarbonization domain and other businesses as well as profit expansion strategies, such as an increase in gains on sales of used cars.
- Expand interest rate margins by reducing funding costs, etc.

[Americas]

- Expand margins based on an improved interest rate environment as well as through initiatives such as revising pricing standards, etc.
- In the sales finance business for commercial trucks, review the models and processes to control credit risks in consideration of third-party assessments.
- Diversify and restructure our business portfolio to achieve appropriate risks and returns.

Aviation

- Promote sales of assets held by JSA and ELF to Japanese large-lot investors.
- Enhance profitability by strengthening the value chain of the aircraft leasing, engine leasing, and parts sales businesses.
- Expand the high-quality portfolio by executing inorganic strategies.

Logistics

- Accumulate transactions by executing more new investments in the container leasing business, and maintain high utilization rates by further sophisticating operations.
- Acquire highly profitable and long-term transactions in the North American freight railcar leasing business and continue to generate gains on sales by strengthening O&D operations.

Environment & Energy

- Further expand our domestic power generating capacity (solar, wind power, etc.) (targeting over 1,000MW by the end of FY2024).
- Accelerate sales of domestic solar and biomass power generation businesses in which we have a minority stake.
- Develop renewable energy power generation businesses in Europe through European Energy, in which we acquired a 20% stake in April 2024.
- Replace our portfolio by selling overseas infrastructure assets.

Real Estate




- Increase profit generated during leasing terms by enhancing development and capabilities to enhance value in Japan and continue to generate gains on sales of assets.
- O&D*³ in domestic finance businesses and restructuring of the Division's portfolio.
- Reduce losses and collect the maximum amount of debts in problematic U.S. projects.

*³ O&D (Origination & Distribution): A business model for real estate non-recourse loans aiming to increase profitability through sales or sub-participation of loans in part to external parties such as by dividing loans into senior loan portions and subordinated loan portions.


Mobility

- Expand domestic and overseas EV integrated services.
- Generate cost synergies and strengthen sales capabilities from the merger of the two domestic auto leasing companies.

VI. Reference Information

: Evolution and layering of business models
: Frameworks to promote transformation
: Key themes across segments

April 2023

- ✓ Announced the conclusion of a virtual PPA (an agreement to transfer non-fossil certificates related to renewable electricity) between a group company, Mitsubishi HC Capital Energy and Tokyo Metro.
- ✓ Made CenterPoint Development (CPD) a group company engaged in the development of logistics facilities and asset management business specializing in logistics facilities, a wholly-owned subsidiary.  1

May 2023 2

- ✓ Announced the launch of the renewable energy aggregation business at our group company HSE (prediction of renewable energy power generation and preparation of power generation plans, and provision of electricity and non-fossil value based on them).

June 2023

- ✓ Announced the establishment of “Innovation Investment Fund” with a total of 10.0 billion yen of funds available for investments in startups with an aim to promote creation of new services and development of new businesses. (Please refer to page 41 for details.)

August 2023

- ✓ Announced to start business operation in Silicon Valley in the U.S. to strengthen the business intelligence function as part of the innovation initiatives.


September 2023

- ✓ Announced the business alliance with Horizon Ocean Management with the aim of stabilizing and improving efficiency of the O&M services (maintenance, inspections, and repairs) in the offshore wind power generation business.

September 2023 3

- ✓ Mitsubishi HC Capital Energy and Mitsubishi Auto Leasing launched an integrated service necessary for the introduction and operation of EVs, including the supply of EVs and charging infrastructure as well as renewable energy as the power source.




 1 Multi-tenant logistics facility, CPD Nagoya Minato



 2 Yokohama-machi Hibaritaira Wind Power Plant (Aomori Pref.)



 3 Company EVs introduced by MHC using the integrated EV service

■ : Evolution and layering of business models
■ : Frameworks to promote transformation
■ : Key themes across segments



November 2023

- ✓ Announced the business alliance with Lenovo Japan and Mitsubishi UFJ Trust and Banking with an aim to provide a comprehensive package to support startups, including PC subscription service.
- ✓ Announced the launch of a verification project using robots in logistics facilities, as a METI commissioned project, together with BIC CAMERA and YAMAZEN.
- ✓ Started offering facial photo collection and authentication service on a subscription model with TOPPAN Edge.
- ✓ Signed a partnership agreement with AeroEdge manufacturing and selling aircraft engine parts with an aim to enhance the partnership to accelerate DX and SDGs in the aviation industry.

December 2023 4

- ✓ Announced to start a trial for a preventive maintenance service for infrastructure using an earthworm-like in-pipe crawling robot “Sooha” offered by SoLARIS.

December 2023

- ✓ Selected the first projects that passed the final review in the internal startup program of the Zero-Gravity Venture Lab, an initiative aimed at accelerating new business development, and officially launched the projects toward the establishment of a company.

January 2024

- ✓ Decided to invest in European Energy A/S, a Danish company engaging in renewable and next-generation energy business (investment was executed in April 2024).

January 2024

- ✓ Transferred shares of our group companies, DFL Lease and Shutoken Leasing.

February 2024

- ✓ Announced the launch of a joint venture for renewable energy generation based on a PPA between the Mitsubishi HC Capital Group, TOKYU and Tokyu Power Supply and the conclusion of a contract for the first project.
- ✓ Announced the transfer of shares of our group company Sekisui Leasing.
- ✓ Announced to establish “Robotics Business Development Department,” a new organization dedicated to accelerating development and promotion of new businesses in the robotics sector in April 2024.

March 2024

- ✓ Began full-scale utilization of generative AI at the Company in cooperation with Hitachi.



4 Sooha, an in-pipe crawling robot that mimics the movement of an earthworm, provided by SoLARIS.


Investment in a European company engaged in renewable and next-generation energy businesses (1)

Investment in a European Company Engaged in Renewable and Next-Generation Energy Businesses

- ✓ As announced on January 19, 2024, we signed an investment agreement to invest approximately 700 million Euros (approximately 110.0 billion yen*1) in European Energy A/S, a Danish company developing and operating renewable and next-generation energy businesses mainly in Europe, and to acquire 20% of its outstanding shares.
- ✓ We completed the investment on April 16, 2024, making EE an equity-method affiliate.

Strategic Significance and Objective of This Investment

- ✓ Toward the “Evolution and Layering of Business Models” set forth in the Medium-term Management Plan (2025 MTMP), we have established “the enhancing of development functions in the renewable energy business” as a core strategy for the Environment & Energy business, and this investment will be the pillar of that strategy.
- ✓ We have also defined hydrogen as one of the key themes to be addressed across segments toward solving social issues and generating social value, and will create synergy with EE’s globally leading Power-to-X² (PtX) initiatives.
- ✓ Through our strategic partnership with EE and by leveraging the capabilities and knowledge of both companies, we will accelerate the development of renewable and green energy business on a global scale. In this way, we will contribute to realizing a decarbonized society.

Company Overview	
Name	European Energy A/S 
Head Office	Denmark
Representative	Knud Erik Andersen, CEO
Stated Capital	40,624,000 Euros (as of end-December 2023)
Date of Establishment	April 2004
Operating Regions	28 countries, mainly in Europe
Employees	609 (as of end-December 2023)

Consolidated Results*3				
(Million Euros)	FYE 12/2020	FYE 12/2021	FYE 12/2022	FYE 12/2023
Revenues	206	328	438	420
EBITDA	61	81	140	178
Net Income	16	51	80	102
Net Assets	235	350	391	432
Total Assets	739	1,174	1,743	2,027



▲ Power generation facility in Holmen, Denmark, developed by EE

*1 EUR 1 = JPY163.24

*2 Refer to page 40 for details

*3 Results for FYE12/2022 were revised based on the announcement by EE

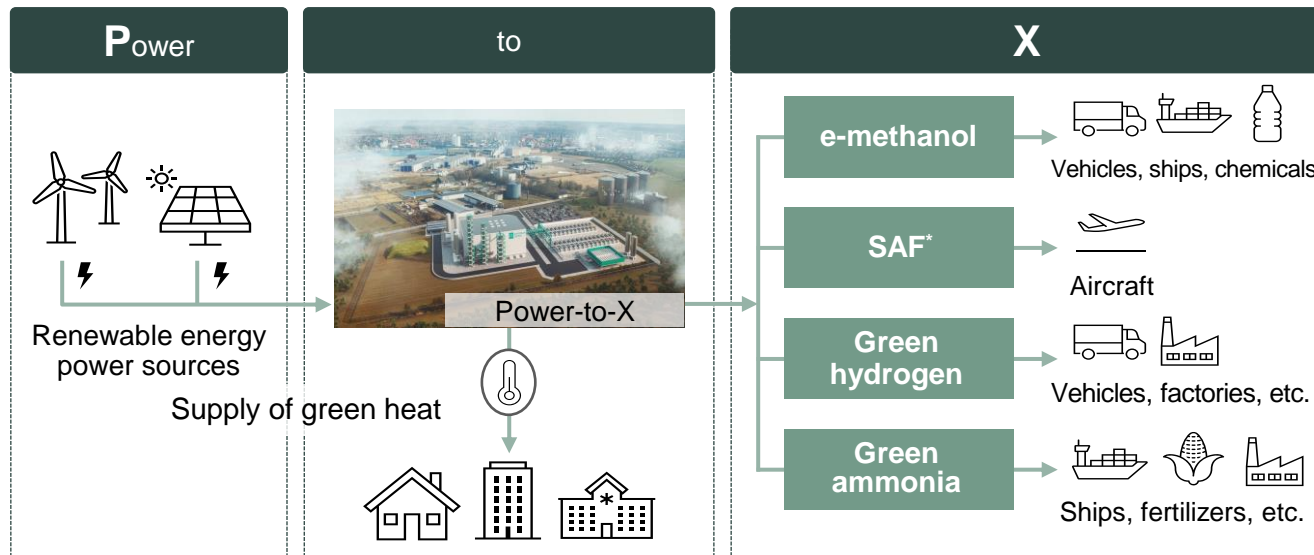
Investment in a European company engaged in renewable and next-generation energy businesses (2)

Overview of EE and Its Strengths

- ✓ EE, active in 28 countries, achieved more than an accumulated 3GW in renewable energy development, and has more than 60GW in development and construction pipelines mainly in Europe.
- ✓ EE has mainly developed solar and onshore wind power generation, and its main sources of profits are sales gains from development projects and revenue from electricity sales after completing power source development. It has stably expanded its business and achieved profit growth.
- ✓ EE has also been developing PtX, the production of green hydrogen and e-methanol utilizing electricity generated from renewable energy sources, for which demand is expected to grow significantly. In PtX, it has been developing commercial-base projects, for which the recipient companies are secured, and is a global pioneer in this field.

[Reference] Power-to-X Business Overview

- ✓ Power-to-X refers to the technology using electrolysis powered by renewable energy to split water into hydrogen and use the produced hydrogen as a replacement for fossil fuels, materials, etc. PtX is the process of turning renewable electricity (power) into sustainable green products (the “X”) such as hydrogen, e-methanol, and green ammonia.



* Sustainable Aviation Fuel



▲ An e-methanol production plant being planned (conceptual drawing)

Investments Made in FYE3/2024 Using the Innovation Investment Fund

- ✓ In FYE3/2024, investments using this fund were made in seven companies in total. Investments in approximately 10 companies are currently under consideration.

1

Tabist

Business Description

Provides DX services for accommodation management and price setting

2

ZZERO

Business Description

Operates vending machines contributing to the reduction of food loss

3



CreditEngine

Business Description

Develops and operates an online lending platform

4

Medup

Business Description

Provides a tool for managing collaboration between medical institutions

5



matsuri technologies

Business Description

Operates private lodging and short-term rental services

6



M-INT
MEDICAL INSTITUTION
INTERACTIONAL NETWORK SYSTEM

Business Description

Develops an electric referral system and medical resources database

7

AAKEL

Business Description

Provides DX services related to decarbonization and EV energy management

Investment period
Three years from April 2023

Total amount of fund
JPY10.0Bn

- ✓ We have generated approx. 10.0 billion yen in synergy in management resources over the three years following the business integration as per the initial plan.
- ✓ We have also created sales synergy and investment synergy steadily.

Management Resources




HR

✓ Effects from optimizing recruitment and integrating HR systems



Reorganization of Group companies

✓ Effects from integrating domestic and overseas Group companies



Facilities

✓ Effects from integrating floors of offices in the same area



IT

✓ Effects from integrating operation systems

Sales



Cross-selling through collaboration on a global basis, strengthening of sales finance, etc.

✓ We have concluded over 1,000 contracts through cross-selling over the two years following the business integration

Investments



Major investments

01 Acquisition of CAI, a leading U.S. marine container company

We acquired CAI, a leading U.S. marine container leasing company, aiming to enhance the marine container leasing business, which has stable demand and high growth potential.


Investment amount Approx. USD1.1Bn
(Approx. JPY126.0Bn at JPY114 to USD 1)



02 Investment in European Energy A/S, a company engaged in renewable and next-generation energy businesses

We decided to make an investment (worth approx. JPY110.0Bn) in European Energy A/S, a Danish company engaged in renewable energy and next-generation energy businesses mainly in Europe. We acquired 20% of its shares and made it into an equity-method affiliate. (Please see page 39 for details.)

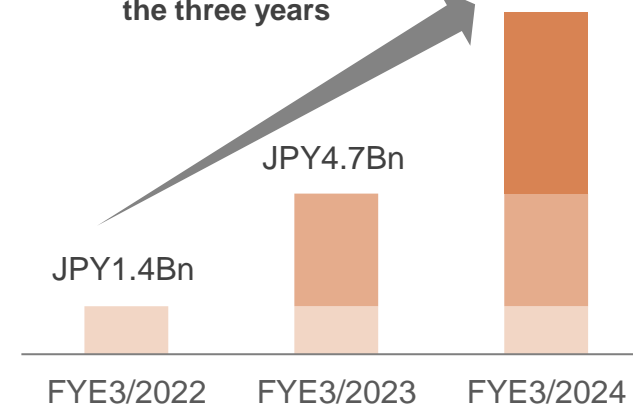
Investment amount Approx. EUR0.7Bn
(Approx. JPY110.0Bn at JPY163.24 to EUR 1)



Synergy growth in management resources

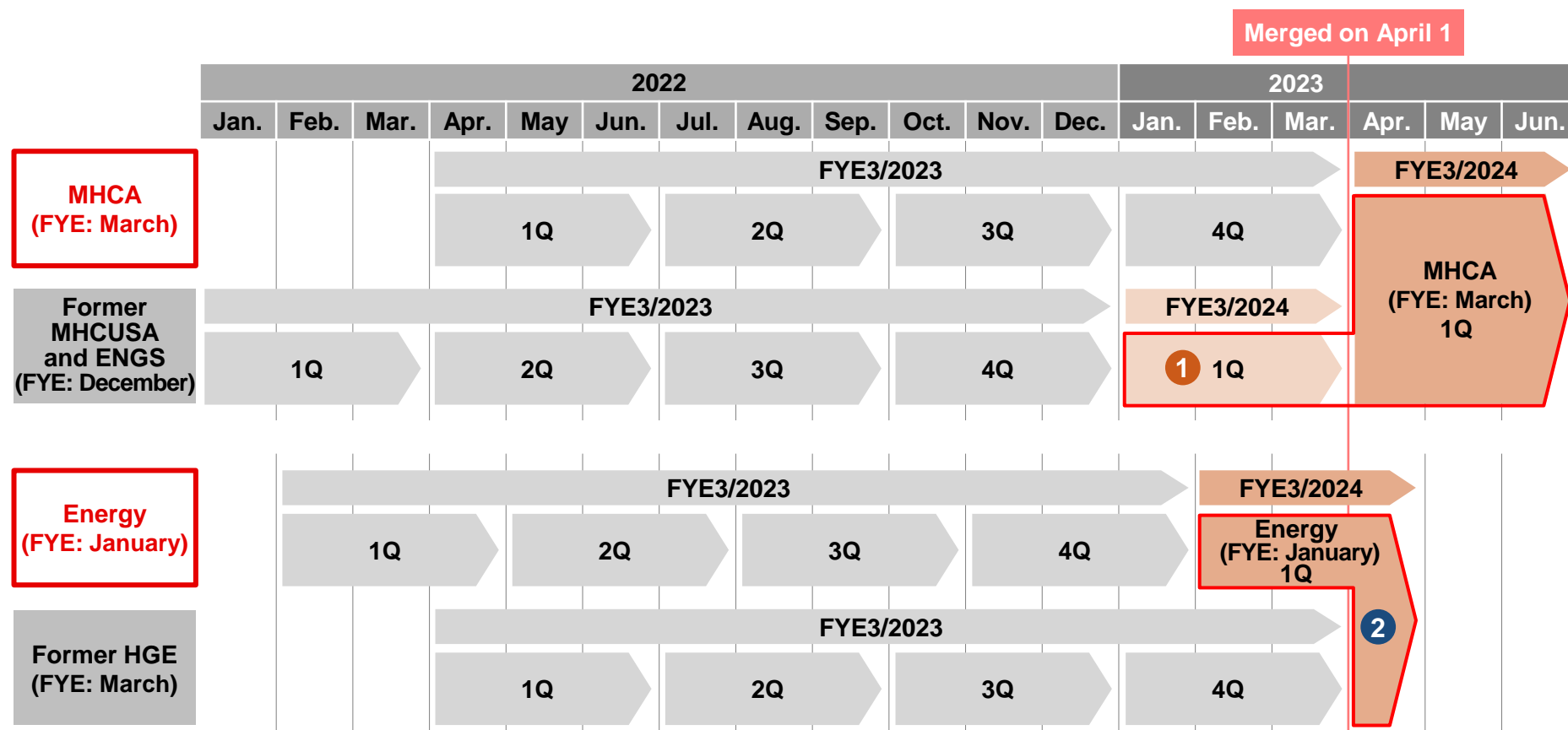
Generated approx. 10.0 billion yen in synergy over the three years

JPY10.3Bn



Effects by Adjusting Fiscal Period Associated with Reorganization of Subsidiaries

- ✓ On April 1, 2023, our Group companies in the U.S., Mitsubishi HC Capital America, Inc. (“MHCA”), Mitsubishi HC Capital (U.S.A.) Inc. (“MHCUSA”), and ENGS Commercial Finance Co. (“ENGS”), were integrated, with MHCA being the surviving company.
- ✓ On the same day, our Group companies engaged in the solar power generation business, etc., Mitsubishi HC Capital Energy Inc. (“Energy”) and HGE Ltd. (“HGE”), were integrated, with Energy being the surviving company.
- ✓ The effects of these mergers in FYE3/2024 are as follows.



YoY Impact on PL

1 Effect of profit increase

The financial results of the former MHCUSA and ENGS for the period from January to March 2023 (three months) were incorporated in addition to the results of MHCA for the period from April to June 2023 (three months) after the merger of the three companies.

2 Cause of profit decrease

For the former HGE, the financial results for April 2023 (one month) only were incorporated.

Segment Profit (1) (by Quarter)

(Billion Yen)			FYE3/2023					FYE3/2024					
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY
1	Customer Solutions	Gross Profit	31.2	28.0	27.9	29.3	116.5	27.8	27.7	29.8	30.5	115.9	-0.5
2		Base Profit	28.5	27.6	27.3	28.7	112.3	27.7	27.7	29.2	28.9	113.5	+1.2
3		Asset-related Gain/Loss	2.6	0.4	0.5	0.6	4.2	0.1	0.0	0.6	1.6	2.4	-1.8
4		Recurring Income	16.7	13.5	12.2	12.6	55.2	11.3	9.7	12.8	15.6	49.5	-5.6
5		Segment Profit	11.2	9.3	8.1	9.3	38.1	8.2	7.0	9.3	13.6	38.1	0.0
6	Global Business	Gross Profit	31.2	30.2	30.6	29.0	121.1	33.9	32.6	34.2	34.5	135.3	+14.2
7		Recurring Income	12.6	10.2	6.7	5.6	35.3	7.0	8.3	6.8	2.1	24.3	-10.9
8		Segment Profit	10.2	13.3	3.3	2.0	29.0	4.0	6.1	5.3	1.0	16.6	-12.4
9	Environment & Energy	Gross Profit	3.2	4.1	3.7	5.2	16.4	1.8	-0.1	3.4	5.2	10.4	-5.9
10		Base Profit	2.4	3.6	3.7	2.1	12.0	1.8	3.0	3.4	0.5	8.9	-3.1
11		Asset-related Gain/Loss	0.8	0.5	-	3.0	4.4	0.0	-3.2	-	4.7	1.5	-2.8
12		Recurring Income	2.6	3.4	3.7	4.5	14.3	0.6	-0.6	2.0	3.3	5.3	-9.0
13		Segment Profit	1.9	3.5	2.8	3.3	11.6	2.6	0.0	1.3	3.3	7.3	-4.3
14	Aviation	Gross Profit	6.7	4.5	8.5	13.8	33.6	9.0	9.8	12.2	17.9	49.1	+15.5
15		Base Profit	6.0	7.9	7.9	10.6	32.5	8.0	9.5	12.8	13.6	44.1	+11.5
16		Asset-related Gain/Loss	0.6	-3.4	0.5	3.1	1.0	1.0	0.2	-0.6	4.3	4.9	+3.9
17		Recurring Income	-1.2	-2.5	4.0	8.9	9.1	2.8	7.6	9.2	12.4	32.3	+23.2
18		Segment Profit	-0.9	-1.8	2.8	6.1	6.2	2.3	4.9	6.9	13.0	27.3	+21.1

Segment Profit (2) (by Quarter)

(Billion Yen)			FYE3/2023					FYE3/2024					
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY
19	Logistics	Gross Profit	8.5	8.8	7.1	7.5	32.1	9.5	9.0	9.5	7.4	35.5	+3.4
20		Base Profit	7.3	8.4	9.0	7.3	32.2	7.5	7.4	7.9	7.2	30.2	-1.9
21		Asset-related Gain/Loss	1.2	0.3	-1.9	0.2	0.0	1.9	1.5	1.5	0.1	5.2	+5.3
22		Recurring Income	5.8	5.8	3.9	4.3	19.9	6.6	5.9	6.0	4.2	22.9	+2.9
23		Segment Profit	4.6	4.5	3.1	3.0	15.3	5.4	4.4	4.6	3.3	17.8	+2.4
24	Real Estate	Gross Profit	8.1	6.6	5.3	4.7	24.9	9.8	0.3	2.4	11.1	23.8	-1.0
25		Base Profit	3.8	3.3	3.8	-0.2	10.9	3.0	-2.2	2.4	0.4	3.7	-7.1
26		Asset-related Gain/Loss	4.2	3.2	1.4	4.9	14.0	6.7	2.6	-	10.6	20.1	+6.1
27		Recurring Income	4.1	4.2	3.2	1.9	13.6	8.5	-1.6	0.2	8.7	15.9	+2.2
28		Segment Profit	2.6	2.8	2.2	4.8	12.6	11.7	-4.8	-0.3	5.4	11.9	-0.7
29	Mobility	Gross Profit	2.5	2.2	2.3	1.9	9.0	0.3	0.2	0.3	0.3	1.2	-7.7
30		Recurring Income	1.6	1.1	1.1	0.1	4.1	0.8	0.6	0.6	0.2	2.3	-1.7
31		Segment Profit	1.3	1.0	0.9	0.4	3.7	0.8	0.7	0.7	0.4	2.7	-1.0
32	Adjustments	Gross Profit	1.4	0.0	1.0	0.9	3.4	2.1	0.6	2.8	2.8	8.4	+5.0
33		Recurring Income	-0.5	-2.2	-1.2	-1.8	-5.8	-0.3	-0.9	-0.5	0.6	-1.2	+4.5
34		Segment Profit	0.8	-1.6	-0.8	1.0	-0.6	-0.2	-0.7	-0.1	3.0	1.8	+2.4
35	Total	Gross Profit	93.2	84.6	86.7	92.6	357.3	94.6	80.3	94.9	110.0	380.0	+22.7
36		Base Profit	83.5	83.5	86.0	80.5	333.6	84.7	78.9	93.4	88.5	345.7	+12.0
37		Asset-related Gain/Loss	9.7	1.1	0.6	12.1	23.6	9.9	1.4	1.5	21.5	34.3	+10.7
38		Recurring Income	41.9	33.8	33.8	36.4	146.0	37.7	29.1	37.3	47.3	151.6	+5.5
39		Segment Profit	32.0	31.1	22.7	30.3	116.2	35.1	17.6	27.8	43.2	123.8	+7.6

Asset-related Gain/Loss (by Quarter)

(Billion Yen)		FYE3/2023					FYE3/2024					
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY
1	Customer Solutions	2.6	0.4	0.5	0.6	4.2	0.1	0.0	0.6	1.6	2.4	-1.8
2	Gain/Loss on Sales	2.6	0.4	0.5	0.6	4.2	0.1	0.0	0.6	1.6	2.4	-1.8
3	Impairment Losses	-	-	-	-	-	-	-	-	-	-	-
4	Environment & Energy	0.8	0.5	-	3.0	4.4	0.0	-3.2	-	4.7	1.5	-2.8
5	Gain/Loss on Sales	0.8	0.5	-	3.0	4.4	0.0	2.6	-	4.7	7.3	+2.9
6	Impairment Losses	-	-	-	-	-	-	-5.8	-	-	-5.8	-5.8
7	Aviation	0.6	-3.4	0.5	3.1	1.0	1.0	0.2	-0.6	4.3	4.9	+3.9
8	Gain/Loss on Sales	0.6	0.6	1.0	4.5	6.9	1.0	0.2	2.0	4.3	7.7	+0.7
9	Impairment Losses	-	-4.0	-0.4	-1.3	-5.9	-	-	-2.6	0.0	-2.7	+3.2
10	Logistics	1.2	0.3	-1.9	0.2	0.0	1.9	1.5	1.5	0.1	5.2	+5.3
11	Gain/Loss on Sales	1.2	0.3	0.5	0.3	2.3	1.9	1.5	1.5	0.1	5.2	+2.8
12	Impairment Losses	-	-	-2.4	0.0	-2.4	-	-	-	-	-	+2.4
13	Real Estate	4.2	3.2	1.4	4.9	14.0	6.7	2.6	-	10.6	20.1	+6.1
14	Gain/Loss on Sales	4.2	3.2	1.4	4.9	14.0	6.7	2.6	-	10.6	20.1	+6.1
15	Impairment Losses	-	-	-	-	-	-	-	-	-	-	-
16	Total Asset-related Gain/Loss	9.7	1.1	0.6	12.1	23.6	9.9	1.4	1.5	21.5	34.3	+10.7
17	Gain/Loss on Sales	9.7	5.2	3.5	13.5	32.0	9.9	7.2	4.2	21.5	42.9	+10.8
18	Impairment Losses	-	-4.0	-2.8	-1.4	-8.4	-	-5.8	-2.6	0.0	-8.5	-0.1

(Note) Based on gross profit

Notes by Segment (excl. Asset-related Gain/Loss)

		FYE3/2023	FYE3/2024
1	Customer Solutions	1Q: [+] Non-operating income from a certain deal (insurance claim income): approx. JPY1.0Bn	4Q: [+] Gains/Losses on sales of strategic shareholdings, etc.: approx. JPY5.5Bn
2	Global Business	2Q: [+] Gains on revaluation of securities due to the exclusion of a European subsidiary from the scope of the equity method: approx. JPY7.0Bn 3Q: [-] Losses from revaluation of strategic shareholdings: approx. JPY2.0Bn [-] Temporary IT-related expenses in Europe: approx. JPY1.0Bn [-] Temporary operating expenses in China: approx. JPY1.0Bn 4Q: [-] Temporary regulatory compliance expenses in Europe: approx. JPY3.0Bn [-] Impact of a rise in the corporate tax rate in Europe (UK)*: approx. JPY2.0Bn	1Q: [+] Positive effects of the reorganization of subsidiaries in the Americas: approx. JPY1.0Bn [-] Credit costs in line with the worsening market conditions in the Americas: approx. JPY2.0Bn 3Q: [-] Credit costs in line with the worsening market conditions in the Americas: approx. JPY4.0Bn 4Q: [-] Credit costs in line with the worsening market conditions in the Americas: approx. JPY9.0Bn
3	Environment & Energy	1Q: [+] An increase in profit from an equity method investment in a wind power generation project in Europe: approx. JPY1.0Bn 2Q: [+] Gain on sales of equity interests in infrastructure business: approx. JPY2.0Bn	1Q: [+] A decrease in tax expenses associated with the absorption-type merger of subsidiaries*: approx. JPY2.0Bn 4Q: [-] Temporary expenses: approx. JPY1.0Bn
4	Aviation	1Q: [-] Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY3.5Bn 2Q: [-] Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY3.0Bn 3Q: [-] Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY1.0Bn 4Q: [-] Costs related to the bankruptcy of a customer: approx. JPY2.0Bn [+] Exchange revaluation gains related to leasing transactions of aircraft owned by MHC: approx. JPY2.0Bn	1Q: [-] Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY1.5Bn 2Q: [+] A large reversal of allowance for doubtful accounts: approx. JPY4.0Bn [-] Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY2.5Bn 3Q: [+] A large reversal of allowance for doubtful accounts: approx. JPY1.5Bn 4Q: [+] A reversal of tax expenses*: approx. JPY1.5Bn
5	Logistics	1Q: [-] Large credit costs: approx. JPY2.0Bn	1Q: [+] Extraordinary income as a result of making CPD a wholly-owned subsidiary*: approx. JPY4.8Bn
6	Real Estate	4Q: [+] Impact of share transfer of DAF*: approx. JPY2.0Bn [-] Losses in the U.S. real estate businesses: approx. JPY2.7Bn	2Q: [-] Losses in the U.S. real estate business*: approx. JPY5.5Bn [-] An increase in tax expenses*: approx. JPY1.5Bn 3Q: [-] Losses in the U.S. real estate business*: approx. JPY0.8Bn 4Q: [-] Losses in the U.S. real estate business*: approx. JPY3.4Bn
7	Mobility		1Q: [+] Positive effects of reorganization of subsidiaries in the Americas: approx. JPY1.5Bn
8	Adjustments		4Q: [+] Gains/Losses on sales of strategic shareholdings, etc.: approx. JPY4.0Bn

(Note) Based on figures before taxes, but figures with "*" are after taxes

Segment Assets

(Billion Yen)		FYE3/2022	FYE3/2023	FYE3/2024	Change from FYE3/2023
1	Customer Solutions	3,337.6	3,227.7	2,966.5	-261.1
2	Percentage of Total	35.7%	33.5%	29.1%	-4.4pt
3	Global Business	2,316.3	2,644.2	3,070.8	+426.5
4	Percentage of Total	24.8%	27.5%	30.2%	+2.7pt
5	Environment & Energy	419.3	433.2	416.6	-16.6
6	Percentage of Total	4.5%	4.5%	4.1%	-0.4pt
7	Aviation	1,365.1	1,640.2	2,020.0	+379.8
8	Percentage of Total	14.6%	17.0%	19.8%	+2.8pt
9	Logistics	1,026.7	1,092.9	1,099.0	+6.1
10	Percentage of Total	11.0%	11.4%	10.8%	-0.6pt
11	Real Estate	712.7	447.2	525.4	+78.1
12	Percentage of Total	7.6%	4.6%	5.2%	+0.6pt
13	Mobility	129.4	41.4	51.9	+10.5
14	Percentage of Total	1.4%	0.4%	0.5%	+0.1pt
15	Adjustments	37.9	105.8	29.0	-76.8
16	Percentage of Total	0.4%	1.1%	0.3%	-0.8pt
17	Total Segment Assets	9,345.3	9,632.9	10,179.4	+546.5

New Transactions Volume by Segment

(Billion Yen)		FYE3/2023	FYE3/2024	YoY Change	YoY Change (%)
1	Customer Solutions	933.2	984.8	+51.6	+5.5%
2	Global Business	1,300.7	1,389.6	+88.8	+6.8%
3	Environment & Energy	35.8	22.8	-12.9	-36.2%
4	Aviation	195.6	456.3	+260.6	+133.3%
5	Logistics	55.3	38.3	-17.0	-30.8%
6	Real Estate	87.9	152.0	+64.1	+72.9%
7	Mobility	31.8	14.3	-17.4	-54.9%
8	Adjustments	-	-6.4	-6.4	-
9	Total New Transactions Volume	2,640.6	3,051.9	+411.3	+15.6%

Credit Costs by Segment

(Billion Yen)		FYE3/2023	FYE3/2024	YoY Change
1	Customer Solutions	-0.2	1.1	+1.4
2	Global Business	6.8	22.7	+15.9
3	Environment & Energy	1.8	2.3	+0.4
4	Aviation	3.0	-6.6	-9.7
5	Logistics	0.0	0.0	0.0
6	Real Estate	2.2	0.0	-2.3
7	Mobility	0.0	0.0	0.0
8	Adjustments	0.0	0.0	0.0
9	Total Credit Costs	13.7	19.5	+5.8

Financial Performance: Profit & Loss Statement

(Million Yen)		FYE3/2021*	FYE3/2022	FYE3/2023	FYE3/2024
1	Revenues	1,713,891	1,765,559	1,896,231	1,950,583
		-	+3.0%	+7.4%	+2.9%
2	Cost of Revenues	1,418,066	1,430,898	1,538,904	1,570,487
		-	+0.9%	+7.5%	+2.1%
3	Cost of Funds	92,392	77,493	136,656	209,127
		-	-16.1%	+76.3%	+53.0%
4	Gross Profit	295,825	334,661	357,327	380,095
		-	+13.1%	+6.8%	+6.4%
5	SG&A Expenses	197,774	220,569	218,600	233,919
		-	+11.5%	-0.9%	+7.0%
6	Personnel Expenses	91,011	99,286	112,007	120,429
		-	+9.1%	+12.8%	+7.5%
7	Non-personnel Expenses	79,162	83,806	89,735	91,883
		-	+5.9%	+7.1%	+2.4%
8	Allowance	27,599	37,477	16,858	21,606
		-	+35.8%	-55.0%	+28.2%
9	Operating Income	98,051	114,092	138,727	146,176
		-	+16.4%	+21.6%	+5.4%
10	Recurring Income	105,419	117,239	146,076	151,633
		-	+11.2%	+24.6%	+3.8%
11	Extraordinary Income	20,591	30,399	11,350	17,372
		-	+47.6%	-62.7%	+53.1%
12	Extraordinary Loss	299	388	4,262	1,329
		-	+29.8%	+998.4%	-68.8%
13	Net Income Attributable to Owners of the Parent	87,166	99,401	116,241	123,842
		-	+14.0%	+16.9%	+6.5%

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

* Figures for FYE3/2021 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)		FYE3/2021* (end-Mar. 2021)	FYE3/2022 (end-Mar. 2022)	FYE3/2023 (end-Mar. 2023)	FYE3/2024 (end-Mar. 2024)
1	Cash and Cash Equivalents	603,321	540,942	589,688	366,478
		-	-10.3%	+9.0%	-37.9%
2	Total Equity	1,250,216	1,333,467	1,551,029	1,705,345
		-	+6.7%	+16.3%	+9.9%
3	Total Assets	9,730,027	10,328,872	10,726,196	11,149,858
		-	+6.2%	+3.8%	+3.9%
4	Segment Assets	8,604,876	9,345,376	9,632,966	10,179,473
		-	+8.6%	+3.1%	+5.7%
5	Operating Assets	8,259,624	9,058,273	9,311,185	9,825,993
		-	+9.7%	+2.8%	+5.5%
6	Equity Method Investments	140,291	142,469	163,109	177,850
		-	+1.6%	+14.5%	+9.0%
7	Goodwill, Investment Securities, etc.	204,960	144,633	158,670	175,629
		-	-29.4%	+9.7%	+10.7%
8	Distressed Receivables	95,543	108,188	99,912	122,035
		-	+13.2%	-7.6%	+22.1%
9	Allowance for Doubtful Accounts	58,066	76,791	68,806	66,983
		-	+32.2%	-10.4%	-2.6%
10	Net Balance of Distressed Receivables	37,476	31,397	31,106	55,051
		-	-16.2%	-0.9%	+77.0%
11	Equity Ratio	12.5%	12.7%	14.3%	15.1%
		-	+0.2pt	+1.6pt	+0.8pt
12	ROE	-	8.0%	8.2%	7.7%
		-	-	+0.2pt	-0.5pt
13	ROA	-	1.0%	1.1%	1.1%
		-	-	+0.1pt	0.0pt

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

* Figures for FYE3/2021 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. (Cont'd) MITSUBISHI HC CAPITAL

(Million Yen)		FYE3/2021*1 (end-Mar. 2021)	FYE3/2022 (end-Mar. 2022)	FYE3/2023 (end-Mar. 2023)	FYE3/2024 (end-Mar. 2024)
14	Total Funding	7,633,836	8,066,082	8,236,106	8,439,792
		-	+5.7%	+2.1%	+2.5%
15	Indirect Funding	4,193,928	4,515,103	4,846,586	4,919,380
		-	+7.7%	+7.3%	+1.5%
16	Direct Funding	3,439,908	3,550,978	3,389,520	3,520,411
		-	+3.2%	-4.5%	+3.9%
17	CP	643,812	682,593	559,485	784,178
		-	+6.0%	-18.0%	+40.2%
18	Securitization	584,565	604,493	604,302	565,959
		-	+3.4%	0.0%	-6.3%
19	Corporate Bonds	2,211,530	2,263,891	2,225,731	2,170,273
		-	+2.4%	-1.7%	-2.5%
20	Direct Funding Ratio	45.1%	44.0%	41.2%	41.7%
		-	-1.1pt	-2.8pt	+0.5pt
21	Long-Term Funding Ratio	81.5%	81.1%	82.5%	82.5%
		-	-0.4pt	+1.4pt	0.0pt
22	Foreign Currency Funding Ratio	43.1%	49.4%	56.3%	60.6%
		-	+6.3pt	+6.9pt	+4.3pt

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

*1 Figures for FYE3/2021 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

Exchange Rate Applied to Financial Results of Major Overseas Subsidiaries*2

	Major Overseas Subsidiaries with FY Ending in December		Major Overseas Subsidiaries with FY Ending in March				
	FYE3/2023	FYE3/2024	FYE3/2023		FYE3/2024		
23	Exchange Rate Applied to PL	\$1=JPY131.43	\$1=JPY140.56	£1=JPY163.15	\$1=JPY135.47	£1=JPY181.76	\$1=JPY144.62
24	Exchange Rate Applied to BS	\$1=JPY132.70	\$1=JPY141.83	£1=JPY165.56	\$1=JPY133.53	£1=JPY191.22	\$1=JPY151.41

*2 Major overseas subsidiaries with⇒ FY ending in December Average exchange rates from January through December applied to PL
 FYE3/2023 BS: exchange rate as of end-Dec. 2022 is applied
 FYE3/2024 BS: exchange rate as of end-Dec. 2023 is applied

Major overseas subsidiaries with⇒ FY ending in March Average exchange rates from April through March applied to PL
 FYE3/2023 BS: exchange rate as of end-Mar. 2023 is applied
 FYE3/2024 BS: exchange rate as of end-Mar. 2024 is applied



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