

**FOR IMMEDIATE RELEASE**

## **Announcement Concerning Company Split (Simplified Absorption-type Company Split)**

**Tokyo, December 20, 2024** --- Mitsubishi HC Capital Inc. (TSE: 8593, Representative Director, President & CEO: Taiju Hisai, the “Company”) hereby announces that at the meeting of the Board of Directors held today, the Company resolved to transfer real estate finance business in Japan controlled by the Real Estate Business Division to Mitsubishi HC Capital Realty Inc. (Representative Director and President: Hidekazu Tanaka, “Mitsubishi HC Capital Realty”), a wholly-owned subsidiary of the Company, through a simplified absorption-type company split (the “Company Split”). The Company will act as the splitting company, and Mitsubishi HC Capital Realty will become the successor company.

The certain details and content for disclosure have been partially omitted due to the nature of this simplified absorption-type company split with a wholly-owned subsidiary as the successor company.

### **1. Reason for the Company Split**

The Company group has launched the “Medium-term Management Plan for FY2023 - FY2025” and has implemented the “evolution and layering of business models”, one of the business strategies, to achieve the Business Portfolio Transformation. Specifically, the Real Estate Business Division (the “Division”) operates three types of business: the real estate financing, investment and asset management. By leveraging these businesses and enhancing their synergies, the division aims to develop an asset rotation business model.

The Division pursues stable profit and the transformation of business portfolio, through acquiring high-return assets, strengthening its development and management capabilities of the real estate financing and investment business, and increasing the asset under management.

Through this Company Split, the Company will consolidate human and management resources related to real estate financing and investment integrating them into Mitsubishi HC Capital Realty. This will allow for the further growth of real estate business, more efficient and effective business management, and establishment of a flexible portfolio that can adapt to the changes of the real estate market, etc.

## **2. Overview of the Company Split**

### **(1) Schedule of the Company Split**

Date of resolution at the meeting of the Board of Directors: December 20, 2024

Date of conclusion of the agreement: January 10, 2025 (scheduled)

Effective date: April 1, 2025 (scheduled)

\* The Company and Mitsubishi HC Capital Realty will not seek the approval from the General Meeting of Shareholders for the Company Split, as it falls under simplified absorption-type company split as stipulated in paragraph 2, Article 784 of the Company Act for the Company and in paragraph 1, Article 796 of the Company Act for Mitsubishi HC Capital Realty.

### **(2) Method of the Company Split**

The Company will act as the splitting company, and Mitsubishi HC Capital Realty will be the successor company.

### **(3) Details of Allotment Pertaining to the Company Split**

No shares or consolidation will be issued by the Company to Mitsubishi HC Capital Realty as a result of the Company Split.

### **(4) Handling of Share Acquisition Rights and Bonds with Share Acquisition Rights in Connection with the Company Split**

No share acquisition rights of Mitsubishi HC Capital Realty will be issued to the Company's holders of such share acquisition rights as a result of the Company Split. The Company is not issuing the bonds with share acquisition rights.

### **(5) Reduction or increase of Capital as a Result of the Company Split**

Not applicable.

### **(6) Rights and Obligations Succeeded to by the Succeeding Company**

The succeeding company will assume the assets, liabilities, contracts and associated rights and obligations related to the Company's real estate finance business in Japan controlled by the Real Estate Business Division, as specified in the absorption-type company split agreement.

### **(7) Prospect on Performance of Obligations**

The Company and Mitsubishi HC Capital Realty have determined that there are no issues regarding the performance of the obligations by Mitsubishi HC Capital Realty after the effective date.

### 3. Overview of the Parties to the Company Split

	Splitting Company in the Company Split	Successor Company in the Company Split
(1) Company Name	Mitsubishi HC Capital Inc.	Mitsubishi HC Capital Realty Inc.
(2) Location	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Representative	Taiju Hisai, Representative Director, President & CEO	Hidekazu Tanaka, Representative Director and President
(4) Line of business	Lease Installment sales various types of financing	Equity investments in real estate securitization schemes Real estate investments for the purpose of renovating real estate and improving real estate value Consulting for managing and operating real estate assets
(5) Stated capital	33,196 million yen	500 million yen
(6) Date of establishment	April 12, 1971	April 1, 2016
(7) Numbers of share outstanding	1,466,912,244	30,000
(8) Fiscal Period	March 31	January 31
(9) Major shareholders and ownership ratios	Mitsubishi Corporation 18.37% Mitsubishi UFJ Financial Group, Inc. 14.49% MUFG Bank, Ltd. 3.50%	Mitsubishi HC Capital Inc. 100%
(10) Business results and financial condition (millions of yen unless otherwise specified)	Fiscal Year ended March 2024 (Consolidated)	Fiscal Year ended January 2024
Net assets	1,705,345	35,951
Total assets	11,149,858	114,861
Net assets per share (yen)	1,174	1,198,377
Revenues	1,950,583	29,219
Operating income	146,176	20,169
Recurring income	151,633	20,291
Net income	123,842	14,107
Net income per share (yen)	86	470,251

#### 4. Overview of the Business to be Split

(1) Business Details to be Split

Real estate finance business in Japan controlled by the Real Estate Business Division.

(2) Operating Results of the Division to be Split

Revenue: 6,634 million yen (fiscal year ended March 31, 2024)

(3) Items and the Amount of Assets and Liabilities to be Split

(Millions of yen)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	130,537	Current Liabilities	8
Non-current Assets	70,007	Non-current Liabilities	-
Total	200,544	Total	8

\* The figures above are calculated based on the balance sheet as of March 31, 2024. Accordingly, the actual amounts to be succeeded to will be obtained by adjusting the above amounts in line with the actual booked value that will occur up to the effective date of the Company Split.

#### 5. Overview after the Company Split

The company name, location, title and name of the representative, line of business, the amounts of capital, and fiscal year end of the Company will not be changed as a result of the Company Split.

Nevertheless, the company name, location, title and name of the representative, line of business, the amounts of capital, and fiscal year end of Mitsubishi HC Capital Realty will not be changed as a result of the Company Split.

#### 6. Future Outlook

The Company anticipates that the Company Split will have a minor impact on the consolidated financial forecasts for the fiscal year ending March 31, 2025.

Please note that the completion of the Company Split is subject to obtaining the necessary regulatory applications and approvals related to the business.

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This news release is written in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.