Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2025

Mitsubishi HC Capital Inc.
November 14, 2024

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Greetings, everyone. This is Taiju Hisai, President & CEO.

Thank you for attending today's financial results meeting despite your busy schedules.

For today's briefing, in addition to those gathered here at the meeting site, we are also joined by many people watching live online. Again, thank you.

Today, first of all, I would like to explain the highlights of the Financial Results for the Second Quarter of FYE3/2025, which we just released.

Following that, Director and Managing Executive Officer Haruhiko Sato will explain the financial results for the period and our forecast for FYE3/2025. Then, I would like to talk about initiatives for the enhancement of our medium- to long-term corporate value.

Finally, I would like to take questions from all of you, so please feel free to ask.

Let's get started. Please take a look at the Highlights on page 2 of the Financial Results for the Second Quarter of FYE3/2025, which you should have in front of you.

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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 (Renewable and next-generation energy company)
- JSA: Jackson Square Aviation (Aircraft leasing company)
- elfc: 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)
- CPD: CenterPoint Development (Became a wholly-owned subsidiary in April 2023)

- Asset-related Gain/Loss:
  The sum of gain/loss on sales and impairment losses, etc. (incl. fair value gains/losses) of owned assets based on gross profit in the Customer Solutions, Environment & Energy, Aviation, Logistics, and Real Estate segments
- Income Gain: Gross profit other than asset-related gain/loss + non-operating income/loss (do not include gains on bad debts recovered)
- Net Income: (Quarterly/annual) net income attributable to owners of the parent
- ROA: $\dfrac{\text{Net income}}{\text{(total assets at the end of previous FY + total assets at the end of this FY) / 2}}$
- ROE: $\dfrac{\text{Net income}}{\text{(shareholders' equity at the end of previous FY + shareholders' equity at the end of this FY) / 2}}$
- Segment Assets:
  Operating assets + equity method investments + goodwill + investment securities, etc.

## Highlights

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**Net Income**

| 2Q FYE3/2025 Results | YoY (%) |
|---|---|
| JPY**61.7**Bn | +JPY**8.9**Bn (+17.0%) |
| **Forecast** | **Progress** |
| JPY**135.0**Bn | **45.7%** |

**Comments**

- ☑ **Net income increased by 8.9 billion yen** YoY thanks mainly to **the results of the Aviation and Logistics segments surpassing the initial plan** in addition to the positive effects* of the change of JSA's fiscal period, which have been factored in the initial plan, despite an increase in credit costs in the Environment & Energy and the Global Business segments.
- ☑ **The forecast of net income for FYE3/2025 remains unchanged** mainly because the results of the Aviation and Logistics segments are expected to exceed the initial plan and sales gains in the Environment & Energy segment are also expected to exceed the initial plan in the second half.
- ☑ The interim dividend **increased by 2 yen YoY to 20 yen, as we estimated at the beginning of this fiscal year**.

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

- ☑ **Toward the enhancement of our medium- to long-term corporate value**, we are continuing to increase the profitability of our portfolio by replacing businesses, implement various initiatives related to "frameworks to promote transformation" in order to realize transformation within MHC, and make efforts to enhance stakeholders' awareness and understanding of MHC.

* Refer to page 7 for details



Although we recorded an increase in credit costs in the Environment & Energy and Global Business segments, the Aviation and Logistics segments performed strongly, resulting in net income of 61.7 billion yen, an increase of 8.9 billion yen YoY.

Due to the credit costs that exceeded the initial plan, the progress in the second quarter against the full-year forecast was 45.7%, somewhat below 50%.
However, as results in the Aviation and Logistics segments are set to surpass the initial plan and because we expect further gains on the sale of assets in the Environment & Energy segment in the second half, there are no changes to the full-year forecast.

The interim dividend increased by 2 yen YoY to 20 yen, as we estimated at the beginning of this fiscal year.

For now, I would like to hand over to Mr. Sato.

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This is Haruhiko Sato, Director and Managing Executive Officer.

I would like to introduce “01. Financial Results for 2Q FYE3/2025”, “02. Segment Updates”, and “03. Financial Forecast for FYE3/2025” in the materials.

First, please take a look at page 5.

## Financial Results for 2Q FYE3/2025

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| (Billion Yen) | | (a) 2Q FYE3/2024 | (b) 2Q FYE3/2025 | (c)=(b)-(a) YoY Change | (d)=(c)/(a) YoY % | (e) YoY Change (Excl. Impact of Exchange Rates*1) |
|---|---|---|---|---|---|---|
| 1 | Gross Profit | 175.0 | 245.4 | ① +70.3 | +40.2% | +55.6 |
| 2 | Recurring Income | 66.9 | 104.3 | +37.4 | +55.9% | +29.7 |
| 3 | Net Income | 52.7 | 61.7 | ② +8.9 | +17.0% | +3.3 |
| 4 | New Transactions Volume | 1,413.3 | 1,651.5 | ③ +238.1 | +16.9% | +133.5 |
| 5 | Interim Dividend | ¥18 | ¥20 | +¥2 | - | - |

| (Billion Yen) | | FYE3/2024 | 2Q FYE3/2025 | vs. FYE3/2024 Change | vs. FYE3/2024 % | vs. FYE3/2024 Change (Excl. Impact of Exchange Rates*1) |
|---|---|---|---|---|---|---|
| 6 | Total Segment Assets | 10,179.4 | 10,522.5 | ④ +343.1 | +3.4% | +215.2 |
| 7 | Equity Capital | 1,685.2 | 1,724.8 | +39.6 | +2.3% | |

*1 An impact of the YoY difference in exchange rates when incorporating the financial statements of overseas subsidiaries (refer to page 49 for applied exchange rates)
*2 Refer to page 7 for details

### Major Factors for Changes

① **Gross Profit**
- ✓ Increased thanks mainly to large gains on sales of assets in the Real Estate segment and the effects*2 (+JPY16.3Bn) of the change of JSA's fiscal period in addition to the strong performance of the Aviation segment.

② **Net Income**
- ✓ Increased thanks mainly to gross profit growth despite an increase in credit costs in the Global Business and Environment & Energy segments.

③ **New Transactions Volume**
- ✓ Increased thanks mainly to the execution of large-lot transactions in the Aviation and the Logistics segments and effects*2 (+JPY35.4Bn) of the change of JSA's fiscal period.

④ **Total Segment Assets**
- ✓ Increased thanks mainly to an asset increase in the Aviation and the Logistics segments and making EE an equity method affiliate in the Environment & Energy segment despite the effects of the deconsolidation of Miyuki Building and Sekisui Leasing.

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Here, I will explain our financial results.

In row 3 of the table, you can see ② net income.
As Mr. Hisai mentioned earlier, we saw an increase of 17.0%, or 8.9 billion yen YoY, resulting in net income of 61.7 billion yen.

The factors for this change to net income are explained in detail on the next page.

Next, in row 4 of the table regarding ③, new transactions volume, there was an increase in new transactions in the Aviation and Logistics segments, which, among other factors, saw a YoY increase of 16.9%, or 238.1 billion yen, bringing new transactions volume to 1.6515 trillion yen.

For ④ total segment assets in row 6 of the table, there were effects from the deconsolidation of Sekisui Leasing and Miyuki Building, whose shares were transferred in June and September this year, respectively.
However, we accumulated assets in the Aviation and Logistics segments, and made European Energy an equity method affiliate.

For these and other foctors, total segment assets increased by 3.4%, or 343.1 billion yen YoY, to 10.5225 trillion yen.

Please move on to page 6.

# Increase/Decrease Factors in Net Income (YoY)

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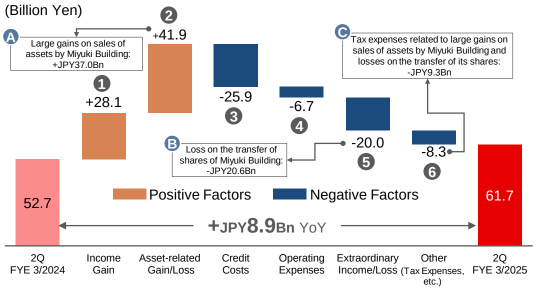
## Increase/Decrease in Net Income




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 |
|---|---|---|
| ① Income Gain | 170.5 | 198.7 |
| ② Asset-related Gain/Loss | 5.7 | 47.7 |
| ③ Credit Costs | 4.7 | 30.7 |
| ④ Operating Expenses | 104.6 | 111.4 |
| ⑤ Extraordinary Income/Loss | 6.9 | -13.1 |
| ⑥ Other (Tax Expenses, etc.) | 21.1 | 29.4 |
| Net Income | 52.7 | 61.7 |

(Note1) Figures shown in ① through ⑤ are on a pre-tax basis. Taxes are included in ⑥
(Note2) The effect of increasing net income associated with A B C was approx. 7.0 billion yen

## Major Factors for Changes

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

**① Income Gain**
- ✓ Aviation +¥23.0Bn An increase in leasing revenue, effects of the change of JSA's fiscal period
- ✓ Adjustments +¥7.9Bn Effects of the change of JSA's fiscal period, etc.

**② Asset-related Gain/Loss**
- ✓ Real Estate +¥33.6Bn A Large gains (JPY37.0Bn) on sales of assets by Miyuki Building, etc.
- ✓ Aviation +¥8.4Bn An increase in the number of aircraft and aircraft engines sold and effects of the change of JSA's fiscal period

**③ Credit Costs**
- ✓ Global Business -¥9.9Bn An increase of credit costs in the transportation sector in the Americas, etc.
- ✓ Environment & Energy -¥8.4Bn Large credit costs related to a renewable energy project in Japan
- ✓ Aviation -¥4.5Bn An absence of the large reversal of credit costs recorded in 2Q FYE3/2024, etc.

**④ Operating Expenses**
- ✓ Aviation -¥5.1Bn Effects of the change of JSA's fiscal period

**⑤ Extraordinary Income/Loss**
- ✓ Real Estate -¥24.9Bn B Loss on the transfer of shares of Miyuki Building (JPY20.6Bn), etc.
- ✓ Customer Solutions +¥1.9Bn Gains on sales of shares of subsidiaries and affiliates, etc.
- ✓ Aviation +¥1.8Bn Gains on sales of equity interest in leasing transactions of aircraft owned by MHC

**⑥ Other (Tax expenses, etc.)**
- ✓ Real Estate -¥6.4Bn C Tax expenses (JPY9.3Bn) related to large gains on sales of assets by Miyuki Building and losses on the transfer of its shares, etc.
- ✓ Aviation -¥5.6Bn An increase in tax expenses due to profit growth, effects of the change of JSA's fiscal period
- ✓ Global Business +¥3.0Bn A decrease in tax expenses due to a profit decrease

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I will use this waterfall chart to explain YoY changes to net income.

The pink bar on the far left shows net income in the same quarter last year (2Q FYE3/2024), and the red bar on the far right shows net income for the current quarter (2Q FYE3/2025).
The orange bars in between show the positive factors, while the blue bars show the negative factors.

Numbers ① to ⑤, positive and negative factors, are shown on a pre-tax basis, while ⑥ includes tax expenses.

From this fiscal year, we have defined the sum of gain/loss on sales of assets and impairment losses which included in gross profit as "Asset-related gain/loss".
Gross profit less asset-related gain/loss, combined with non-operating income/loss excluding gains on bad debts recovered, has been defined as "Income gain".

First of all, ① income gain helped boost net income by 28.1 billion yen thanks mainly to an increase in leasing revenue in the Aviation segment and the effects of the change of JSA's fiscal period.
The effects of this change are detailed on the next page, so please refer to it later.
The purpose of this change of JSA's fiscal period was to align the management cycle of JSA with that of MHC, so that the subsidiary's business results as well as changes in the external environment are reflected in the consolidated financial results in a timely manner.

Please note that also in the last fiscal year, the fiscal year-end of the merging company was changed to March when subsidiaries in the Americas were restructured.
In addition, in the next fiscal year and beyond, we are planning similar procedures for CAI, a marine container leasing company, elfc, an aircraft engine leasing company, whose fiscal year-end is December. With these, we will have almost completed the change of fiscal year-end of our major subsidiaries.

② Asset-related gain/loss helped boost net income by 41.9 billion yen mainly because Miyuki Building recorded large gains on sales of assets in the Real Estate segment. Gains on sales of assets increased also in the Aviation segment.

③ Credit costs pushed net income down by 25.9 billion yen mainly due to an increase in credit costs in the Global Business segment's transportation sector in the Americas and large credit costs related to a renewable energy project in Japan in the Environment & Energy segment.

④ Operating expenses pushed net income down by 6.7 billion yen mainly due to the effects of the change of JSA's fiscal period.

⑤ Extraordinary income/loss pushed net income down by 20.0 billion yen mainly due to losses related to the transfer of shares of Miyuki Building.

⑥ Other factors, which are mainly tax expenses, pushed net income down by 8.3 billion yen mainly due to tax expenses related to large gains on sales of assets by Miyuki Building and losses on the transfer of its shares, as well as increased tax expenses in the Aviation segment, which has seen profit growth.
Large gains on sales of assets by Miyuki Building, losses on the transfer of its shares, and related tax expenses had the effect of increasing net income by approximately 7.0 billion yen in total.
As a result of the above, net income for 2Q FYE3/2025 was 61.7 billion yen, with an increase of 8.9 billion yen YoY.

Next, I would like to talk about each segment.

Please jump to page 10.

# Effects of Change of JSA's Fiscal Period

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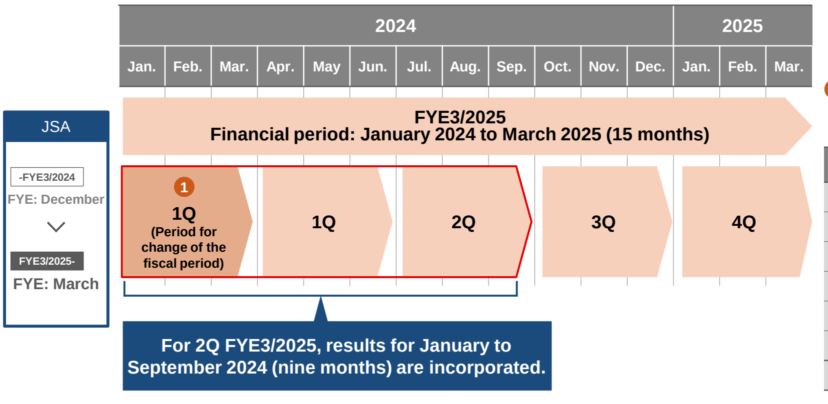
- ✓ Since FYE3/2025, the fiscal year-end of JSA, an aircraft leasing subsidiary, has been changed from December to March.
- ✓ Accordingly, the financial period for 1Q FYE3/2025 was changed to the six months from January to June 2024.
  This resulted in a 9.4 billion yen increase to net income for 1Q FYE3/2025 (Aviation segment: 6.0 billion yen, Adjustments: 3.3 billion yen).

**Details of the Change of the Fiscal Period**




**Impact on PL**

**1 Aviation Segment (for JSA only)**

The financial results of JSA for the period from January to March 2024 (three months), which is the period for change of the fiscal period, were incorporated in addition to the results for the period from April to June (three months).

**2 Adjustments**

A onetime profit will be recorded in MHC head office's account as a result of the change of JSA's fiscal period.

| (Billion Yen) | 1 Aviation (JSA) | 2 Adjust-ments | Total |
|---|---|---|---|
| Income Gain | +6.3 | +4.2 | +10.5 |
| Asset-related Gain/Loss | +5.6 | - | +5.6 |
| Credit Costs | 0.0 | - | 0.0 |
| Operating Expenses | +2.8 | - | +2.8 |
| Extraordinary Income/Loss | - | - | - |
| Other (Tax Expenses, etc.) | +3.0 | +0.8 | +3.8 |
| Segment Profit | +6.0 | +3.3 | +9.4 |

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# Increase/Decrease Factors in Segment Profit (YoY)

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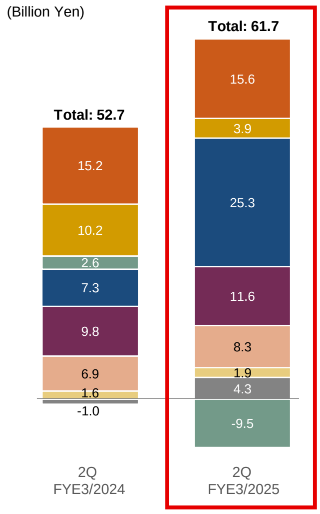
## Segment Profit




| (Billion Yen) | Segment Profit | | | Major Factors for Changes in Segment Profit |
|---|---|---|---|---|
| | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY | |
| Customer Solutions | 15.2 | 15.6 | +0.3 | 【+】 Gains on sales of shares of subsidiaries and affiliates, etc.<br>【-】 Effects of the deconsolidation of Shutoken Leasing, DFL Lease, and Sekisui Leasing |
| Global Business | 10.2 | 3.9 | -6.2 | 【-】 An increase in credit costs in the transportation sector in the Americas |
| Environment & Energy | 2.6 | -9.5 | -12.1 | 【-】 Large credit costs related to a renewable energy project in Japan, etc. |
| Aviation | 7.3 | 25.3 | +18.0 | 【+】 An increase in leasing revenue associated with increased transactions and the improvement of engine utilization rates, gains on sales of owned assets thanks to an increase in the number of aircraft and aircraft engines sold, and effects of the change of JSA's fiscal period |
| Logistics | 9.8 | 11.6 | +1.7 | 【+】 An increase in income gain in railcars and marine containers leasing businesses |
| Real Estate | 6.9 | 8.3 | +1.4 | 【+】 Impact of large gains on sales of assets by Miyuki Building and the transfer of its shares<br>【-】 An absence of extraordinary income recorded in 1Q FYE3/2024 associated with making CPD a wholly-owned subsidiary |
| Mobility | 1.6 | 1.9 | +0.3 | 【+】 An increase in profits from equity method investments |
| Adjustments | -1.0 | 4.3 | +5.4 | 【+】 Effects of the change of JSA's fiscal period, etc. |
| Total | 52.7 | 61.7 | +8.9 | |

# Customer Solutions

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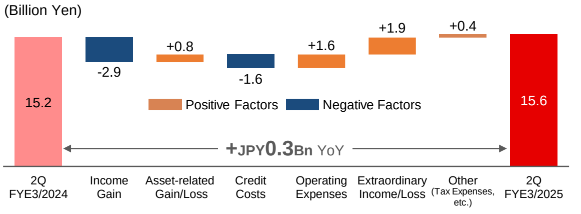
## Increase/Decrease in Segment Profit

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

(Billion Yen)




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY |
|---|---|---|---|
| **Income Gain** | 56.1 | 53.1 | -2.9 |
| **Asset-related Gain/Loss** | 0.1 | 1.0 | +0.8 |
| **Credit Costs** | 1.9 | 3.6 | +1.6 |
| **Operating Expenses** | 33.2 | 31.5 | -1.6 |
| **Extraordinary Income/Loss** | 1.3 | 3.3 | +1.9 |
| **Other (Tax Expenses, etc.)** | 7.2 | 6.7 | -0.4 |
| **Segment Profit** | 15.2 | 15.6 | +0.3 |

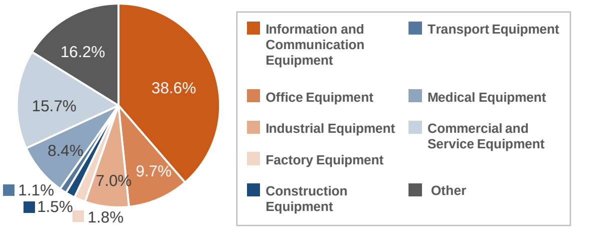
## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| **Total** | 2,966.5 | 2,941.1 | -25.4 |
| **Leasing** | 2,403.8 | 2,374.7 | -29.1 |
| **Installment Sales/Loans** | 403.4 | 389.0 | -14.4 |
| **Other** | 159.2 | 177.3 | +18.0 |

## Comments

- Income gain decreased YoY mainly due to the effects of the deconsolidation of Shutoken Leasing, DFL Lease, and Sekisui Leasing (-JPY3.4Bn). However, excluding the effects of deconsolidation, income gain increased YoY thanks to the effects of increased assets.
- Credit costs increased YoY mainly due to large credit costs in an individual transaction.
- Extraordinary income increased YoY thanks mainly to gains on sales of shares of subsidiaries and affiliates.
- Segment assets decreased from FYE3/2024 mainly due to the deconsolidation of Sekisui Leasing (-JPY51.0Bn). However, excluding the effects of deconsolidation, segment assets increased.

## Leasing Transaction Volume in Customer Solutions by Asset Type* (2Q FYE3/2025)




* 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

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First of all, in the Customer Solutions segment, segment profit increased by 0.3 billion yen YoY to 15.6 billion yen thanks mainly to an increase in extraordinary income attributed to gains on the sale of shares of subsidiaries and affiliates, despite negative factors such as a decrease in income gain as a result of the deconsolidation of three domestic subsidiaries and an increase in credit costs due to large credit costs in an individual transaction.

Income gain increased in real terms, excluding the effects of the deconsolidation of the three subsidiaries, thanks to the accumulation of assets.
Thus, the business itself has been performing solidly.

Next, please proceed to page 11.

# Global Business (1)

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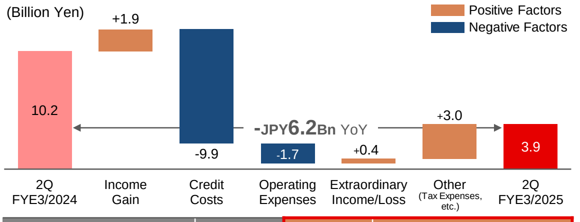
## Increase/Decrease in Segment Profit

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




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY Change | Excl. Impact of Exchange Rates* |
|---|---|---|---|---|
| Income Gain | 67.0 | 68.9 | +1.9 | -3.7 |
| Credit Costs | 6.8 | 16.8 | +9.9 | +8.6 |
| Operating Expenses | 44.7 | 46.4 | +1.7 | -1.9 |
| Extraordinary Income/Loss | -0.3 | 0.1 | +0.4 | +0.4 |
| Other (Tax Expenses, etc.) | 4.9 | 1.8 | -3.0 | -3.2 |
| Segment Profit | 10.2 | 3.9 | -6.2 | -6.7 |

## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 | Excl. Impact of Exchange Rates* |
|---|---|---|---|---|
| Total | 3,070.8 | 3,047.4 | -23.3 | +33.7 |
| Europe | 1,621.7 | 1,648.7 | +27.0 | +28.5 |
| Americas | 1,086.7 | 1,058.1 | -28.6 | +35.7 |
| China | 115.3 | 81.6 | -33.6 | -29.8 |
| ASEAN | 241.6 | 258.9 | +17.2 | +4.5 |
| Other | 5.3 | - | -5.3 | -5.3 |

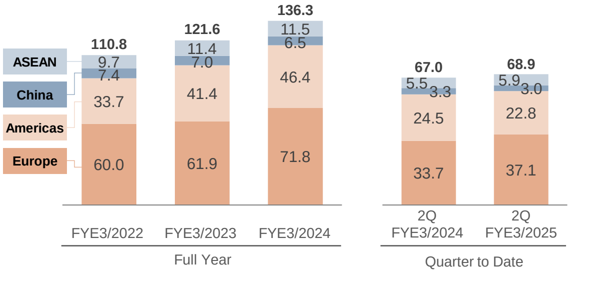
(Note) As these figures are results for the Global Business segment, figures for overseas business in the Aviation, Logistics, and other segments are not included

* An impact of the YoY difference in exchange rates when incorporating the financial statements of overseas subsidiaries (refer to page 49 for applied exchange rates)

## Comments

- Income gain increased YoY mainly thanks to the impact of exchange rates, despite an absence of positive effects (+JPY3.1Bn) of the change of the fiscal period associated with the reorganization of subsidiaries in the Americas in FYE3/2024.
- Credit costs increased YoY mainly due to the market downturn in the transportation sector in the Americas (detailed on page 13).
- Other (tax expenses, etc.) decreased YoY mainly due to an absence of onetime tax expenses incurred in China in 2Q FYE3/2024.

## Change in Income Gain (Billion Yen)

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In the Global Business segment, segment profit decreased by 6.2 billion yen to 3.9 billion yen mainly due to an increase in credit costs against the market downturn in the transportation sector in the Americas.

I would like to explain the current situation of business in the Americas in some more detail.

Please jump to page 13.

# Global Business (2)

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Major Figures (Billion Yen)

| | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY Change | Excl. Impact of Exchange Rates* |
|---|---|---|---|---|
| **Total** | | | | |
| Income Gain | 67.0 | 68.9 | +1.9 | -3.7 |
| Credit Costs | 6.8 | 16.8 | +9.9 | +8.6 |
| Operating Expenses | 44.7 | 46.4 | +1.7 | -1.9 |
| Recurring Income | 15.4 | 5.6 | -9.8 | -10.5 |
| Segment Profit | 10.2 | 3.9 | -6.2 | -6.7 |
| **Europe** | | | | |
| Income Gain | 33.7 | 37.1 | +3.4 | 0.0 |
| Credit Costs | 2.5 | 3.4 | +0.9 | +0.6 |
| Operating Expenses | 21.6 | 24.5 | +2.9 | +0.7 |
| Recurring Income | 9.5 | 9.1 | -0.4 | -1.3 |
| Segment Profit | 6.8 | 6.5 | -0.3 | -0.9 |
| **Americas** | | | | |
| Income Gain | 24.5 | 22.8 | -1.6 | -3.3 |
| Credit Costs | 3.5 | 11.8 | +8.3 | +7.4 |
| Operating Expenses | 16.3 | 15.2 | -1.0 | -2.2 |
| Recurring Income | 4.5 | -4.3 | -8.9 | -8.5 |
| Segment Profit | 3.1 | -3.2 | -6.3 | -6.1 |

| | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY Change | Excl. Impact of Exchange Rates* |
|---|---|---|---|---|
| **China** | | | | |
| Income Gain | 3.3 | 3.0 | -0.3 | -0.6 |
| Credit Costs | 1.3 | 1.1 | -0.2 | -0.2 |
| Operating Expenses | 2.2 | 2.1 | -0.1 | -0.2 |
| Recurring Income | -0.2 | -0.2 | 0.0 | 0.0 |
| Segment Profit | -0.8 | -0.3 | +0.4 | +0.4 |
| **ASEAN** | | | | |
| Income Gain | 5.5 | 5.9 | +0.4 | 0.0 |
| Credit Costs | -0.5 | 0.3 | +0.8 | +0.8 |
| Operating Expenses | 4.1 | 4.4 | +0.3 | 0.0 |
| Recurring Income | 1.8 | 1.0 | -0.7 | -0.9 |
| Segment Profit | 1.5 | 1.0 | -0.4 | -0.5 |
| **Other** | | | | |
| Income Gain | -0.1 | - | +0.1 | +0.1 |
| Credit Costs | 0.0 | - | 0.0 | 0.0 |
| Operating Expenses | 0.2 | - | -0.2 | -0.2 |
| Recurring Income | -0.3 | - | +0.3 | +0.3 |
| Segment Profit | -0.3 | - | +0.3 | +0.3 |

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

* An impact of the YoY difference in exchange rates when incorporating the financial statements of overseas subsidiaries (refer to page 49 for applied exchange rates)

# Global Business (3)

MITSUBISHI HC CAPITAL

## Regarding the Market Conditions of the Transportation Sector in the Americas

**Background**

- ✓ **Credit costs have continued to arise** in the sales and inventory finance business for commercial trucks, which is a main business in the Americas, since 3Q FYE3/2023.
- ✓ The main factors are **higher delinquent rates caused by increased payment delays** resulting from increasing financing difficulties for transportation companies, as well as **lower used truck prices** attributed to **the worsening supply-demand balance of the transportation market in the Americas, interest rate hikes, etc.** after 2022 following the COVID-19 pandemic.

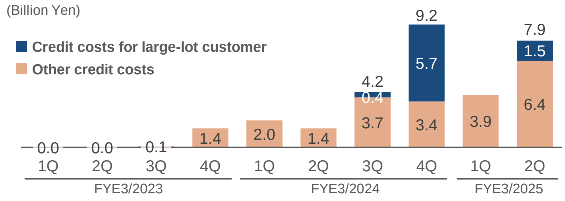
**Current Situation**

- ✓ **The improvement of the supply-demand balance has been delayed** in the transportation market in the Americas.
- ✓ **Credit costs remain high** because the profitability of our customer transportation companies has not improved much.

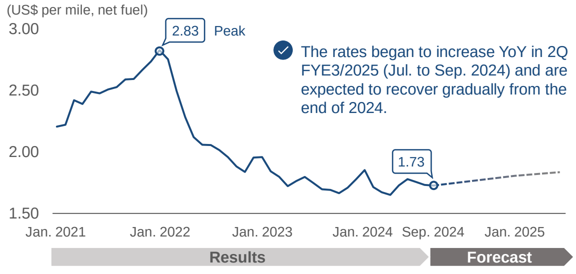
**Initiatives/ Outlook**

- ✓ MHC **continues to promote various initiatives to curb new credit costs** such as revising screening models, enhancing during-the-term management processes, and improving our sales capabilities for collected collateral assets. We are also working to **reduce volatility and improve risks and returns through diversifying our portfolio** mainly by reducing commercial trucks in the asset composition.
- ✓ According to the latest forecasts by research companies, **market conditions in the U.S. will gradually recover from the end of 2024,** with large trucks' spot rates **hitting the bottom and turning upward in 2Q FYE3/2025**. The effects of interest rate cuts are also expected to contribute, gradually pushing down our credit costs from the next fiscal year.

## Changes in Quarterly Credit Costs in the Americas




## Changes in the Spot Rate of Large Trucks in the U.S.[*1,*2]




*1 Transportation fare, which is a source of income for transportation companies
*2 Source: Compiled by MHC based on *Freight Forecast: Rate and Volume Outlook* (October 14, 2024) by ACT Research

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As shown in the bar graphs in the upper right, a large amount of credit costs has continued to arise in the past year mainly in truck finance, a main business in the Americas.

This has been mainly caused by worsening financing difficulties at transportation companies as a result of the worsening supply-demand balance of truck transportation and the rapid rise of interest rates, as well as lower used truck prices after 2022 following the COVID-19 pandemic.

In the U.S., spot rates for large trucks had been declining after peaking in January 2022, however they finally began to exceed the previous year's levels in 2Q of FYE3/2025 (July to September 2024). Therefore, we expect that the truck transportation market will begin to gradually recover from around the end of this year.

We believe that our credit costs will recover gradually following the recovery of market conditions.

However, we forecast at the beginning of this fiscal year that our credit costs would decrease sooner, thus this slow improvement became the factor to pushing down results, causing them to fall below the initial plan.

Given such a situation, we have been taking measures such as revising our screening model, improving our sales capabilities for collected collateral assets, and reviewing our portfolio.

Please move on to page 14.

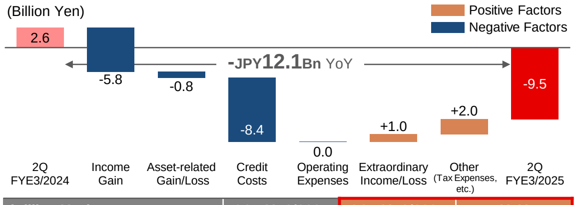
# Environment & Energy (1)

MITSUBISHI HC CAPITAL

## Increase/Decrease in Segment Profit

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

(Billion Yen)




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY |
|---|---|---|---|
| Income Gain | 7.2 | 1.4 | -5.8 |
| Asset-related Gain/Loss | -3.2 | -4.0 | -0.8 |
| Credit Costs | 0.1 | 8.6 | +8.4 |
| Operating Expenses | 3.9 | 4.0 | 0.0 |
| Extraordinary Income/Loss | 0.0 | 1.0 | +1.0 |
| Other (Tax Expenses, etc.) | -2.6 | -4.6 | -2.0 |
| Segment Profit | 2.6 | -9.5 | -12.1 |

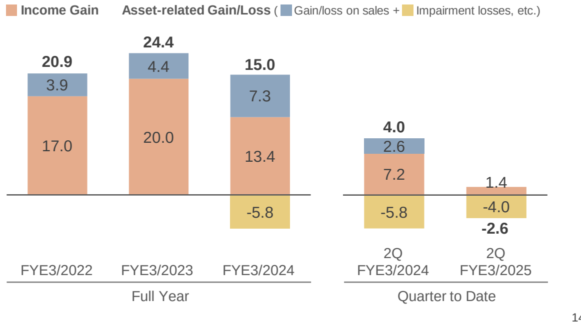
## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| Total | 416.6 | 507.5 | +90.9 |
| Renewable Energy Finance | 76.6 | 60.2 | -16.4 |
| Renewable Energy Business | 288.5 | 423.3 | +134.7 |
| Domestic | 206.6 | 207.0 | +0.4 |
| Overseas | 81.9 | 216.2 | +134.3 |
| Other | 51.3 | 23.9 | -27.3 |

## Comments

- Income gain decreased YoY mainly due to a decrease in gains on equity method investment and a decrease in revenue from electricity sales caused by wind conditions.
- Asset-related loss increased YoY mainly due to a decrease in gains on sales of owned assets and additional impairment losses related to the solar power generation project in Japan which recorded impairment losses in 2Q FYE3/2024.
- Credit costs increased YoY due to large credit costs related to a renewable energy project in Japan.
- The segment recorded a loss due to costs not incorporated in the initial plan. However, we aim to return to profitability by acquiring sales gains and gains on equity method investment which will be concentrated in 4Q.

## Change in Income Gain and Asset-related Gain/Loss (Billion Yen)

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The Environment & Energy segment recorded a loss of 9.5 billion yen mainly due to a decrease in income gain caused by a decrease in gains on equity method investments, a decrease in revenue from electricity sales caused by wind conditions, and large credit costs related to a renewable energy project in Japan.

Regarding asset-related gain/loss, a large impairment loss was recorded in 2Q FYE3/2024 in a solar power generation project in Japan, and an additional impairment loss was recorded this fiscal year in the same project due to the revision of the income and expenditure plan.
This is one of the factors why the segment profit in this segment were sluggish.

However, this is a situation specific to this project and it will not spread to other projects.
Furthermore, as we have revised our income and expenditure plan conservatively in this project, no further impairment losses are expected.

Please jump to page 16.

# Environment & Energy (2)

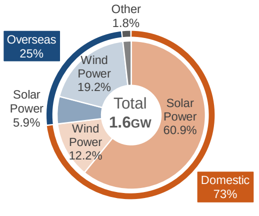
MITSUBISHI HC CAPITAL

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

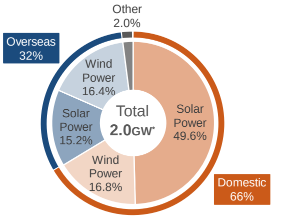
| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| **Total** | 1,293 | 1,607 | +314 |
| **Solar Power** | 920 | 1,074 | +153 |
| **Domestic** | 904 | 978 | +74 |
| **Overseas** | 16 | 95 | +79 |
| **Wind Power** | 343 | 504 | +160 |
| **Domestic** | 196 | 196 | - |
| **Overseas** | 147 | 307 | +160 |
| **Other** | 29 | 29 | - |

## Equity-owned Power Generation Capacity of Renewable Energy Business (2Q FYE3/2025)

**(1) Capacity in Operation**




**(2) Capacity incl. Projects under Development**

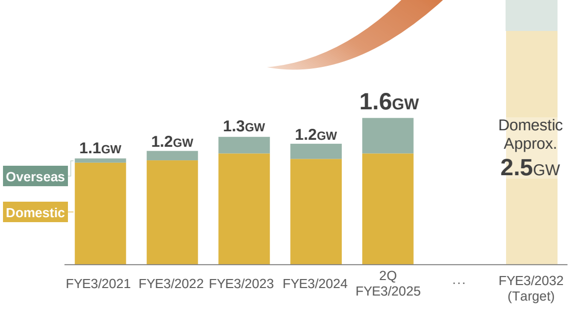



* Total figures are reported here to show the actual situation.
(These do not correspond to the figures of the segment assets balance of 2Q FYE3/2025)

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

**Future Policy**

| | |
|---|---|
| Domestic | Aim for stable electric power supply by expanding our power generation capacity, targeting approx. 2.5GW of equity-owned power generation capacity by the end of FYE3/2032 |
| Overseas | Accelerate business development by strengthening development functions, etc. |



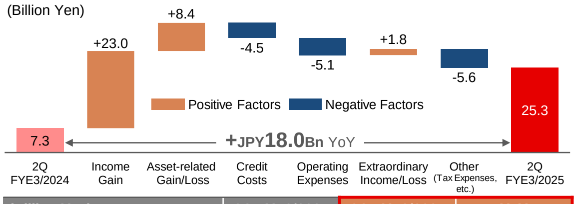
# Aviation (1)

MITSUBISHI HC CAPITAL

## Increase/Decrease in Segment Profit

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

(Billion Yen)




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY |
|---|---|---|---|
| **Income Gain** | 13.6 | 36.6 | +23.0 |
| **Asset-related Gain/Loss** | 1.3 | 9.7 | +8.4 |
| **Credit Costs** | -4.1 | 0.3 | +4.5 |
| **Operating Expenses** | 8.5 | 13.7 | +5.1 |
| **Extraordinary Income/Loss** | 0.5 | 2.3 | +1.8 |
| **Other (Tax Expenses, etc.)** | 3.7 | 9.4 | +5.6 |
| **Segment Profit** | 7.3 | 25.3 | +18.0 |

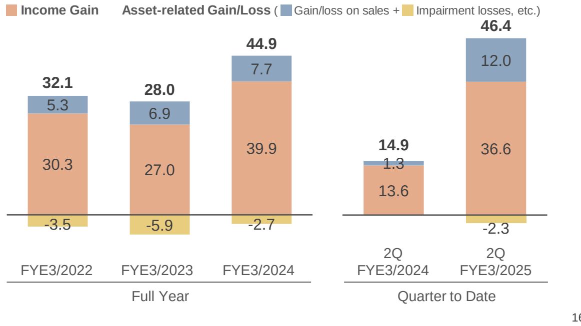
## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| **Total** | 2,020.0 | 2,245.2 | +225.1 |
| **Aircraft Leasing (JSA)** | 1,428.5 | 1,504.1 | +75.6 |
| **Engine Leasing (elfc)** | 527.3 | 687.0 | +159.7 |
| **Aircraft Leasing, etc. (MHC)** | 64.1 | 53.9 | -10.1 |

## Comments

- Income gain increased YoY thanks mainly to an increase in leasing revenues following an increase in new transactions and the improvement of engine utilization rates and the effects of JSA's fiscal period change.
- Asset-related gain increased YoY thanks mainly to an increase in the number of aircraft and aircraft engines sold and the effects of JSA's fiscal period change.
- Credit costs increased YoY due to the absence of a large reversal of allowance for doubtful accounts recorded in 2Q FYE3/2024.
- Operating expenses increased YoY mainly due to the effects of JSA's fiscal period change.
- Other (tax expenses, etc.) increased YoY mainly due to an increase in tax expenses due to profit growth and the effects of JSA's fiscal period change.

## Change in Income Gain and Asset-related Gain/Loss (Billion Yen)

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In the Aviation segment, segment profit increased by 18.0 billion yen YoY to 25.3 billion yen thanks mainly to an increase in income gain following an increase in new transactions and the improvement of engine utilization rates, as well as an increase in asset-related gain thanks to an increase in the number of aircraft and aircraft engines sold.

Both income gain and asset-related gain increased to exceed the initial plan, even excluding the effects of the change of JSA's fiscal period which I explained earlier.
We expect business performance to continue to exceed the initial plan in the second half.

Please jump to page 18.

# Aviation (2)

MITSUBISHI HC CAPITAL

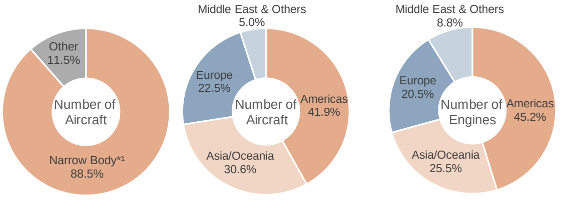
## Owned Aviation-related Assets

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| **Number of Aircraft (JSA)** | 220 | 227 | +7 |
| **Aircraft Purchased** | 32 | 20 | - |
| **Aircraft Sold** | 11 | 13 | - |
| **Average Age (JSA)** | 5.0 years | 5.1 years | +0.1 years |
| **Average Remaining Leasing Term (JSA)** | 7.2 years | 6.9 years | -0.3 years |
| **Number of Aircraft Engines (elfc)** | 411 | 438 | +27 |

## Breakdown of Owned Aviation-related Assets (2Q FYE3/2025)

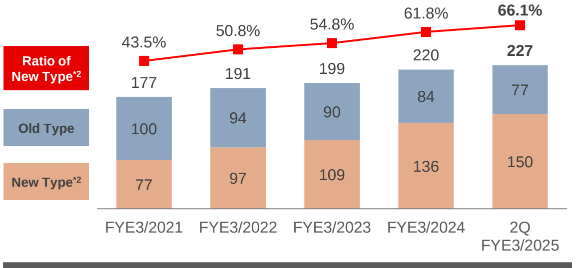
(1) Aircraft Assets by Type/Region

(2) Aircraft Engines by Region

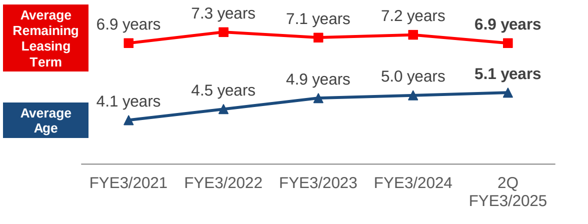



*1 Single-aisle aircraft mainly used for short-distance flights (A320 series by Airbus, B737 series by Boeing, etc.)
*2 Fuel-efficient aircraft that emit less $CO_2$ compared with older models
Models: A220 / A320NEO / A321NEO / A350 / B737MAX / B787

## Change in the Number of Aircraft




## Change in Key Figures of Aircraft

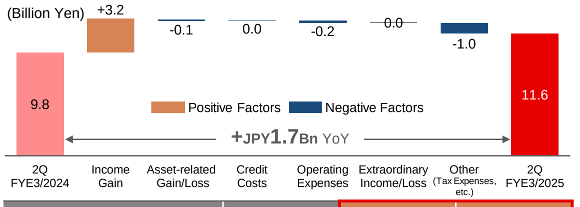


# Logistics (1)

MITSUBISHI HC CAPITAL

## Increase/Decrease in Segment Profit

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




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY |
|---|---|---|---|
| Income Gain | 15.1 | 18.3 | +3.2 |
| Asset-related Gain/Loss | 3.5 | 3.4 | -0.1 |
| Credit Costs | 0.0 | 0.0 | 0.0 |
| Operating Expenses | 6.1 | 6.3 | +0.2 |
| Extraordinary Income/Loss | - | - | - |
| Other (Tax Expenses, etc.) | 2.7 | 3.7 | +1.0 |
| Segment Profit | 9.8 | 11.6 | +1.7 |

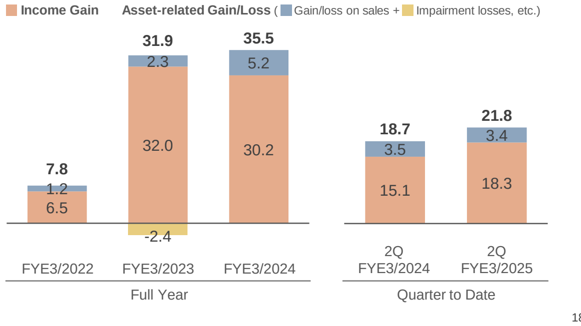
## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| Total | 1,099.0 | 1,219.0 | +119.9 |
| Marine Containers | 782.6 | 923.6 | +141.0 |
| Railcars | 290.6 | 277.5 | -13.1 |
| Shipping | 25.7 | 17.8 | -7.8 |

## Comments

- Income gain increased YoY thanks mainly to an increase in new transactions volume in marine containers, an improvement of the railcar utilization rate, and the impact of exchange rates.
- Asset-related gain/loss remains unchanged YoY with an increase in gains on sales of railcars offsetting a decrease in gains on sales of ships.
- Segment assets increased from FYE3/2024 thanks mainly to an increase in new transactions volume in marine containers and railcars and the impact of exchange rates, despite the sale of some assets.
- The railcar business returned to profitability a year earlier than planned thanks to the improvement of income gain and steady shift to the asset turnover model.

## Change in Income Gain and Asset-related Gain/Loss (Billion Yen)

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In the Logistics segment, segment profit increased by 1.7 billion yen YoY to 11.6 billion yen thanks to an increase in income gain caused mainly by an increase in new transactions volume in the marine container leasing business, the improvement of the railcar utilization rate.

Let me explain more about our marine container leasing business.

Please jump to page 20.

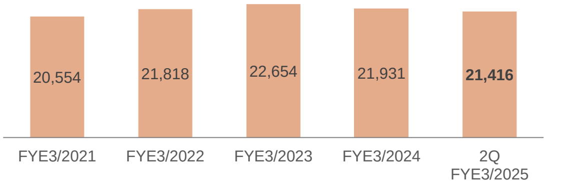
# Logistics (2)

MITSUBISHI HC CAPITAL

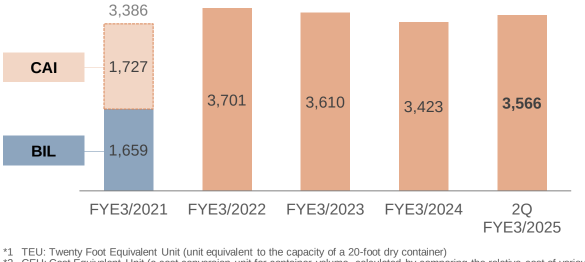
## Owned Logistics-related Assets

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| Marine Container Fleet (TEU 1,000*1) | 3,246 | 3,396 | +149 |
| Marine Container Fleet (CEU 1,000*2) | 3,423 | 3,566 | +142 |
| Number of Railcars | 21,931 | 21,416 | -515 |

## Change in the Number of Railcars

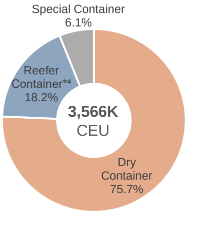



## Change in the Number of Marine Containers (CEU 1,000)*3

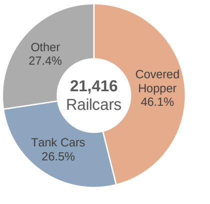



## Breakdown of Owned Logistics-related Assets (2Q FYE3/2025)

(1) Marine Containers by Asset Type




(2) Railcars by Asset Type




*1 TEU: Twenty Foot Equivalent Unit (unit equivalent to the capacity of a 20-foot dry container)
*2 CEU: Cost Equivalent Unit (a cost conversion unit for container volume, calculated by comparing the relative cost of various container types to 20-foot dry containers assuming that 1 CEU is equal to the cost of a 20-foot dry container)
*3 CAI's figures for FYE3/2021 are for reference because they are from before the acquisition
*4 Reefer container: A container for frozen or cold goods

## Logistics (3)

MITSUBISHI HC CAPITAL

- ✓ We are planning approximately 200.0 billion yen of new investments in marine containers in FYE3/2025.
- ✓ We will make investments substantially exceeding the amount (approx. 30.0-40.0 billion yen) invested in FYE3/2023 and FYE3/2024, accurately capturing demand for marine containers caused by geopolitical factors. Our assets in the marine container leasing business as of the end of FYE3/2025 are forecasted to be close to 1 trillion yen.

**Background**

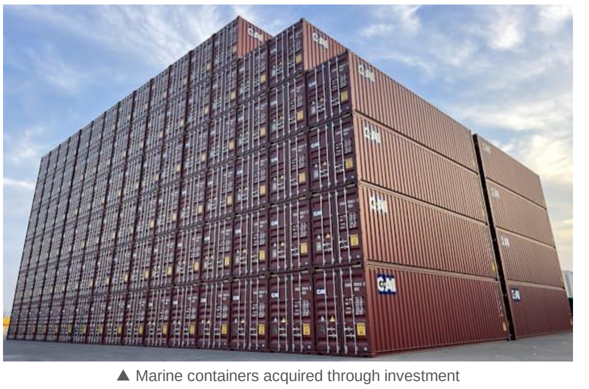
- ✓ Longer days of transport due to the tension in the Middle East
- ✓ Steady increase in global maritime trade volume
- ✓ Accelerated demand triggered by concerns over a port workers' strike in the East Coast of the U.S., etc.

**Investment Overview**

| | |
|---|---|
| ✓ Amount: | approx. JPY200.0Bn<br>(largest size in the industry in 2024) |
| ✓ Ordered containers: | approx. 700,000 TEU<br>(approx. 20% of containers held) |
| ✓ Breakdown: | dry containers approx. 90%,<br>reefer containers approx. 10% |

**Future Outlook**

- ✓ Orders of a JPY100.0Bn size are planned in FYE3/2026 as well
- ✓ Investments will be made agilely and flexibly while watching the market conditions
- ✓ We expect our profit base to further stabilize thanks to strategic investments



▲ Marine containers acquired through investment



We are planning approximately 200.0 billion yen of new investments in marine containers in this fiscal year, a scale that is the largest size in the industry.
For most of them, leasing contracts are scheduled to start by the end of this fiscal year.

We are also planning to invest approximately 100.0 billion yen in the next fiscal year, FYE3/2026.
We aim to build a stable profit base through agile and flexible new investments, leveraging the strengths of marine container leasing company CAI, which are its high-level information collection, market analysis, and sales capabilities.

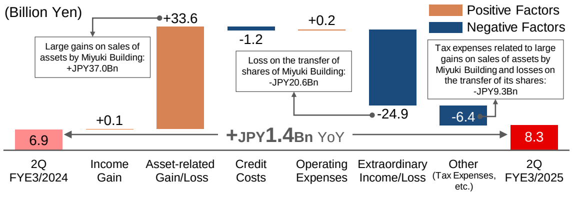
Please move on to page 21.

# Real Estate (1)

MITSUBISHI HC CAPITAL

## Increase/Decrease in Segment Profit

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




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY |
|---|---|---|---|
| Income Gain | 6.4 | 6.5 | +0.1 |
| Asset-related Gain/Loss | 3.9 | 37.5 | +33.6 |
| Credit Costs | 0.0 | 1.3 | +1.2 |
| Operating Expenses | 3.3 | 3.0 | -0.2 |
| Extraordinary Income/Loss | 4.8 | -20.1 | -24.9 |
| Other (Tax Expenses, etc.) | 4.8 | 11.2 | +6.4 |
| Segment Profit | 6.9 | 8.3 | +1.4 |

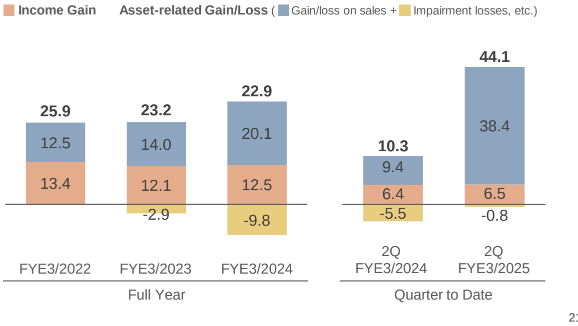
## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| Total | 525.4 | 506.3 | -19.0 |
| Domestic | 462.2 | 453.0 | -9.2 |
| Finance Business | 177.7 | 195.7 | +17.9 |
| Investment Business | 209.3 | 257.3 | +48.0 |
| Rental Business | 75.1 | - | -75.1 |
| Overseas (Finance Business Only) | 48.1 | 38.5 | -9.5 |
| Goodwill, etc. | 15.0 | 14.7 | -0.2 |

## Comments

- Asset-related gain increased YoY thanks mainly to large sales gains (JPY37.0Bn) by Miyuki Building and a decrease in fair value loss in the U.S. real estate business, despite an absence of large sales gains recorded in 2Q FYE3/2024.
- Extraordinary income decreased YoY due to a loss (JPY20.6Bn) associated with the transfer of Miyuki Building's shares and an absence of extraordinary income as a result of making CPD a wholly-owned subsidiary in 1Q FYE3/2024.
- Segment assets decreased from FYE3/2024 mainly due to the impact of the deconsolidation of Miyuki Building (-JPY75.5Bn) associated with the transfer of its shares despite several new transactions in the investment business, etc.

## Change in Income Gain and Asset-related Gain/Loss (Billion Yen)

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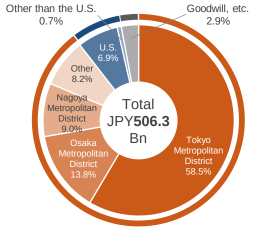
In the Real Estate segment, overall segment profit increased by 1.4 billion yen YoY to 8.3 billion yen. This was thanks mainly to an increase in asset-related gains including large gains on sales of assets by Miyuki Building prior to the transfer of its shares, despite a decrease in extraordinary income due to losses related to the transfer of Miyuki Building's shares and an absence of gains on step acquisitions recorded in 1Q FYE3/2024 in relation to making CenterPoint Development a wholly-owned subsidiary .

Please jump to page 23.

# Real Estate (2)

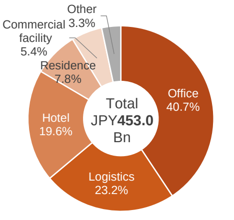
MITSUBISHI HC CAPITAL

## Segment Assets in Real Estate by Region (2Q FYE3/2025)

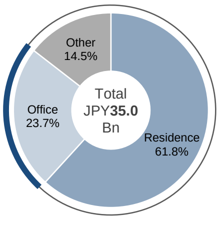



| | | |
|---|---|---|
| Domestic | JPY453.0Bn | (89%) |
| Overseas | JPY38.5Bn | (8%) |
| Goodwill, etc. | JPY14.7Bn | (3%) |
| Total | JPY506.3Bn | (100%) |

## Domestic Segment Assets by Type of Assets (2Q FYE3/2025)




## Segment Assets in the U.S. by Asset Type (2Q FYE3/2025)




| | | |
|---|---|---|
| Offices | JPY8.3Bn | (24%) |
| Residences and Other | JPY26.7Bn | (76%) |
| Total | JPY35.0Bn | (100%) |

## Overview of the U.S. Real Estate Business

| | |
|---|---|
| **Business Description** | ✓ Mainly engaged in finance business (mezzanine loans, equity, etc.) |
| **Asset Composition** | ✓ Segment assets in the U.S. real estate business are worth 35.0 billion yen.<br>✓ The assets of the office market, whose condition has been worsening in the U.S., are worth 8.3 billion yen. This is 1.6% of the Real Estate segment's assets and 0.1% of MHC's total segment assets. |

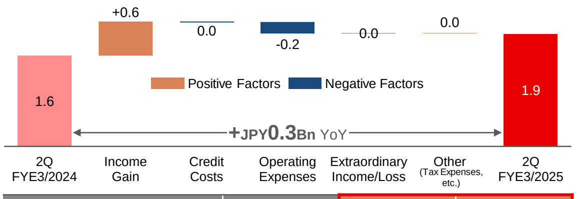
# Mobility

MITSUBISHI HC CAPITAL

## Increase/Decrease in Segment Profit

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

(Billion Yen)




| (Billion Yen) | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY |
|---|---|---|---|
| **Income Gain** | 2.4 | 3.0 | +0.6 |
| **Credit Costs** | 0.0 | 0.0 | 0.0 |
| **Operating Expenses** | 0.9 | 1.2 | +0.2 |
| **Extraordinary Income/Loss** | - | - | - |
| **Other (Tax Expenses, etc.)** | 0.0 | -0.1 | 0.0 |
| **Segment Profit** | 1.6 | 1.9 | +0.3 |

## Comments

- Income gain increased YoY thanks to an increase in equity method investment profit as a result of the strong business performance of an equity method affiliate, Mitsubishi Auto Leasing.

## Segment Assets (Billion Yen)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| **Total** | 51.9 | 54.3 | +2.3 |

## Number of Operational Vehicles (Unit: 1,000)

| | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|
| **Mobility Segment***1 | 353 | 350 | -3 |
| **【Reference】 Total of the MHC Group***2 | 638 | 642 | +3 |

*1 Including the number of operational vehicles of equity method affiliates
*2 Total including the number of operational vehicles belonging to segments other than the Mobility segment (reference value)

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In the Mobility segment, segment profit increased by 0.3 billion yen to 1.9 billion yen thanks to an increase in income gain as a result of the strong business performance of an equity method affiliate, Mitsubishi Auto Leasing.

Lastly, I would like to explain about our financial forecast for FYE3/2025.

Please move on to page 25.

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MITSUBISHI HC CAPITAL

## Financial Forecast for FYE3/2025

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- ✓ The progress of net income for 2Q FYE3/2025 against the full-year forecast (net income: 135.0 billion yen) was 45.7% mainly due to large credit costs and impairment losses that are not incorporated in the initial plan in the Environment & Energy segment, and credit costs exceeding the initial plan in the Global Business segment due to delayed market recovery in the transportation sector in the Americas.
- ✓ However, the forecast of net income for FYE3/2025 remains unchanged mainly because we expect business performance to exceed the initial plan in the Aviation segment and the Logistics segment and sales gains exceeding the plan in the Environment & Energy segment in the second half.

| | | FYE3/2024 | FYE3/2025* | 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 〈42.9%〉 | ¥40 〈42.5%〉 | +¥3 〈-0.4pt〉 |

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

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As I have explained, the progress of net income for 2Q FYE3/2025 against the full-year forecast was 45.7%, below 50%, due to losses not incorporated in the initial plan such as an increase in credit costs in the Americas business of the Global Business segment in addition to large credit costs and impairment losses in the Environment & Energy segment.

However, our full-year forecast of net income of 135.0 billion yen for FYE3/2025 remains unchanged because we expect business performance to continue to exceed the initial plan in the Aviation and Logistics segments, asset sales gains exceeding the plan in the Environment & Energy segment.

That will be all from me (Sato).

(Please go to page 28 for the next script.)

# Change in Major Figures

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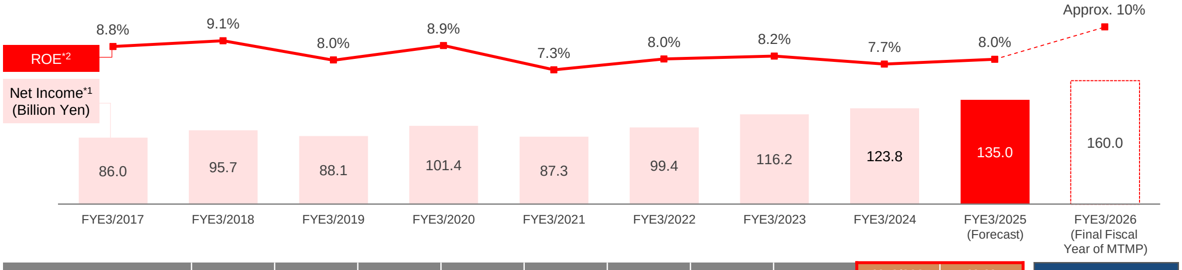
- ✓ The Medium-term Management Plan (“2025 MTMP”) covering the three-year period from FYE3/2024 was formulated and announced in May 2023.
- ✓ The financial targets for the final fiscal year of the 2025 MTMP (FYE3/2026) are net income of 160.0 billion yen, ROA of approx. 1.5%, and ROE of approx. 10%.

## 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

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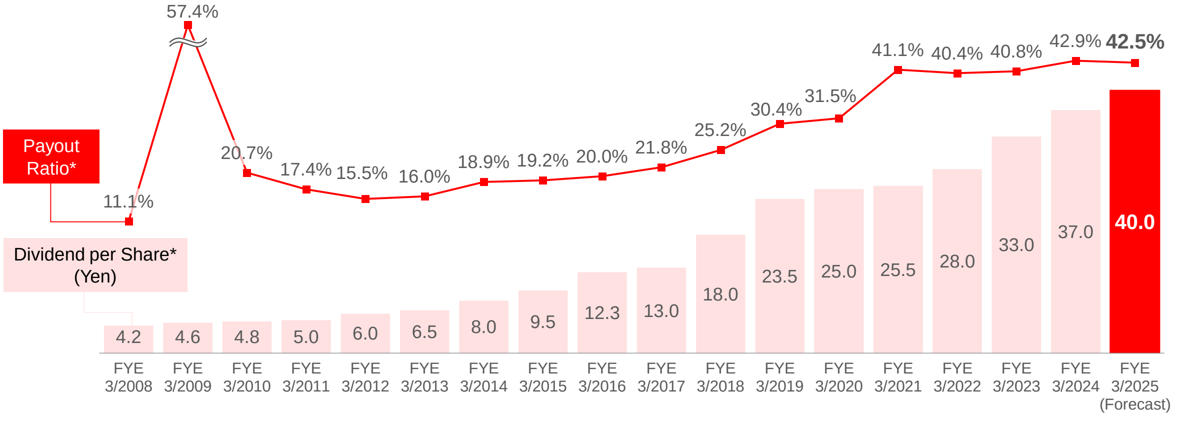
- ✓ We will return profits to shareholders by distributing dividends and increase the total amount of dividend payments through profit growth. The payout ratio during the 2025 MTMP is targeted to be 40% or more.
- ✓ The annual dividend per share for FYE3/2025 is forecasted to be 40 yen, up 3 yen YoY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

**Change in Dividend**




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

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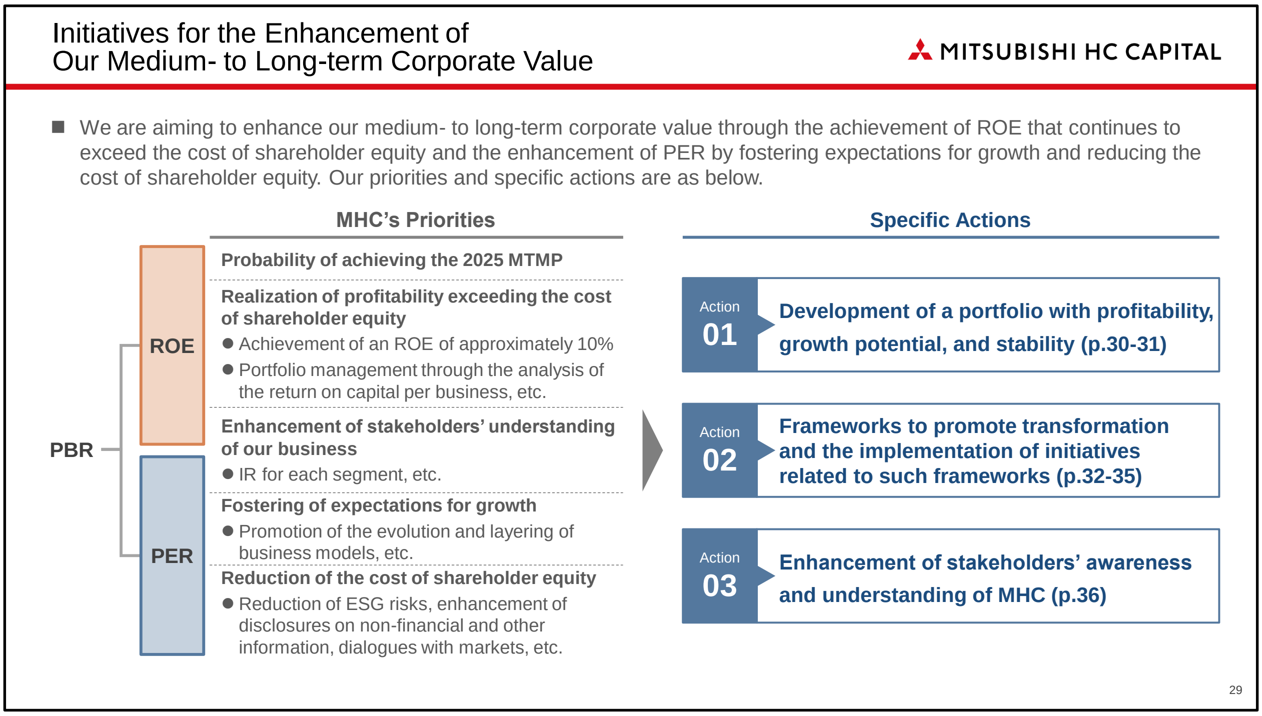
MITSUBISHI HC CAPITAL

Now, I, Taiju Hisai, would like to explain “04. Initiatives for the Enhancement of Our Medium- to Long-term Corporate Value”.

Please take a look at the left-hand side of page 29 in the materials.



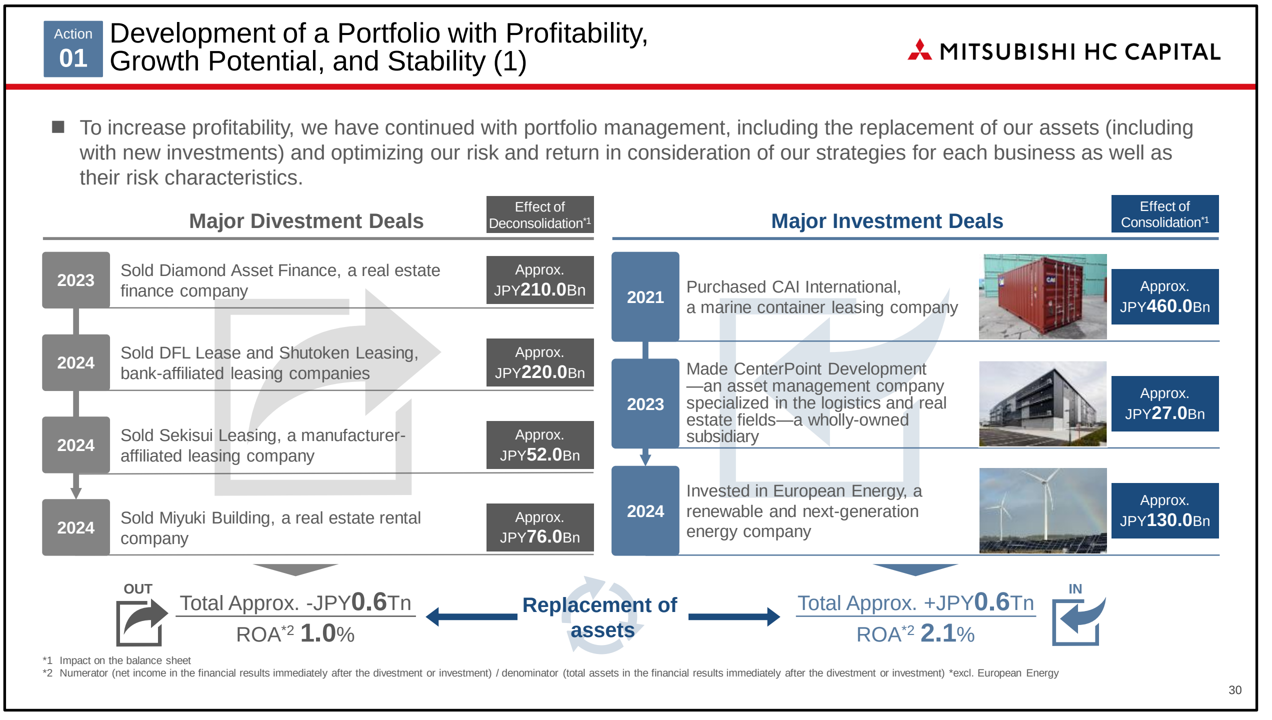

These are extracts from the materials used at the financial results meeting held in May 2024, showing MHC's priorities toward the enhancement of our PBR, an index for measuring corporate value, from the perspective of its components ROE and PER.

The right half of the page shows three specific actions being taken based on MHC's priorities.

The first is the development of a portfolio with profitability, growth potential, and stability, the second is frameworks to promote transformation and the implementation of initiatives related to such frameworks, and the third is the enhancement of stakeholders' awareness and understanding of MHC.

From the next page, I would like to explain each of these actions.

Please move on to page 30.



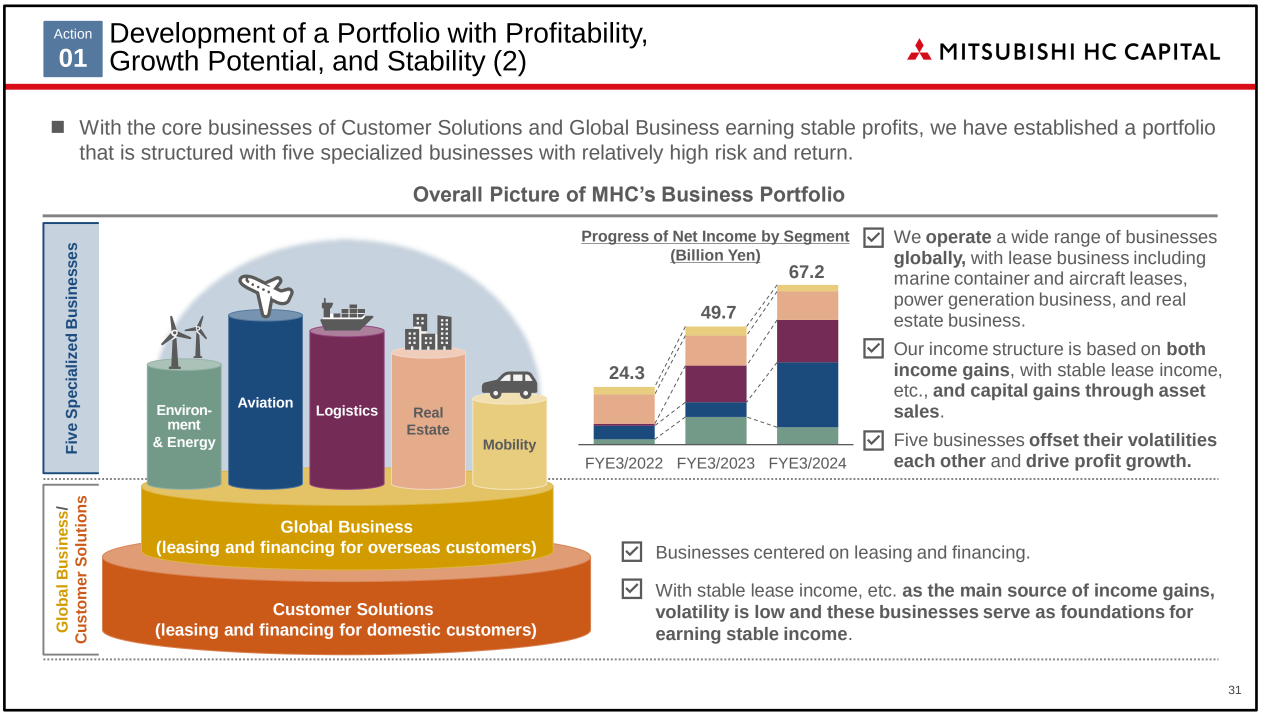

First, regarding Action 1, the development of a portfolio with profitability, growth potential, and stability, I think that in order to enhance our profitability, it is important that we manage our portfolio through the replacement of assets including new investments and the optimization of risk and return based on the strategy and risk characteristics of each business.

What you can see here is a list of the major divestment and investment deals we have made after the business integration conducted in April 2021.

While our divestments have focused mainly on domestic leasing and finance subsidiaries, we are proceeding with the replacement of our assets, aiming to shift to a highly profitable business portfolio by investing in companies engaged in highly specialized businesses such as the marine container leasing company CAI and the renewable and next-generation energy company European Energy.

Although these are for reference only, the total effects of our major divestment and investment deals on our balance sheet were approximately 600.0 billion yen, respectively.
The ROA of overall divestment deals is approximately 1.0%, while that of overall investment deals is approximately 2.1%.
I think you can see how these initiatives are contributing to the improvement of the ROA of the MHC Group.

Let’s move on to page 31.




The diagram on the left explains the overall picture of our business portfolio, which is composed of two major constituent parts.

One of them comprises the Customer Solutions and the Global Business segments, which make up the bottom two layers of the diagram.
These are centered around MHC's original businesses of leasing and finance, they have relatively low volatility, and they serve as foundational businesses supporting MHC with stable income.

The other constituent part comprises the specialized businesses represented by the five pillars above these two segments.
While these businesses are relatively easily affected by market conditions due to their characteristics, they are also high in profitability.
These five specialized businesses are characterized by the fact that they mutually offset the impacts of both good and bad market conditions, as their markets do not always change at the same times and on the same scale.

For example, when the flow of people came to a halt during the COVID-19 pandemic, the Aviation segment struggled.
However, the marine container leasing business, which is centered in logistics, was strong and was able to cover for the Aviation segment.
This is a good example.

The bar graphs on the right show changes to the profits of these five specialized businesses in different colors.
As you can see, the profit of each segment has fluctuated with each fiscal year, but the total profit of the segments as a whole is steadily increasing.

We aim to achieve profit growth by enhancing profitability while preventing the size of our assets from expanding.
Therefore, while we are proceeding with the strategic replacement of assets, which was shown on the previous slide, we are promoting the development of a business portfolio composed of these two major constituent parts, which taken as a whole has profitability, growth potential, and stability.

Now, let’s move on to page 32.

Action 02

## Frameworks to promote transformation and the implementation of initiatives (1) (overall picture)

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■ We will implement the following three approaches in order to fully realize the 2025 MTMP's core strategy of "frameworks to promote transformation."

**1**

**"Lay" the foundation of transformation**

└ Foster all employees' awareness of transformation.

FYE3/2025 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.

FYE3/2025 Plan (Major Initiatives)

- Launch the Top Gun Project ("Top Gun") as an initiative directly led by the President & CEO (p.33).
- Conduct the second round of the intra-entrepreneurship program Zero-Gravity Venture Lab ("ZERO-GRA") in addition to commercialization verifications for the initiatives selected in its first round (p.34).

**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.

FYE3/2025 Plan (Major Initiatives)

- Accumulate and accelerate results for the Innovation Investment Fund (p.35).
- Continue to revise various internal regulations and restructure organizations with a view to decentralization and delegation of authority.

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In this section, I would like to discuss Action 2, frameworks to promote transformation and the implementation of initiatives related to those frameworks.
Firstly, as a refresher, I would like to explain the overall picture of frameworks to promote transformation, which have been set out in the 2025 MTMP.

As corporate transformation is necessary toward achieving "Our 10-year Vision", we have been implementing the three approaches of "laying" the foundation of transformation, "creating" transformation, and "promoting" transformation to realize frameworks to promote transformation.

Number 1 here, "laying" the foundation of transformation, aims to foster all employees' awareness of transformation.
Currently, we are promoting sales process transformation initiatives, such as creating time to respond to customers by developing a divided sales process model specific to each customer segment, as well as data utilization initiatives such as the development of a framework for facilitating data collection, accumulation, and analysis by building a data utilization platform.

Number 2, "creating" transformation, aims to develop frameworks to actively create initiatives which contribute to transformation.
These include the Top Gun project, a transformation project launched this fiscal year for which I myself have taken responsibility.
We are also proceeding with the Zero-Gravity Venture Lab, called "ZERO-GRA", the intra-entrepreneurship program launched in the last fiscal year.

Finally, number 3, “promoting” transformation, aims to develop an agile discussion framework and promote transformation by advancing efficient decision-making processes and the delegation of authority to sales frontlines that comes with responsibility, and through other means.
This applies to initiatives such as the Innovation Investment Fund, launched in the last fiscal year and aimed at startup companies.

I will go into some more detail about each of these initiatives on the following pages.

Let’s move on to page 33.

Action 02 Frameworks to promote transformation and the implementation of initiatives (2) (Top Gun Project )

MITSUBISHI HC CAPITAL

■ The Top Gun Project ("Top Gun") has been launched as an initiative directly led by the President & CEO.

| | |
|---|---|
| Background | ✓ One issue is a lack of speed in the progress of the evolution and layering of business models, a key theme in the achievement of the 2025 MTMP, and in turn, the realization of Our 10-year Vision. |
| Objective | ✓ With the further transformation of a company culture that promotes challenge and by collecting the ideas and energy of our employees, we are aiming to realize the evolution and layering of business models by strengthening the provision of added value to our customers. |

▲ At the kick-off of the Top Gun Project

**Point 01** **Approx. 60% of all employees** participate in the project

- ✓ Of all domestic employees (approx. 3,700 individuals), **2,149 or approx. 60%** have submitted entry sheets.
- ✓ With these entry sheets, we are collecting ideas and opinions on ways to provide added value in practice as only the MHC Group can do.

**Point 02** The President & CEO and representative members are conducting considerations of **17 new projects**

- ✓ Multiple workshops were held, centered around willing employees. Based on the issues identified and opinions expressed, etc. at these workshops, **17** new projects were proposed by employees themselves.
- ✓ Moving forward, while accumulating discussions with management including the President & CEO, we aim to turn these ideas into concrete initiatives.

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First up is the aforementioned transformation project Top Gun which I am leading and promoting.

This project was launched this fiscal year as an all-out effort with the aim of creating new business models, solutions, and schemes that strengthen our ability to provide added value to our customers by utilizing the strong customer base and sales capabilities which are the strengths of MHC.

This project is targeting fostering enthusiasm for taking on challenges, broadening our field of vision and bringing change to the company, as well as creating a company culture that is not afraid of failure.

Beginning with these aspirations in mind, the project has since received entries from 2,149 employees, or approximately 60% of all domestic Group employees.
I too am excited in sharing our employees' passion.

Among these more than 2,000 employees, discussions have been held among a somewhat reduced number of them, and 17 new projects have been launched.
Under the lead of each project's leader and with a "trial and error" attitude, we have been accumulating discussions with management, including myself, and plan to turn these ideas into concrete initiatives, moving forward with the evolution and layering of our business models set forth in the 2025 MTMP.

Let's move on to page 34.

Action 02 Frameworks to promote transformation and the implementation of initiatives (3) (Zero-Gravity Venture Lab )

MITSUBISHI HC CAPITAL

■ Entered the second round of the intra-entrepreneurship program in the Zero-Gravity Venture Lab (“ZERO-GRA”), launched in November 2022.

**Overall Picture of ZERO-GRA**

| Opportunities Offered | Program |
|---|---|
| Intra-entrepreneurship | 01 **Founders' Program** A program whereby those who made the proposals shall be the owners of the ideas and where we aim to commercialize those ideas |
| Skill and Knowledge Acquisition | 02 **Founders' Seminar** A program where ideas are refined and enhanced skills are realized |
| Converting Ideas into Value (fostering passion and will) | 03 **Ideas Submissions Contest** A contest to come up with new ideas (also providing opportunities for learning) |

* Software as a Service

**01 Founders' Program**

| 1st Round: Initiatives that Passed Final Screening | 2nd Round: Initiatives that Passed Final Screening |
|---|---|
| 1 SaaS* combining knowledge with matching to support companies' growth | 1 Off-site eco feed services to support $CO_2$ reductions related to food waste and increased self-sufficiency |
| 2 Establish a domestic “refurb hub” focused on used semiconductor manufacturing equipment | |
| Currently being verified for commercialization | Currently being pre-verified for commercialization |

▲ Scenes from the final screening of the second round

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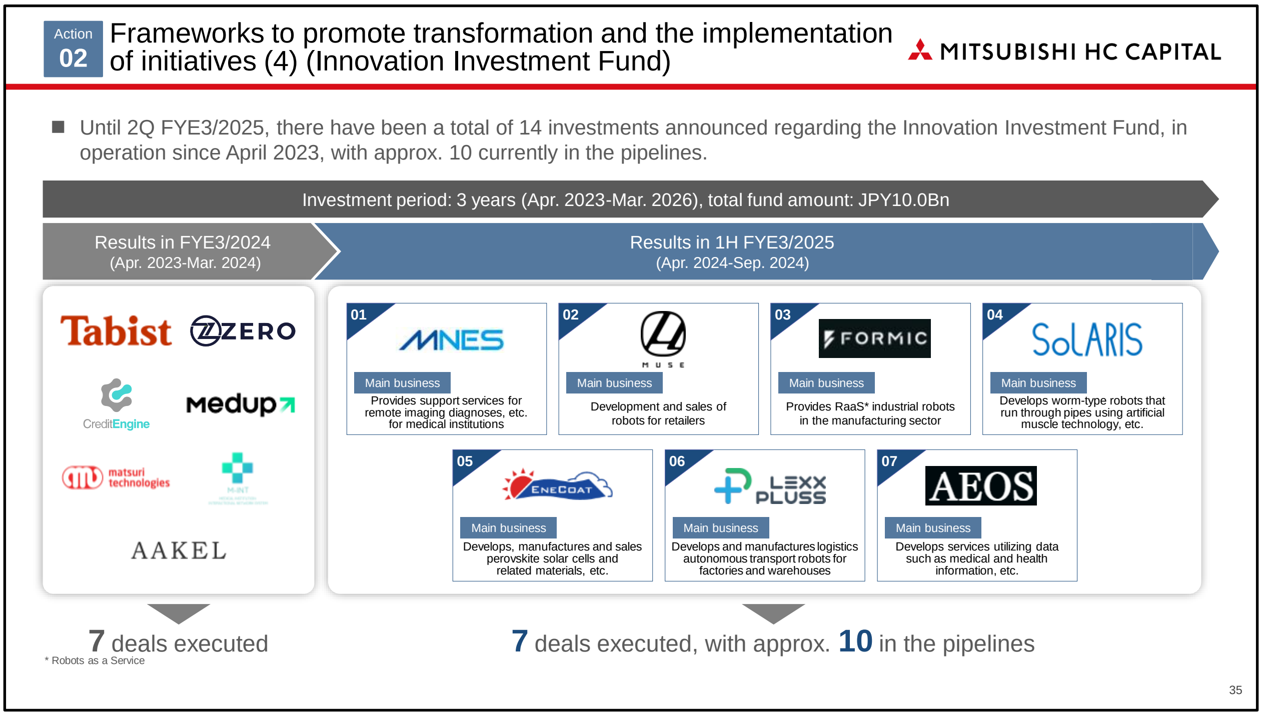
ZERO-GRA, the intra-entrepreneurship program established last fiscal year, recently saw the final screening for its second year.

The successful proposal shall be owned by those who made it, and we will be proceeding with the verifications for commercialization.

Even in addition to those proposals that made it to the final screening, there were many exceptionally well thought out proposals.
As well as the earnestness with which participants were engaged in the project, the level of presentations was excellent, and seeing those proposal makers receiving support from their superiors and colleagues, I felt assured that ZERO-GRA has taken root within the Company.

In the future, I hope to create an environment whereby new business can be born naturally from the frontline even without using ZERO-GRA as an avenue.
Initially, however, we will aim for the commercialization of the successful proposal, and I look forward to giving it our full support as a company.

Please move on to page 35.




Here we can see the results of the Innovation Investment Fund, established in the last fiscal year as an investment facility for startup companies.

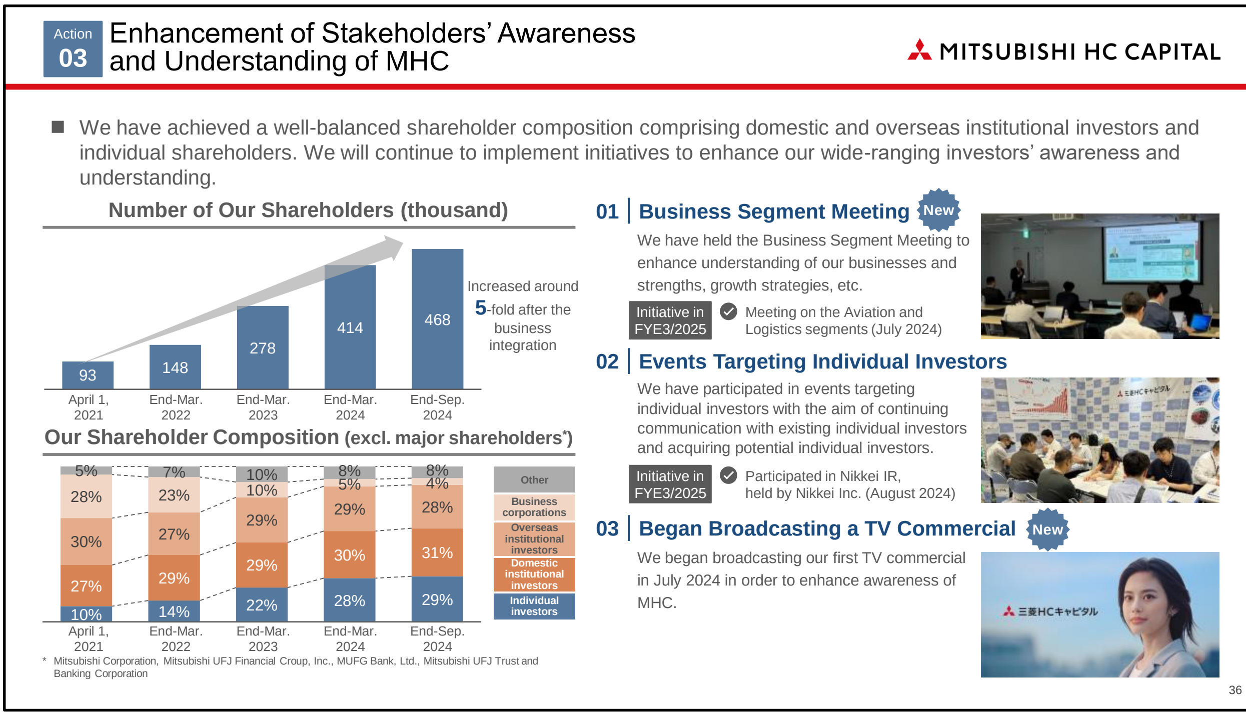
In comparison to the seven investments made in the last fiscal year, this fiscal year, seven investment deals had already been executed by the second quarter, and the initiative is gaining momentum.

We are conducting investments into projects in a range of fields, such as those related to the robotics business led by the Robotics Business Development Department, established in April of this year, and those related to renewable energy.

Looking ahead, there are still approximately 10 deals in the pipelines, and we plan to continue to utilize and promote this investment facility.
I feel that speedy investments that carry a sense of responsibility have been executed as a result of the delegation of authority to frontlines.

As the President & CEO, it is heartening to see our increasing enthusiasm for such varied internal transformations.
I also hope that we can continue to work on these initiatives and to turn them into tangible results.

Please move on to page 36.




Lastly, let me introduce our initiatives for the enhancement of stakeholders' awareness and understanding of MHC.

The diagram on the upper left shows the change in the number of shareholders after the business integration in April 2021.
The number was approximately 90,000 at the time of the business integration, however it had increased to just under 470,000 as of the end of September this year.
This increase was largely driven by the increase of individual shareholders.

The diagram on the lower left shows the change in our shareholder composition excluding major shareholders such as the MUFG Group and Mitsubishi Corporation.
As the increase of individual shareholders has offset the decrease of business corporations, the current composition is well-balanced, with domestic and overseas institutional investors and individual shareholders each accounting for around 30%.
Meanwhile, we have recognized the need to increase opportunities for engagement in wide-ranging dialogues with investors more than ever so that they can gain an even deeper and more accurate understanding of MHC, including the details of our business and business strategies.
With this awareness of issues, we have worked on the enhancement of our disclosure and various initiatives in the first half of FYE3/2025.
Our major initiatives are explained on the right side of the page.

The first is a business segment meeting, which we held for the first time this fiscal year, with the aim of enhancing investors' understanding of our business and strengths, growth strategies. In the first meeting, focusing on the Aviation and Logistics segments driving profit growth in the 2025 MTMP, the Heads of each business division took the podium and explained their businesses.
This event was held targeting institutional investors, however you can refer to the materials used in the meeting and a transcript of the Q&A session on our website.
As it was our first time holding such a meeting, there were some operational issues, but participants generally greatly appreciated the meeting, with comments such that they were able to deepen their understanding of our business.
We will hold this event in the next fiscal year and into the future with improved contents, referring to the feedback we received this time around.

The second initiative is events targeting individual investors. We know that not all individual shareholders fully understand MHC.
In order for ongoing communication with these shareholders and to encourage their appreciation of MHC by deepening their understanding of our business, as well as encouraging new individual investors to become MHC shareholders, we participated in an event held by Nikkei Inc. targeting individual investors.
We engaged in this event more proactively this fiscal year than in last year so that we could communicate one-on-one with more individual investors by increasing the number of MHC staff participating in the event.
In the second half, we will continue activities targeting individual investors by utilizing seminars held by online securities companies and other events, beyond only holding face-to-face events.

The third one is a TV commercial. With the aim of enhancing the awareness of MHC, an issue for the Company, we began broadcasting our first TV commercial in July this year.
Some of you may have already seen it.
The commercial indicates our spirit of challenge and policy of exploring endless possibilities.
I myself have received comments from many people upon seeing the commercial and have realized the effect it is having.
This commercial has also been posted on our website, so please take a look if you have not seen it yet. (Please note that the gallery of the commercial on our website and the contents are all in Japanese and can be viewed only in Japan.)

In addition to the initiatives I introduced now, we will implement other necessary initiatives for the enhancement of our medium- to long-term corporate value.

Please continue to expect great things from Mitsubishi HC Capital.

# Major Business Topics in 1H FYE3/2025 (1)

MITSUBISHI HC CAPITAL

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

**April 2024**

- ✓ Announced the establishment of a special purpose company with Pacific Power to support the introduction of equipment contributing to decarbonization such as solar power generation and storage batteries.
- ✓ Completed the investment in European Energy A/S, a Danish company engaging in renewable and next-generation energy business, and made it an equity method affiliate. 📷 1

**May 2024**

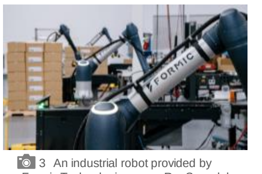
- ✓ Announced the conclusion of a capital and business alliance contract with Mnes, aiming to create solutions toward the establishment of a sustainable community-based integrated healthcare system.
- ✓ Released the "Progress of 2025 MTMP" as of the time of the financial results briefing for FYE3/2024.

**June 2024**

- ✓ Announced the conclusion of a capital and business alliance contract with MUSE, with a view to collaborating in developing and providing robot solutions that will contribute to addressing a labor shortage in the retail industry. 📷 2
- ✓ Announced to start discussions for a demonstration project for green hydrogen manufacturing in Miyako Island with the Central Research Institute of Electric Power Industry and Nextems, aiming to develop the first model in Japan of a resource recycling-type onsite hydrogen supply business using energy sources held by third parties.
- ✓ Group company Mitsubishi HC Capital Energy announced the conclusion of a PPA at Nissei's Fukushima Plant, toward the introduction of renewable energy sources.
- ✓ Achieved one of the non-financial targets of the 2025 MTMP ahead of schedule, with the ratio of standard or higher level talent in DX assessment* of 80% or more.
- ✓ Group company Mitsubishi HC Capital America announced the conclusion of a capital and business alliance contract with Formic Technologies, which provides Robot-as-a-Service solutions to U.S. manufacturers. 📷 3
- ✓ Announced the conclusion of a capital and business alliance contract with SoLARIS, which is engaged in the development and provision of soft robots to which artificial muscles and relevant technologies are applied, toward the provision of a preventive maintenance service for infrastructure.

📷 1 Power generation facility in Holmen, Denmark, developed by EE

📷 2 A sample image of a conveyance unit installed on Armo, a robot under development




📷 3 An industrial robot provided by Formic Technologies as an RaaS model

* A tool provided by an external vendor to measure the DX literacy level, and the results classify employees into three levels: Beginner, Standard, and Expert

# Major Business Topics in 1H FYE3/2025 (2)

MITSUBISHI HC CAPITAL

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

## July 2024

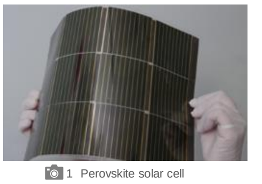
- ✓ Started to provide GX Assessment Lease that supports customers decarbonization investment through lease and installment transactions and certifies that leased property used by customers is a low-carbon facility.
- ✓ Announced the conclusion of a capital and business alliance contract with EneCoat Technologies, by which we aim to further contribute to achieving a decarbonized society by establishing a business model using perovskite solar cells. 1
- ✓ Announced to join "Sustainable Aviation Fuel Financing Alliance" and co-invested in "SAFFA Fund I, LP" focusing on Sustainable Aviation Fuel ("SAF") to contribute to the expansion of production of SAF which is expected as a means of decarbonization in the aviation industry.

## August 2024

- ✓ Mitsubishi HC Capital Energy Inc. announced that it entered into a joint venture agreement on a grid-scale battery business with Samsung C&T Corporation. 2
- ✓ The Company and its group company Mitsubishi Auto Leasing Corporation announced that they started a collaboration with GO Inc. to develop and enhance the EV charging infrastructure for corporations including gathering customer needs related to EV introduction and operation and sharing information.

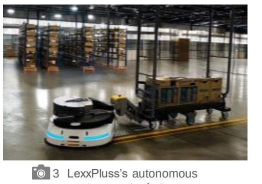
## September 2024

- ✓ Announced the conclusion of a capital and business alliance contract with LexxPluss, by which we aim to contribute to the automation and streamlining of transportation work in the logistics and manufacturing fields. 3
- ✓ Transferred shares of its consolidated subsidiary Miyuki Building Co., Ltd.
- ✓ Announced the conclusion of a capital and business alliance contract with AEOS, by which we seek to achieve a society where appropriate medical care is available without interruption even during disasters.
- ✓ Provided cleaning robots to SOTETSU KIGYO Co., Ltd. undertaking the cleaning of "YUMEGAOKA SORATOS," a large-scale commercial complex located in Yokohama, Kanagawa, and started full-scale operation at the complex.



1 Perovskite solar cell

2 Image of installed battery energy storage system



3 LexxPluss's autonomous transport robot

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# Segment Profit (1) (by Quarter)

! Base profit and non-operating income/loss shown before are shown in the Financial Data Sheets (Excel format).

MITSUBISHI HC CAPITAL

| (Billion Yen) | | | FYE3/2024 1Q | FYE3/2024 2Q | FYE3/2024 3Q | FYE3/2024 4Q | FYE3/2024 Total | FYE3/2025 1Q | FYE3/2025 2Q | FYE3/2025 QoQ | FYE3/2025 YoY |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Customer Solutions | Income Gain | 28.2 | 27.9 | 29.3 | 29.3 | 114.8 | 27.0 | 26.0 | -1.0 | -1.8 |
| 2 | | Asset-related Gain/Loss | 0.1 | 0.0 | 0.6 | 1.6 | 2.4 | 0.7 | 0.2 | -0.5 | +0.1 |
| 3 | | Recurring Income | 11.3 | 9.7 | 12.8 | 15.6 | 49.5 | 11.7 | 7.3 | -4.4 | -2.4 |
| 4 | | Segment Profit | 8.2 | 7.0 | 9.3 | 13.6 | 38.1 | 10.3 | 5.2 | -5.0 | -1.7 |
| 5 | Global Business | Income Gain | 34.0 | 32.9 | 34.5 | 34.7 | 136.3 | 34.2 | 34.6 | +0.3 | +1.7 |
| 6 | | Asset-related Gain/Loss | - | - | - | - | - | - | - | - | - |
| 7 | | Recurring Income | 7.0 | 8.3 | 6.8 | 2.1 | 24.3 | 4.5 | 1.0 | -3.5 | -7.3 |
| 8 | | Segment Profit | 4.0 | 6.1 | 5.3 | 1.0 | 16.6 | 3.2 | 0.7 | -2.5 | -5.4 |
| 9 | Environment & Energy | Income Gain | 2.9 | 4.3 | 3.4 | 2.7 | 13.4 | 0.8 | 0.5 | -0.3 | -3.8 |
| 10 | | Asset-related Gain/Loss | 0.0 | -3.2 | - | 4.7 | 1.5 | 0.0 | -4.0 | -3.9 | -0.7 |
| 11 | | Recurring Income | 0.6 | -0.6 | 2.0 | 3.3 | 5.3 | -1.2 | -13.9 | -12.6 | -13.3 |
| 12 | | Segment Profit | 2.6 | 0.0 | 1.3 | 3.3 | 7.3 | 0.3 | -9.8 | -10.2 | -9.8 |
| 13 | Aviation | Income Gain | 6.4 | 7.1 | 12.8 | 13.4 | 39.9 | 20.7 | 15.8 | -4.9 | +8.6 |
| 14 | | Asset-related Gain/Loss | 1.0 | 0.2 | -0.6 | 4.3 | 4.9 | 7.7 | 1.9 | -5.8 | +1.6 |
| 15 | | Recurring Income | 2.8 | 7.6 | 9.2 | 12.4 | 32.3 | 20.9 | 11.4 | -9.4 | +3.8 |
| 16 | | Segment Profit | 2.3 | 4.9 | 6.9 | 13.0 | 27.3 | 15.9 | 9.4 | -6.5 | +4.4 |

# Segment Profit (2) (by Quarter)

Base profit and non-operating income/loss shown before are shown in the Financial Data Sheets (Excel format).

MITSUBISHI HC CAPITAL

| (Billion Yen) | | | FYE3/2024 1Q | FYE3/2024 2Q | FYE3/2024 3Q | FYE3/2024 4Q | FYE3/2024 Total | FYE3/2025 1Q | FYE3/2025 2Q | FYE3/2025 QoQ | FYE3/2025 YoY |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 17 | Logistics | Income Gain | 7.6 | 7.5 | 7.8 | 7.3 | 30.2 | 8.9 | 9.4 | +0.4 | +1.9 |
| 18 | | Asset-related Gain/Loss | 1.9 | 1.5 | 1.5 | 0.1 | 5.2 | 2.0 | 1.3 | -0.6 | -0.2 |
| 19 | | Recurring Income | 6.6 | 5.9 | 6.0 | 4.2 | 22.9 | 7.6 | 7.7 | +0.1 | +1.8 |
| 20 | | Segment Profit | 5.4 | 4.4 | 4.6 | 3.3 | 17.8 | 5.6 | 6.0 | +0.4 | +1.5 |
| 21 | Real Estate | Income Gain | 3.2 | 3.1 | 2.8 | 3.3 | 12.5 | 3.2 | 3.3 | 0.0 | +0.1 |
| 22 | | Asset-related Gain/Loss | 6.7 | -2.8 | -0.8 | 7.2 | 10.3 | 0.0 | 37.5 | +37.4 | +40.3 |
| 23 | | Recurring Income | 8.5 | -1.6 | 0.2 | 8.7 | 15.9 | 1.5 | 38.2 | +36.7 | +39.8 |
| 24 | | Segment Profit | 11.7 | -4.8 | -0.3 | 5.4 | 11.9 | 0.1 | 8.1 | +7.9 | +12.9 |
| 25 | Mobility | Income Gain | 1.3 | 1.1 | 1.2 | 1.0 | 4.7 | 1.7 | 1.3 | -0.3 | +0.2 |
| 26 | | Asset-related Gain/Loss | - | - | - | - | - | - | - | - | - |
| 27 | | Recurring Income | 0.8 | 0.6 | 0.6 | 0.2 | 2.3 | 1.0 | 0.7 | -0.3 | +0.1 |
| 28 | | Segment Profit | 0.8 | 0.7 | 0.7 | 0.4 | 2.7 | 1.1 | 0.8 | -0.2 | +0.1 |
| 29 | Total* | Income Gain | 85.6 | 84.9 | 93.8 | 94.4 | 358.8 | 102.6 | 96.0 | -6.6 | +11.1 |
| 30 | | Asset-related Gain/Loss | 9.9 | -4.1 | 0.6 | 18.1 | 24.5 | 10.6 | 37.0 | +26.4 | +41.2 |
| 31 | | Recurring Income | 37.7 | 29.1 | 37.3 | 47.3 | 151.6 | 49.2 | 55.1 | +5.8 | +25.9 |
| 32 | | Segment Profit | 35.1 | 17.6 | 27.8 | 43.2 | 123.8 | 39.1 | 22.5 | -16.6 | +4.9 |

* The figures are not equal to the total because they include "Adjustments" figures recorded in the MHC head office account

# Asset-related Gain/Loss (by Quarter)

MITSUBISHI HC CAPITAL

| | (Billion Yen) | FYE3/2024 1Q | FYE3/2024 2Q | FYE3/2024 3Q | FYE3/2024 4Q | FYE3/2024 Total | FYE3/2025 1Q | FYE3/2025 2Q | FYE3/2025 QoQ | FYE3/2025 YoY |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Customer Solutions | 0.1 | 0.0 | 0.6 | 1.6 | 2.4 | 0.7 | 0.2 | -0.5 | +0.1 |
| 2 | Gain/Loss on Sales | 0.1 | 0.0 | 0.6 | 1.6 | 2.4 | 0.7 | 0.2 | -0.5 | +0.1 |
| 3 | Impairment Losses, etc. | - | - | - | - | - | - | - | - | - |
| 4 | Environment & Energy | 0.0 | -3.2 | - | 4.7 | 1.5 | 0.0 | -4.0 | -3.9 | -0.7 |
| 5 | Gain/Loss on Sales | 0.0 | 2.6 | - | 4.7 | 7.3 | 0.0 | - | 0.0 | -2.6 |
| 6 | Impairment Losses, etc. | - | -5.8 | - | - | -5.8 | - | -4.0 | -4.0 | +1.8 |
| 7 | Aviation | 1.0 | 0.2 | -0.6 | 4.3 | 4.9 | 7.7 | 1.9 | -5.8 | +1.6 |
| 8 | Gain/Loss on Sales | 1.0 | 0.2 | 2.0 | 4.3 | 7.7 | 7.9 | 4.0 | -3.8 | +3.8 |
| 9 | Impairment Losses, etc. | - | - | -2.6 | 0.0 | -2.7 | -0.1 | -2.1 | -2.0 | -2.1 |
| 10 | Logistics | 1.9 | 1.5 | 1.5 | 0.1 | 5.2 | 2.0 | 1.3 | -0.6 | -0.2 |
| 11 | Gain/Loss on Sales | 1.9 | 1.5 | 1.5 | 0.1 | 5.2 | 2.0 | 1.3 | -0.6 | -0.2 |
| 12 | Impairment Losses, etc. | - | - | - | - | - | - | - | - | - |
| 13 | Real Estate | 6.7 | -2.8 | -0.8 | 7.2 | 10.3 | 0.0 | 37.5 | +37.4 | +40.3 |
| 14 | Gain/Loss on Sales | 6.7 | 2.6 | - | 10.6 | 20.1 | 1.3 | 37.0 | +35.7 | +34.3 |
| 15 | Impairment Losses, etc. | - | -5.5 | -0.8 | -3.4 | -9.8 | -1.2 | 0.4 | +1.7 | +6.0 |
| 16 | Total Asset-related Gain/Loss | 9.9 | -4.1 | 0.6 | 18.1 | 24.5 | 10.6 | 37.0 | +26.4 | +41.2 |
| 17 | Gain/Loss on Sales | 9.9 | 7.2 | 4.2 | 21.5 | 42.9 | 12.0 | 42.8 | +30.7 | +35.5 |
| 18 | Impairment Losses, etc. | - | -11.3 | -3.5 | -3.4 | -18.3 | -1.4 | -5.7 | -4.2 | +5.6 |

(Note) Based on gross profit

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

MITSUBISHI HC CAPITAL

| | | FYE3/2024 | FYE3/2025 |
|---|---|---|---|
| 1 | Customer Solutions | 4Q: 【+】 Gains/Losses on sales of strategic shareholdings, etc.: approx. JPY5.5Bn | 1Q: 【+】 Gains on sales of shares of subsidiaries and affiliates, etc.: approx. JPY3.0Bn<br>2Q: 【-】 Large credit costs in an individual transaction: approx. JPY1.0Bn |
| 2 | Global Business | 1Q: 【+】 Positive effects of the reorganization of subsidiaries in the Americas: approx. JPY1.0Bn<br>【-】 Credit costs in line with the worsening market conditions in the Americas: approx. JPY2.0Bn<br>3Q: 【-】 Credit costs in line with the worsening market conditions in the Americas: approx. JPY4.0Bn<br>4Q: 【-】 Credit costs in line with the worsening market conditions in the Americas: approx. JPY9.0Bn | 1Q: 【-】 Credit costs in the transportation sector in the Americas, etc.: approx. JPY4.0Bn<br>2Q: 【-】 Credit costs in the transportation sector in the Americas, etc.: approx. JPY8.0Bn |
| 3 | Environment & Energy | 1Q: 【+】 A decrease in tax expenses associated with the absorption-type merger of subsidiaries*: approx. JPY2.0Bn<br>4Q: 【-】 Onetime expenses in individual transactions: approx. JPY1.0Bn | 1Q: 【+】 Gains on the sale of shares in an overseas infrastructure project: approx. JPY1.0Bn<br>2Q 【-】 Credit costs related to a renewable energy project in Japan: Approx. JPY8.5Bn<br>【-】 Advance recording of losses from equity method investments: Approx. JPY2.0Bn |
| 4 | Aviation | 1Q: 【-】 Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY1.5Bn<br>2Q: 【+】 A large reversal of allowance for doubtful accounts: approx. JPY4.0Bn<br>【-】 Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY2.5Bn<br>3Q: 【+】 A large reversal of allowance for doubtful accounts: approx. JPY1.5Bn<br>4Q: 【+】 A reversal of tax expenses*: approx. JPY1.5Bn | 1Q: 【+】 Positive effects of the change of the fiscal period of JSA*: approx. JPY6.0Bn<br>【+】 Gains on sales of equity interests in leasing transactions of aircraft owned by MHC: approx. 2.0Bn<br>【-】 Exchange revaluation losses related to leasing transactions of aircraft owned by MHC: approx. JPY1.5Bn<br>2Q: 【+】 Exchange revaluation gains related to leasing transactions of aircraft owned by MHC: approx. JPY1.5Bn |
| 5 | Logistics | | |
| 6 | Real Estate | 1Q: 【+】 Extraordinary income as a result of making CPD a wholly-owned subsidiary*: approx. JPY4.8Bn<br>2Q: 【-】 An increase in tax expenses*: approx. JPY1.5Bn | 2Q: 【+】 Positive effects associated with large gains on sales of assets by Miyuki Building and losses on the transfer of its shares*: approx. JPY7.0Bn |
| 7 | Mobility | | |
| 8 | Adjustments | 1Q: 【+】 Positive effects of reorganization of subsidiaries in the Americas: approx. JPY1.5Bn<br>4Q: 【+】 Gains/Losses on sales of strategic shareholdings, etc.: approx. JPY4.0Bn | 1Q: 【+】 Positive effects of the change of the fiscal period of JSA*: approx. JPY3.3Bn |

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

# Segment Assets

MITSUBISHI HC CAPITAL

| | (Billion Yen) | FYE3/2023 | FYE3/2024 | 2Q FYE3/2025 | Change from FYE3/2024 |
|---|---|---|---|---|---|
| 1 | Customer Solutions | 3,227.7 | 2,966.5 | 2,941.1 | -25.4 |
| 2 | Percentage of Total | 33.5% | 29.1% | 28.0% | -1.1pt |
| 3 | Global Business | 2,644.2 | 3,070.8 | 3,047.4 | -23.3 |
| 4 | Percentage of Total | 27.5% | 30.2% | 29.0% | -1.2pt |
| 5 | Environment & Energy | 433.2 | 416.6 | 507.5 | +90.9 |
| 6 | Percentage of Total | 4.5% | 4.1% | 4.8% | +0.7pt |
| 7 | Aviation | 1,640.2 | 2,020.0 | 2,245.2 | +225.1 |
| 8 | Percentage of Total | 17.0% | 19.8% | 21.3% | +1.5pt |
| 9 | Logistics | 1,092.9 | 1,099.0 | 1,219.0 | +119.9 |
| 10 | Percentage of Total | 11.4% | 10.8% | 11.6% | +0.8pt |
| 11 | Real Estate | 447.2 | 525.4 | 506.3 | -19.0 |
| 12 | Percentage of Total | 4.6% | 5.2% | 4.8% | -0.4pt |
| 13 | Mobility | 41.4 | 51.9 | 54.3 | +2.3 |
| 14 | Percentage of Total | 0.4% | 0.5% | 0.5% | 0.0pt |
| 15 | Adjustments | 105.8 | 29.0 | 1.4 | -27.5 |
| 16 | Percentage of Total | 1.1% | 0.3% | 0.0% | -0.3pt |
| 17 | Total Segment Assets | 9,632.9 | 10,179.4 | 10,522.5 | +343.1 |

# New Transactions Volume by Segment

MITSUBISHI HC CAPITAL

| | (Billion Yen) | 2Q FYE3/2023 | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY Change | YoY Change (%) |
|---|---|---|---|---|---|---|
| 1 | Customer Solutions | 434.5 | 463.0 | 443.4 | -19.6 | -4.2% |
| 2 | Global Business | 651.8 | 685.7 | 700.6 | +14.8 | +2.2% |
| 3 | Europe | 361.5 | 384.6 | 438.0 | +53.3 | +13.9% |
| 4 | Americas | 198.1 | 223.2 | 188.3 | -34.8 | -15.6% |
| 5 | China | 41.0 | 20.7 | 14.5 | -6.1 | -29.8% |
| 6 | ASEAN | 51.1 | 57.0 | 59.6 | +2.5 | +4.5% |
| 7 | Environment & Energy | 25.8 | 10.3 | 12.0 | +1.6 | +15.8% |
| 8 | Aviation | 83.0 | 169.5 | 300.1 | +130.5 | +77.0% |
| 9 | Logistics | 35.5 | 11.2 | 96.8 | +85.6 | +762.8% |
| 10 | Real Estate | 33.8 | 70.3 | 93.2 | +22.9 | +32.6% |
| 11 | Mobility | 13.6 | 3.0 | 5.1 | +2.0 | +65.6% |
| 12 | Adjustments | - | 0.0 | - | 0.0 | - |
| 13 | Total New Transactions Volume | 1,278.4 | 1,413.3 | 1,651.5 | +238.1 | +16.9% |

## Credit Costs by Segment

MITSUBISHI HC CAPITAL

| | (Billion Yen) | 2Q FYE3/2023 | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY Change | YoY Change (%) |
|---|---|---|---|---|---|---|
| 1 | **Customer Solutions** | -0.6 | 1.9 | 3.6 | +1.6 | +84.3% |
| 2 | **Global Business** | 2.1 | 6.8 | 16.8 | +9.9 | +145.3% |
| 3 | **Europe** | 1.2 | 2.5 | 3.4 | +0.9 | +37.0% |
| 4 | **Americas** | 0.0 | 3.5 | 11.8 | +8.3 | +236.7% |
| 5 | **China** | 0.5 | 1.3 | 1.1 | -0.2 | -16.0% |
| 6 | **ASEAN** | 0.4 | -0.5 | 0.3 | +0.8 | - |
| 7 | **Environment & Energy** | 1.0 | 0.1 | 8.6 | +8.4 | +7,360.3% |
| 8 | **Aviation** | 1.4 | -4.1 | 0.3 | +4.5 | - |
| 9 | **Logistics** | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 10 | **Real Estate** | 2.3 | 0.0 | 1.3 | +1.2 | - |
| 11 | **Mobility** | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 12 | **Adjustments** | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 13 | **Total Credit Costs** | 6.4 | 4.7 | 30.7 | +25.9 | +548.7% |

# Financial Performance: Profit & Loss Statement

MITSUBISHI HC CAPITAL

| (Million Yen) | | 2Q FYE3/2023 | 2Q FYE3/2024 | 2Q FYE3/2025 | YoY Change | YoY Change (%) |
|---|---|---|---|---|---|---|
| 1 | Revenues | 944,732 | 942,519 | 1,069,590 | +127,070 | +13.5% |
| 2 | Cost of Revenues | 766,790 | 767,485 | 824,167 | +56,682 | +7.4% |
| 3 | Cost of Funds | 57,683 | 97,013 | 134,493 | +37,480 | +38.6% |
| 4 | Gross Profit | 177,941 | 175,034 | 245,422 | +70,388 | +40.2% |
| 5 | SG&A Expenses | 103,802 | 110,619 | 143,190 | +32,571 | +29.4% |
| 6 | Personnel Expenses | 54,176 | 59,351 | 60,909 | +1,557 | +2.6% |
| 7 | Non-personnel Expenses | 41,390 | 45,338 | 50,512 | +5,174 | +11.4% |
| 8 | Allowance | 8,235 | 5,930 | 31,769 | +25,839 | +435.7% |
| 9 | Operating Income | 74,139 | 64,414 | 102,231 | +37,817 | +58.7% |
| 10 | Recurring Income | 75,771 | 66,915 | 104,348 | +37,432 | +55.9% |
| 11 | Extraordinary Income | 9,060 | 7,299 | 7,839 | +539 | +7.4% |
| 12 | Extraordinary Loss | 370 | 368 | 20,991 | +20,623 | +5,602.8% |
| 13 | Income before Income Taxes | 84,461 | 73,847 | 91,196 | +17,348 | +23.5% |
| 14 | Net Income Attributable to Owners of the Parent | 63,176 | 52,739 | 61,722 | +8,982 | +17.0% |

# Financial Performance: Balance Sheet, etc.

MITSUBISHI HC CAPITAL

| | (Million Yen) | FYE3/2023 (end-Mar. 2023) | FYE3/2024 (end-Mar. 2024) | 2Q FYE3/2025 (end-Sep. 2024) | Change from FYE3/2024 | Change from FYE3/2024 (%) |
|---|---|---|---|---|---|---|
| 1 | Cash and Cash Equivalents | 589,688 | 366,478 | 382,293 | +15,815 | +4.3% |
| 2 | Shareholders’ Equity | 1,528,773 | 1,685,267 | 1,724,870 | +39,602 | +2.3% |
| 3 | Total Equity | 1,551,029 | 1,705,345 | 1,741,688 | +36,342 | +2.1% |
| 4 | Total Assets | 10,726,196 | 11,149,858 | 11,436,397 | +286,539 | +2.6% |
| 5 | Segment Assets | 9,632,966 | 10,179,473 | 10,522,598 | +343,125 | +3.4% |
| 6 | Operating Assets | 9,311,185 | 9,825,993 | 10,061,212 | +235,219 | +2.4% |
| 7 | Equity Method Investments | 163,109 | 177,850 | 285,558 | +107,707 | +60.6% |
| 8 | Goodwill, Investment Securities, etc. | 158,670 | 175,629 | 175,827 | +198 | +0.1% |
| 9 | Distressed Receivables | 99,912 | 122,035 | 135,528 | +13,493 | +11.1% |
| 10 | Allowance for Doubtful Accounts | 68,806 | 66,983 | 82,655 | +15,671 | +23.4% |
| 11 | Net Balance of Distressed Receivables | 31,106 | 55,051 | 52,873 | -2,178 | -4.0% |
| 12 | Shareholders' Equity Ratio | 14.3% | 15.1% | 15.1% | 0.0pt | - |
| 13 | ROE | 8.2% | 7.7% | | | |
| 14 | ROA | 1.1% | 1.1% | | | |

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

MITSUBISHI HC CAPITAL

| (Million Yen) | | FYE3/2023 (end-Mar. 2023) | FYE3/2024 (end-Mar. 2024) | 2Q FYE3/2025 (end-Sep. 2024) | Change from FYE3/2024 | Change from FYE3/2024 (%) |
|---|---|---|---|---|---|---|
| 15 | Total Funding | 8,236,106 | 8,439,792 | 8,557,267 | +117,474 | +1.4% |
| 16 | Indirect Funding | 4,846,586 | 4,919,380 | 4,795,201 | -124,179 | -2.5% |
| 17 | Direct Funding | 3,389,520 | 3,520,411 | 3,762,065 | +241,654 | +6.9% |
| 18 | CP | 559,485 | 784,178 | 851,723 | +67,545 | +8.6% |
| 19 | Securitization | 604,302 | 565,959 | 568,296 | +2,336 | +0.4% |
| 20 | Corporate Bonds | 2,225,731 | 2,170,273 | 2,342,045 | +171,771 | +7.9% |
| 21 | Direct Funding Ratio | 41.2% | 41.7% | 44.0% | +2.3pt | - |
| 22 | Long-Term Funding Ratio | 82.5% | 82.5% | 81.9% | -0.6pt | - |
| 23 | Foreign Currency Funding Ratio | 56.3% | 60.6% | 59.3% | -1.3pt | - |

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

| | | Major Overseas Subsidiaries with FY Ending in December | | Major Overseas Subsidiaries with FY Ending in March | | | |
|---|---|---|---|---|---|---|---|
| | | 2Q FYE3/2024 | 2Q FYE3/2025 | 2Q FYE3/2024 | | 2Q FYE3/2025 | |
| 24 | Exchange Rate Applied to PL | \$1=JPY134.85 | \$1=JPY152.25 | £1=JPY177.49 | \$1=JPY141.00 | £1=JPY195.46 | \$1=JPY152.63 |
| | | FYE3/2024 | 2Q FYE3/2025 | FYE3/2024 | | 2Q FYE3/2025 | |
| 25 | Exchange Rate Applied to BS | \$1=JPY141.83 | \$1=JPY161.07 | £1=JPY191.22 | \$1=JPY151.41 | £1=JPY191.03 | \$1=JPY142.73 |

* Major overseas subsidiaries with FY ending in December ⇒ Average exchange rates from Jan. through Jun. applied to PL; FYE3/2024 BS: exchange rate as of end-Dec. 2023 is applied; 2Q FYE3/2025 BS: exchange rate as of end-Jun. 2024 is applied

Major overseas subsidiaries with FY ending in March ⇒ Average exchange rates from Apr. through Sep. applied to PL; FYE3/2024 BS: exchange rate as of end-Mar. 2024 is applied; 2Q FYE3/2025 BS: exchange rate as of end-Sep. 2024 is applied

# Inquiries and Other Information

MITSUBISHI HC CAPITAL

## Information Published on Our Website

### Progress of 2025 MTMP
(as of the time of the financial results briefing for FYE3/2024)

Progress of the 2025 MTMP, the Medium-term Management Plan for the three years from FYE3/2024

### Integrated Report


Financial and non-financial information about the overview of medium- to long-term value creation, management strategies, business performance, ESG information, etc.

### ESG Data Book

Initiatives and data related to ESG (environment, society, governance)

### Financial Data Sheets

Excel documents containing MHC's historical financial data

### Investors' Guide

Basic information, business descriptions by segment, etc. of the MHC Group

### Information Session for Individual Investors*

Materials from previously held online information sessions for individual investors

* Japanese only

### Inquiries

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### Website

https://www.mitsubishi-hc-capital.com/english/

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## The First TV Commercial as Mitsubishi HC Capital is Now on Air

MITSUBISHI HC CAPITAL

**Title of the Commercial** The Challenge to the Frontiers Begins with this One Step.


**Gallery of the Commercial***

The commercial and the behind-the-scenes video are available.


* The gallery and the contents are all in Japanese and can be viewed only in Japan

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