

Correction* on August 20, 2021

* Ownership Ratio of the two companies below in Major Companies have been corrected (underlined and highlighted in red) on page 28 and page 29.

(1) Account Solution : Mitsubishi HC Capital Leasing (Beijing)

(2) Others : Japan Infrastructure Initiative

FY3/2022 1st Quarter Results

Mitsubishi HC Capital Inc.

August 13 , 2021

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【Results of FY3/2021 1Q and FY3/2021 in this material】

The company (the former Mitsubishi UFJ Lease & Finance Company Limited (MUL)) executed the business integration with Hitachi Capital Corporation (HC) and changed the trade name to Mitsubishi HC Capital Inc. (MHC) on April 1, 2021. Therefore, both results of FY3/2021 1Q and FY3/2021 are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are presented as reference value.

I. FY3/2022 1st Quarter Results

Financial Highlights

Net income increased YOY and the forecast for FY3/2022 is progressing as planned

- Net income in FY3/2022 1Q increased by 58.6% YOY to 32.7 billion yen.
- New transactions volume in FY3/2022 1Q increased by 14.3% YOY.
- Steadily promoted continuous replacing portfolio and asset turnover business.
- Almost in line with the forecasted net income for FY3/2022, 95.0 billion yen (progress rate: 34.5%).

Business growth mainly in Europe and North America

- Business mainly in Europe and North America which are leading in vaccination rollout has grown.
- Revenues from the marine container business increased thanks to a strong demand for containers.

Promotion of PMI process and achievement of integration synergy

- Discussions at various working groups have been developing. PMI process is steadily promoting.
- Leveraging our strong and stable revenue base, decided to acquire CAI, US leading marine container leasing company.

We will join the world's second rank group in terms of the number of containers owned, combined with that of BIL which engages in the same business in the MHC Group.

* Results of FY3/2021 1Q are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are presented as reference value. Therefore, YOY change is a comparison with reference value.

Actual Results

- The quarterly net income attributable to owners of the parent for FY3/2022 1Q increased by 58.6% YOY to 32.7 billion yen, thanks to the business growth mainly in Europe and North America, an increase in new transactions volume and steady promotion of asset turnover.
- The progress rate against forecast for FY3/2022 (net income: 95.0 billion yen) is 34.5%, which is almost in line with the plan.

(Billion Yen)	(a)	(b)	(c)	(d)	(e)=(d)-(c)	(f)	(g)=(e)/(c)
	FY3/2021 1Q ^{*4}			FY3/2022 1Q	YOY Change	Exchange Rates Effects ^{*5}	YOY Change (%)
	MUL	(Reference) HC	(Reference) Simple Sum				
1 Revenues	234.8	184.9	419.7	407.7	-12.0	+4.5	-2.9%
2 Gross Profit	46.5	31.3	77.8	71.3	-6.5	+1.5	-8.4%
3 Operating Income	21.5	7.1	28.6	20.7	-7.9	+0.5	-27.7%
4 Recurring Income	22.1	8.4	30.6	20.6	-10.0	+0.5	-32.7%
5 Net Income ^{*1}	14.2	6.3	20.6	32.7	+12.0	+0.4	+58.6%
6 New Transactions Volume	269.2	232.0	501.2	572.8	+71.5	+18.2	+14.3%
7 Total Segment Assets ^{*2}	5,336.6 ^{*6}	3,268.1 ^{*6}	8,604.8 ^{*6}	8,630.9	+26.0 ^{*7}	+125.8	+0.3% ^{*7}
8 ROE	7.4% ^{*8}	-	-	11.0% ^{*9}	-		
9 ROA (Net Income Attributable to Owners of the Parent on Total Assets)	0.9% ^{*8}	-	-	1.4% ^{*9}	-		
10 OHR ^{*3}	47.2%	62.8%	53.6%	63.3%	+9.7P		

<ROE and ROA>
Calculated using the annualized net income and equity or total assets adjusted upon the integration, etc. (refer to *8 and *9 below for details)

*1 Quarterly net income attributable to owners of the parent

*2 "Operating assets" + "equity method investments" + "goodwill" + "investment securities, etc." (refer to page 22 for details)

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

*4 For MUL, figures are retroactively adjusted along with the change in the accounting method. (refer to page 22 for details)
For HC, figures for IFRS basis converted into J-GAAP basis in a simplified manner, which are presented as reference value.

*5 Effects of changes in exchange rates to be applied when incorporating results of overseas subsidiaries. (refer to page 27 for details.)

*6 FY3/2021

*7 Change from FY3/2021

*8 Numerator: annualized net income by quadrupling the net income for FY3/2021 1Q that was retroactively adjusted along with the change in the accounting method
Denominator: average of FY3/2020 equity and FY3/2021 1Q equity or of FY3/2020 total assets and FY3/2021 1Q total assets, that were retroactively adjusted along with the change in the accounting method

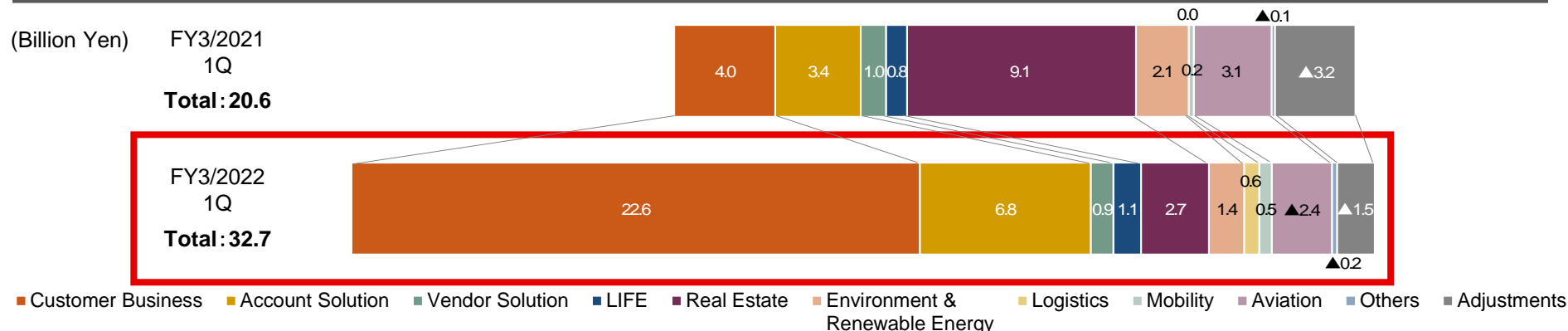
*9 Numerator: annualized net income by quadrupling the net income for FY3/2022 1Q
Denominator: average of FY3/2022 1Q equity and FY3/2021 equity (calculated by adding up J-GAAP-based reference figures of the former 2 companies and making adjustment upon the integration) or of FY3/2022 1Q total assets and FY3/2021 total assets (calculated by adding up J-GAAP-based reference figures of the former 2 companies and making adjustment upon the integration)

II. Segment Updates

Increase/Decrease in Segment Profit and Assets

■ From FY3/2022, reporting segments of MUL and HC were integrated and reorganized. (refer to page 19, 20 for details)

Segment Profit (Quarterly Net Income Attributable to Owners of the Parent by Segment)



(Billion Yen)	Segment Profit			Segment Assets		
	FY3/2021 1Q	FY3/2022 1Q	YOY	FY3/2021	FY3/2022 1Q	Change from FY2021
Customer Business	4.0	22.6	+18.6	2,129.5	2,073.5	-56.0
Account Solution	3.4	6.8	+3.4	2,109.2	2,130.9	+21.7
Vendor Solution	1.0	0.9	-0.1	434.4	437.3	+2.8
LIFE	0.8	1.1	+0.2	321.8	324.1	+2.2
Real Estate	9.1	2.7	-6.3	955.6	944.3	-11.3
Environment & Renewable Energy	2.1	1.4	-0.6	322.4	325.5	+3.1
Aviation	3.1	-2.4	-5.6	1,203.8	1,296.8	+92.9
Logistics	0.0	0.6	+0.5	545.5	576.6	+31.1
Mobility	0.2	0.5	+0.3	161.1	165.8	+4.6
Others	-0.1	-0.2	-0.1	355.7	348.1	-7.6
Adjustments	-3.2	-1.5	+1.7	65.4	7.5	-57.8
Total	20.6	32.7	+12.0	8,604.8	8,630.9	+26.0

Major Factors for Changes in Segment Profit
Increased thanks to improved performance of ENGS, our U.S. vendor finance company, and sale of strategic shareholdings
Increased mainly thanks to business growth and a decrease in credit costs in overseas offices, etc.
Decreased due to a decline in new transactions volume and segment assets in the previous year
Increased thanks to steady performance in real estate-related business and declined expenses
Decreased due to a reactionary fall in sales gains that were posted in FY3/2021 1Q, etc.
While the electricity sales revenue increased, the profit decreased due to a reactionary fall in solar energy-related sales gains that were posted in FY3/2021 1Q, etc.
A decline in lease revenues and appropriation of expenses accompanied with changes in the condition of some existing contracts, etc.
Increased thanks to a gain on revenues from marine container leasing and those of equity method investee companies, etc.
Increased thanks to favorable sales of used vehicles in Japan and overseas
One-time expenses in infrastructure business, etc.
A decline in expenses associated with advanced funding posted in FY3/2021 1Q and in expenses related to the business integration, etc.

Customer Business

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	15.0	15.6	+0.5
Segment Profit	4.0	22.6	+18.6
New Transactions Volume	150.3	123.0	-27.3
Segment Assets	2,129.5 ^{*1}	2,073.5	-56.0 ^{*2}

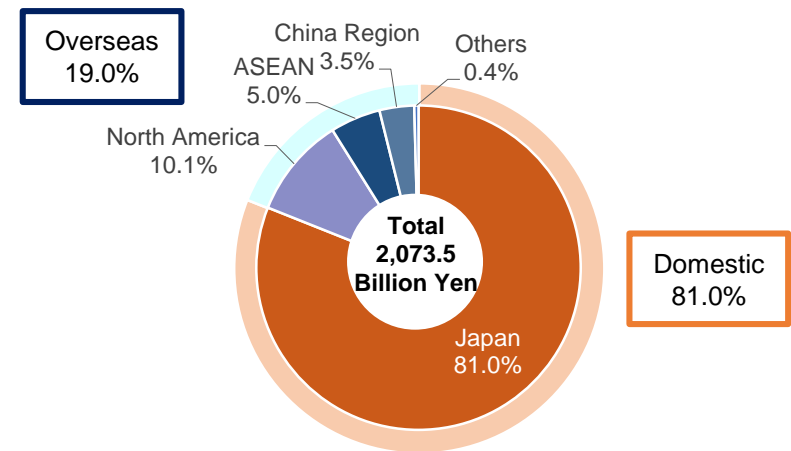
*1 FY3/2021

*2 Change from FY3/3021

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	2,129.5	2,073.5	-56.0
Domestic	1,700.4	1,680.1	-20.2
Overseas	429.1	393.4	-35.7
North America	202.3	208.8	+6.4
ASEAN	107.9	104.0	-3.8
China Region	73.9	71.7	-2.1
Others	44.9	8.7	-36.1

Breakdown of New Transactions Volume (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Total	150.3	123.0	-27.3
Domestic	97.6	90.6	-7.0
Overseas	52.7	32.3	-20.3
North America	24.5	23.0	-1.4
ASEAN	15.9	5.0	-10.9
China Region	12.2	4.3	-7.9
Others	0.0	-	-

Segment Assets of Customer Business by Region (FY3/2022 1Q)



Account Solution

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	17.9	23.3	+5.4
Segment Profit	3.4	6.8	+3.4
New Transactions Volume	152.6	264.9	+112.3
Segment Assets	2,109.2 ^{*1}	2,130.9	+21.7 ^{*2}

*1 FY3/2021

*2 Change from FY3/3021

Breakdown of New Transactions Volume (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Total	152.6	264.9	+112.3
Domestic	34.7	39.3	+4.6
Overseas	117.8	225.6	+107.7
Europe	62.8	151.2	+88.3
The Americas	32.6	50.6	+18.0
China	15.4	13.3	-2.1
ASEAN	6.9	10.3	+3.4

Breakdown of Segment Profit (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Total	3.4	6.8	+3.4
Domestic	0.7	1.2	+0.5
Overseas	2.6	5.6	+2.9
Europe	2.2	3.6	+1.3
The Americas	0.3	1.0	+0.6
China	0.3	0.5	+0.1
ASEAN	-0.3	0.4	+0.7

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	2,109.2	2,130.9	+21.7
Domestic	528.1	519.8	-8.3
Overseas	1,581.0	1,611.1	+30.0
Europe	929.7	960.4	+30.6
The Americas	365.1	384.5	+19.3
China	164.6	151.7	-12.8
ASEAN	121.5	114.4	-7.1

Vendor Solution

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	4.1	3.8	-0.2
Segment Profit	1.0	0.9	-0.1
New Transactions Volume	29.6	37.2	+7.5
Segment Assets	434.4 ^{*1}	437.3	+2.8 ^{*2}

*1 FY3/2021

*2 Change from FY3/3021

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	434.4	437.3	+2.8
Leasing	347.4	349.9	+2.4
Finance Leasing	337.8	340.1	+2.3
Operating Leasing	9.5	9.7	+0.1
Installment	13.8	13.5	-0.2
Loans	40.9	42.1	+1.1
Others	32.1	31.6	-0.4

LIFE

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	3.6	3.6	0.0
Segment Profit	0.8	1.1	+0.2
New Transactions Volume	36.1	29.8	-6.2
Segment Assets	321.8 ^{*1}	324.1	+2.2 ^{*2}

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	321.8	324.1	+2.2
Real Estate-related	174.6	179.3	+4.7
Leasing	166.8	169.9	+3.0
Securitization (Equity)	7.7	9.3	+1.6
Others ^{*3}	147.2	144.7	-2.4

*3 Includes PPP/PFI, food and agriculture, and living essentials industry, etc.

Real Estate

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	16.0	6.4	-9.6
Segment Profit	9.1	2.7	-6.3
New Transactions Volume	50.1	28.1	-22.0
Segment Assets	955.6 ^{*1}	944.3	-11.3 ^{*2}

*1 FY3/2021

*2 Change from FY3/2021

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	955.6	944.3	-11.3
Real Estate Leasing	254.9	251.8	-3.1
Other Real Estate Finance	248.7	243.7	-4.9
Securitization (Debt)	122.7	110.8	-11.8
Domestic	103.1	93.0	-10.1
Overseas	19.5	17.8	-1.7
Securitization (Equity)	64.8	61.7	-3.0
Domestic	48.0	44.8	-3.2
Overseas	16.7	16.9	+0.1
Real Estate Rental Business	89.7	89.5	-0.1
Real Estate Revitalization Investment	174.6	186.4	+11.7

Environment & Renewable Energy

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	4.2	3.1	-1.1
Segment Profit	2.1	1.4	-0.6
New Transactions Volume	18.5	10.7	-7.7
Segment Assets	322.4 ^{*1}	325.5	+3.1 ^{*2}

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	322.4	325.5	+3.1
Finance	91.6	88.8	-2.7
Power Generation Business Assets ^{*3}	229.1	234.9	+5.8
Others	1.6	1.7	0.0

Domestic and Overseas Output in Operation Based on the Equity Ownership (Includes results in the Infrastructure & Investment Business Division)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total ^{*3*4*5}	1,136MW ^{*6}	1,208MW	+71MW
Solar Power	907MW	934MW	+26MW
Wind Power	228MW ^{*6}	273MW	+45MW

*3 Includes equity-method investments *5 Projects participating as finance are not included

*4 Management accounting figures *6 Revised from the figure in the material for FY3/2021 results (refer to page 22 for details)

Aviation

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	9.2	3.6	-5.5
Segment Profit	3.1	-2.4	-5.6
New Transactions Volume	24.4	33.2	+8.7
Segment Assets	1,203.8 ^{*1}	1,296.8	+92.9 ^{*2}

*1 FY3/2021

*2 Change from FY3/2021

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	1,203.8	1,296.8	+92.9
Aircraft Lease (JSA)	862.9	951.7	+88.7
Engine Lease (ELF)	244.1	258.8	+14.7
Aircraft Lease (MHC)	96.7	86.2	-10.4

Owned Aviation-related Assets ^{*3*4}			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Number of Aircraft (JSA)	177	180	+3
Number of Aircraft Purchased	11	3	-
Number of Aircraft Sold	1	0	-
Number of Aircraft Engines (ELF)	311	310	-1

*3 Management accounting figures

*4 Figures before consolidated adjustments

Logistics

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	0.9	2.0	+1.0
Segment Profit	0.0	0.6	+0.5
New Transactions Volume	18.1	19.7	+1.5
Segment Assets	545.5 ^{*1}	576.6	+31.1 ^{*2}

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	545.5	576.6	+31.1
Marine Containers	223.5	256.2	+32.6
Railway Freight Cars	195.7	196.5	+0.7
Shipping and Others	126.1	123.9	-2.1

Owned Logistics-related Assets ^{*3*4}			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Marine Container Fleet (TEU 1,000) ^{*5}	1,515	1,527	+11
Number of Railway Freight Cars	20,554	21,084	+530

*5 TEU: Twenty Feet Equivalent Unit (measure equivalent to a 20 feet container)

Mobility

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	2.7	3.7	+1.0
Segment Profit	0.2	0.5	+0.3
New Transactions Volume	9.7	11.9	+2.2
Segment Assets	161.1 ^{*1}	165.8	+4.6 ^{*2}

*1 FY3/2021

*2 Change from FY3/2021

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	161.1	165.8	+4.6
Domestic	99.3	98.4	-0.8
Overseas	61.7	67.3	+5.5

Others

Major Figures (Billion Yen)			
	FY3/2021 1Q	FY3/2022 1Q	YOY
Gross Profit	3.0	3.7	+0.6
Segment Profit	-0.1	-0.2	-0.1
New Transactions Volume	11.4	13.8	+2.4
Segment Assets	355.7 ^{*1}	348.1	-7.6 ^{*2}

Breakdown of Segment Assets (Billion Yen)			
	FY3/2021	FY3/2022 1Q	Change from FY3/2021
Total	355.7	348.1	-7.6
Healthcare	157.3	161.4	+4.0
Infrastructure & Investment	111.6	108.4	-3.1
Others	86.7	78.1	-8.5

Acquisition of CAI International, US Leading Marine Container Leasing Company

- As we announced on June 18, 2021, MHC has entered into a definitive agreement for acquiring CAI International, U.S. leading marine container leasing company, aiming to strengthen the marine container leasing business which expects stable demand for lease and high profitability. (The acquisition is scheduled to take place in 2Q or 3Q in FY2022.)
- CAI International delivered on their commitment to focus solely on their container leasing business by selling their logistics and rail leasing businesses in 2020, and increased profitability.
- We will join the world's second rank group in terms of the number of containers owned, combined with that of BIL, an MHC Group company in the same business.

Outline	
Company Name	CAI International, Inc.
Head Office Location	Steuart Tower, 1 Market Plaza, Suite 2400, San Francisco, CA
Representative	Timothy Page, President and Chief Executive Officer
Stated Capital	USD 103.867 million
Date of Establishment	August 3, 1989
Offices	13 global locations, with 2 offices in the US and others in 12 countries (as of end-December, 2020)
Number of Employees	99 (as of end-December, 2020)

Results* ¹			
(Millions of U.S. dollars)	FY12/2018	FY12/2019	FY12/2020
Revenues	285	299	294
Operating Income	150	140	149
Net Income*^{2*3}	77	47	72
Total Equity	701	693	702
Total Assets	3,013	2,902	2,613

*1 Figures are on a consolidated basis and rounded

*2 Net income attributable to CAI common stockholders

*3 CAI sold their logistics and rail leasing businesses in August 2020 and December 2020 respectively. Net incomes in the above table are net incomes from their existing business excluding such businesses already sold

III. Forecast for FY3/2022

Forecast for FY3/2022

- The progress against the forecast for FY3/2022 (net income: 95.0 billion yen) is 34.5% and almost in line with the plan.

(Billion Yen)		FY3/2021	FY3/2022 ^{*1*2}	YOY Change	YOY Change (%)
1	Net Income Attributable to Owners of the Parent	87.3 ^{*4}	95.0	+7.6	+8.8%
2	Dividend per Share	¥25.50 ^{*5}	¥26.00	+¥0.50	-
3	Payout Ratio	41.1% ^{*5}	39.3%	-1.8P	-
4	ROE	7.3% ^{*4}	8.0%	+0.7P	-
5	OHR ^{*3}	55.9% ^{*4}	55.9%	0.0P	-

*1 Forecast as of August 13, 2021

*2 The assumed foreign exchange rates are \$1=¥108, £1=¥150, €1=¥129

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

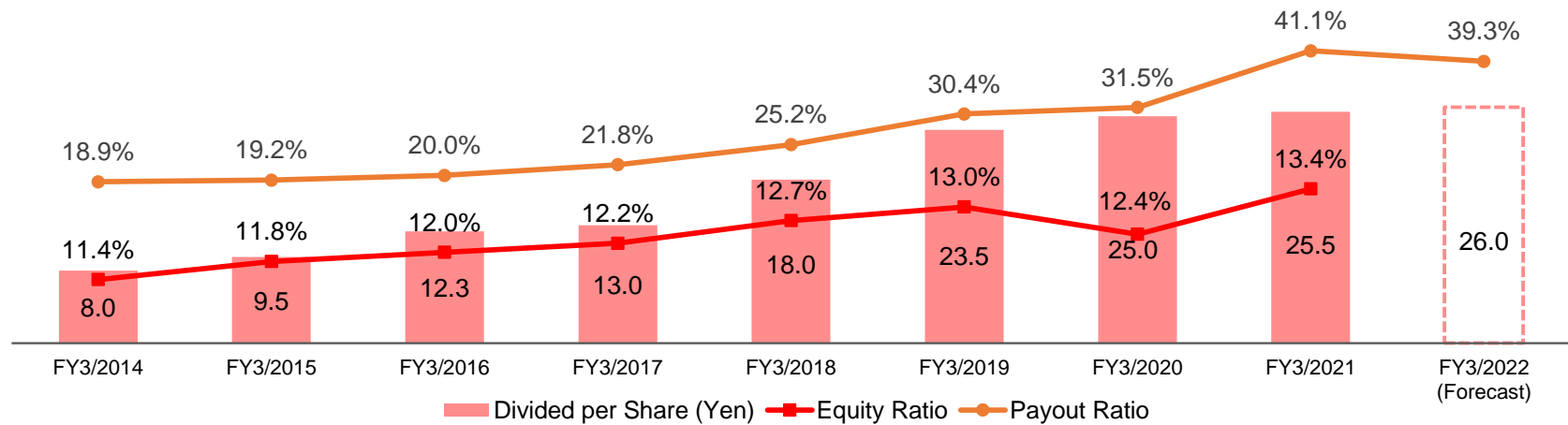
*4 Calculated based on the results of MUL and HC in FY3/2021 (the figures are for reference value because MUL used J-GAAP and HC used IFRS)

*5 MUL results in FY3/2021

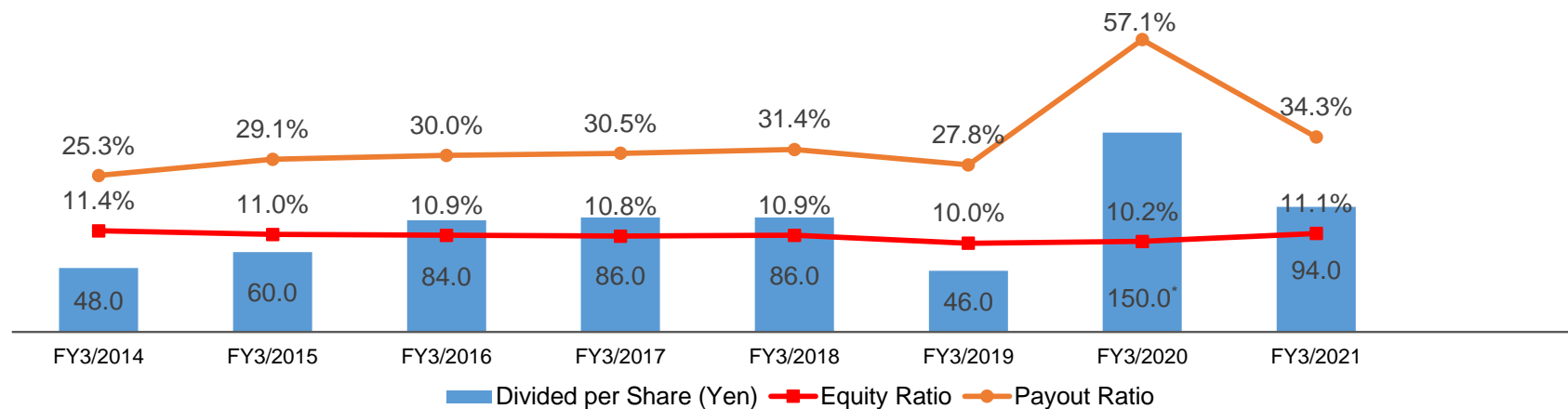
Dividend Policy

- We will return profits to shareholders by distributing dividends and dividend per share is estimated to be 26.00 yen, up 0.50 yen YOY.

Dividend History of MUL(MHC)



Dividend History of HC



* Includes special dividends (dividend per share of 40.0 yen) in FY3/2020

IV. Appendix

Calculation of “Goodwill” Associated with Business Integration

Calculation of “Goodwill” Associated with Business Integration

- In the case where the purchase price (398.2 billion yen) calculated based on the number of the shares issued along with the integration and its market value, etc. exceeds the “net amount of HC’s assets and liabilities evaluated at market value” at the time of the business integration, the excess amount is recognized as “goodwill.” When the purchase price falls below, the shortfall is recognized as “negative goodwill.”
- As of the end of FY3/2022 1Q, the evaluation process mostly completed. The “net amount of assets and liabilities evaluated at market value” is nearly the same as “purchase price.” Therefore, we have not recognized either “goodwill” or “negative goodwill”. (Auditing process is planned to take place towards the end of FY3/2022 2Q).

New Reporting Segments (1)

- Based on the business organization of new company, the reporting segments of MUL and HC were integrated and reorganized.

Previous Segments			Current Segments			
Reporting Segments			Reporting Segments	Before	Segment Assets (Billion Yen)*	
					FY3/2021	FY3/2022 1Q
MUL	A	Customer Business	Customer Business	A	2,129.5	2,073.5
	B	Aviation	Account Solution	A C D E F	2,109.2	2,130.9
	C	Real Estate	Vendor Solution	B	434.4	437.3
	D	Logistics	LIFE	A	321.8	324.1
	E	Environment & Energy	Real Estate	C	955.6	944.3
	F	Healthcare	Environment & Renewable Energy	E A	322.4	325.5
	G	Infrastructure & Investment	Aviation	B	1,203.8	1,296.8
HC	A	Japan Account Solution	Logistics	D	545.5	576.6
	B	Japan Vendor Solution	Mobility	A C	161.1	165.8
	C	Europe	Others	F G A	355.7	348.1
	D	The Americas				
	E	China				
	F	ASEAN				

* Definition of segment assets is explained in page 22

New Reporting Segments (2)

■ Main services and business description and organizations by reporting segments are as follows.

Reporting segments	Main services and business description	Organizations
Customer Business	Finance solutions for corporations	Customer Business Division
Account Solution	Financial services for companies, government agencies, and vendors	Hitachi Group Business Division, Corporate Business Division, Europe, Americas, China, ASEAN
Vendor Solution	Sales finance provided through collaboration with vendors	Vendor Solution Business Division
LIFE	Development, operation, and leasing of logistics and commercial facilities, community development, food and agriculture, living essentials industry, and non-life insurance	LIFE Business Division
Real Estate	Real estate securitization finance, real estate revitalization investment business, real estate asset management business, real estate leasing business	Real Estate Business Division
Environment & Renewable Energy	Power generation by renewable energy, environment related equipment leasing and finance	Renewable Energy Business Division, Environment & Energy Business Division
Aviation	Aircraft leasing business, aircraft engine leasing business	Aviation Business Division
Logistics	Marine container leasing business, railway freight car leasing business, auto leasing business	Logistics Business Division
Mobility	Auto leasing business and supplementary services	Mobility Solution Business Division
Others*	Servicing, trust, settlement services, medical equipment leasing and finance, social infrastructure investment business, etc.	Healthcare Business Division, Infrastructure & Investment Business Division, Business Management Division

* Aggregated into "Others" in accordance with the aggregation criteria set forth in the "Accounting Standard for Disclosures about Segments of an enterprise and Related Information."

Focal Business Domains

- Advanced asset business has been developed in the 5 focal business domains, where MUL and HC had strengths.
- The reporting segments below cover the focal business domains.

Focal Business Domains				
Social Infrastructure & Life	Environment & Energy	Sales Finance	Mobility	Global Assets
<ul style="list-style-type: none"> ■ Focus on social infrastructure for industries and life services ■ Provide value to realize productive life through real estate financing, business operations and investment in social infrastructure 	<ul style="list-style-type: none"> ■ Place an emphasis on renewable energy, and also target energy creation, storage and conservation ■ In addition to the project investment and loan, operate joint business with strategic partners 	<ul style="list-style-type: none"> ■ Target diversified small-lot assets ■ Digitalization to accelerate manpower saving and improving efficiency 	<ul style="list-style-type: none"> ■ Target auto lease and advanced mobility services ■ Develop into solutions using data 	<ul style="list-style-type: none"> ■ Focus on high value-added assets with high marketability and value in the global market ■ Use of expertise in operating leases to promote various asset businesses
Real Estate				
LIFE	Environment & Renewable Energy	Vendor Solution	Mobility	Aviation
Others				Logistics
Account Solution				
Customer Business				

Impact of Definitional Changes on Results from FY3/2022

- From FY3/2022, we have changed the definitions and accounting methods as follows, and made retroactive adjustments on some items.

Items Changed (Former Name)		Applied Company	Retroactive Adjustment	Details of Definitional Changes
1	Segment Assets (Divisional Assets)	MHC	N/A	Divisional Assets: "Operating assets" + "equity-method investments" Segment Assets: "Operating assets" + "equity-method investments" + "goodwill" + "investment securities, etc."
2	New Transactions Volume (Volume of Business)	HC	Applied	Before: In HC, all contract amounts were posted as "volume of business" After: Posting only the principals out of contract amounts as "new transactions volume"
3	Posting of Re-leasing Sales	MUL		Before: Lump-sum recognition of sales → After: Split recognition of sales
4	Handling of Lease Finance			Before: Handle as finance for the accounting purpose → After: Handle as leasing and make adjustment for taxable income
5	Posting of Corporate Bond Issuance Expense			Before: Lump-sum posting at issuance timing → After: Split posting over redemption period
6	Calculation Method of Output Based on the Equity Ownership in the Environment and Renewable Energy Segment			MHC

Impact of Retroactive Adjustment in FY3/2021 1Q

(Million Yen)	Item	Applied Company	FY3/2021 1Q		Impact of Adjustment
			Before Adjustment	After Adjustment	
New Transactions Volume (Volume of Business) ※For Item "2" in the table above	Total	HC	(Volume of business) 353,446	(New transactions volume) 232,092	-121,354
	Revenues	MUL	221,355	234,822	+13,466
Gross Profit	46,027		46,508	+480	
Recurring Income	21,415		22,189	+773	
Net Income	13,707		14,246	+539	
BS Items ※For Items 3, 4, 5 in the table above	Total Equity	MUL	821,233*	817,906*	-3,327
	Total Assets		6,009,831*	6,014,896*	+5,065
Output Based on the Equity Ownership ※For Item "6" in the table above	Total Output	MHC	1,206MW*	1,136MW*	-69MW
	Wind Power		298MW*	228MW*	-69MW

* FY3/2021

New Transactions Volume by Segment

(Billion Yen)		FY3/2021 1Q*	FY3/2022 1Q	YOY Change	YOY Change(%)
1	Customer Business	150.3	123.0	-27.3	-18.2%
2	Account Solution	152.6	264.9	+112.3	+73.6%
3	Vendor Solution	29.6	37.2	+7.5	+25.5%
4	LIFE	36.1	29.8	-6.2	-17.4%
5	Real Estate	50.1	28.1	-22.0	-44.0%
6	Environment & Renewable Energy	18.5	10.7	-7.7	-41.9%
7	Aviation	24.4	33.2	+8.7	+35.9%
8	Logistics	18.1	19.7	+1.5	+8.7%
9	Mobility	9.7	11.9	+2.2	+23.5%
10	Others	11.4	13.8	+2.4	+21.5%
11	Total New Transactions Volume	501.2	572.8	+71.5	+14.3%

* Figures for the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are presented as reference value.(refer to page 22 for details)

Credit Costs by Segment

(Billion Yen)		FY3/2021 1Q*	FY3/2022 1Q	YOY Change
1	Customer Business	1.2	1.1	-0.1
2	Account Solution	3.3	1.7	-1.6
3	Vendor Solution	0.1	0.1	0.0
4	LIFE	0.0	0.0	0.0
5	Real Estate	0.0	0.0	0.0
6	Environment & Renewable Energy	0.0	0.0	0.0
7	Aviation	1.2	2.4	+1.1
8	Logistics	0.0	0.0	-0.1
9	Mobility	0.0	0.0	0.0
10	Others	0.0	0.0	0.0
11	Total Credit Costs	6.2	5.3	-0.9

* Figures for the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are presented as reference value.

Financial Performance: Profit & Loss Statement

(Million Yen)		FY3/2021 1Q			FY3/2022 1Q
		MUL ^{*1} (a)	HC ^{*2} (b)	MHC ^{*3} (a+b)	MHC
1	Revenues	234,822	184,934	419,756	407,735
		-	-	-	-2.9%
2	Cost of Revenues	188,314	153,578	341,892	336,428
		-	-	-	-1.6%
3	Financial Expenses	17,049	8,120	25,169	18,538
		-	-	-	-26.3%
4	Gross Profit	46,508	31,356	77,864	71,306
		-	-	-	-8.4%
5	SG&A Expenses	24,952	24,224	49,177	50,573
		-	-	-	+2.8%
6	Personnel Expenses	10,296	12,258	22,555	23,964
		-	-	-	+6.2%
7	Non-personnel Expenses	11,884	8,106	19,991	20,716
		-	-	-	+3.6%
8	Allowance	2,770	3,860	6,631	5,892
		-	-	-	-11.1%
9	Operating Income	21,555	7,131	28,687	20,733
		-	-	-	-27.7%
10	Recurring Income	22,189	8,438	30,627	20,622
		-	-	-	-32.7%
11	Extraordinary Income	0	384	384	26,755
		-	-	-	+6,866.0%
12	Extraordinary Loss	0	0	0	229
		-	-	-	-
13	Quarterly Net Income Attributable to Owners of the Parent	14,246	6,394	20,641	32,737
		-	-	-	+58.6%

(Note) Percentage figures (%) in the lower column are YOY (results in FY3/2022 1Q are vs. those of MHC (a+b) in FY3/2021 1Q)

*1 Retroactively adjusted figures along with the change of the accounting method (refer to page 22 for details)

*2 Figures for IFRS basis converted into J-GAAP basis in a simplified manner, which are presented as reference value

*3 Simple sums

Financial Performance: Balance Sheet, etc.

(Million Yen)		FY3/2021			FY3/2022 1Q ^{*1}
		MUL ^{*2} (a)	HC ^{*3} (b)	MHC ^{*4} (a+b)	MHC
1	Cash and Cash Equivalents	294,241 -36.9%	302,899 -	597,140 -	383,999 -35.7%
2	Total Equity	817,906 +2.8%	432,309 -	1,250,216 -	1,225,355 -2.0%
3	Total Assets	6,014,896 -4.4%	3,708,949 -	9,723,846 -	9,481,290 -2.5%
4	Segment Assets	5,336,681 -2.8%	3,268,195 -	8,604,876 -	8,630,923 +0.3%
5	Operating Assets	5,067,292 -3.5%	3,192,331 -	8,259,624 -	8,390,664 +1.6%
6	Equity-Method Investments	116,078 +29.0%	24,213 -	140,291 -	122,899 -12.4%
7	Goodwill, investment securities, etc.	153,309 +0.4%	51,650 -	204,960 -	117,359 -42.7%
8	Impaired Assets	39,269 +59.0%	56,274 -	95,543 -	98,212 +2.8%
9	Allowance	22,501 +62.7%	35,564 -	58,066 -	61,541 +6.0%
10	Net Balance of Impaired Assets	16,767 +54.4%	20,709 -	37,476 -	36,670 -2.2%
11	Equity Ratio	13.4% +1.1P	11.2% -	12.5% -	12.7% +0.2P
12	ROE	7.0% -	- -	- -	11.0% ^{*5} -
13	ROA (Net Income Attributable to Owners of the Parent on Total Assets)	0.9% -	- -	- -	1.4% ^{*5} -

(Note) Percentage figures (%) in the lower column are vs. end of FY3/2021. (results as of the end of June 2021 are vs. those of MHC (a+b) as of the end of March 2021)

*1 Adjustments were made upon the business integration, such as the evaluation of HC's assets and liabilities at market value and acquisition of MUL shares held by HC

*2 Retroactively adjusted figures along with the change of the accounting method (refer to page 22 for details)

*3 Figures for IFRS basis converted into J-GAAP basis in a simplified manner, which are presented as reference value

*4 Simple sums

*5 ROE and ROA is calculated using annualized net income for FY3/2022 1Q

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

(Million Yen)		FY3/2021			FY3/2022 1Q*1
		MUL*2 (a)	HC*3 (b)	MHC*4 (a+b)	MHC
14	Total Funding	4,634,956 -6.0%	2,992,698 -	7,627,655 -	7,458,976 -2.2%
15	Indirect Funding	2,870,347 +0.2%	1,317,399 -	4,187,747 -	4,105,656 -2.0%
16	Direct Funding	1,764,608 -14.6%	1,675,299 -	3,439,908 -	3,353,320 -2.5%
17	CP	434,171 -43.0%	209,641 -	643,812 -	695,238 +8.0%
18	Securitization	106,230 -21.8%	478,334 -	584,565 -	543,354 -7.0%
19	Corporate Bonds	1,224,206 +4.7%	987,323 -	2,211,530 -	2,114,727 -4.4%
20	Direct Funding Ratio	38.1% -	56.0% -	45.1% -	45.0% -0.1P
21	Long Term Funding Ratio	70.9% -	60.7% -	66.9% -	67.1% +0.2P
22	Foreign Currency Funding Ratio	40.5% -	47.1% -	43.1% -	42.1% -1.0P

(Note) Percentage figures (%) in the lower column are vs. end of FY3/2021. (results as of the end of June 2021 are vs. those of MHC (a+b) as of the end of March 2021)

*1 Adjustments were made upon the business integration, such as the evaluation of HC's assets and liabilities at market value and acquisition of MUL shares held by HC

*3 Figures for IFRS basis converted into J-GAAP basis in a simplified manner, which are presented as reference value

*2 Retroactively adjusted figures along with the change of the accounting method (refer to page 22 for details) *4 Simple sum

Exchange Rate Applied to Financial Results of Major Overseas Subsidiaries*5

		Major Overseas MUL Subsidiaries		Major Overseas HC Subsidiaries			
		FY3/2021 1Q	FY2022 1Q	FY3/2021 1Q		FY3/2022 1Q	
23	Exchange Rate Applied to PL	1\$=JPY108.92	1\$=JPY105.90	1£=JPY133.52	1\$=JPY107.62	1£=JPY153.21	1\$=JPY109.49
24	Exchange Rate Applied to BS	1\$=JPY103.50*6	1\$=JPY110.71	1£=JPY152.23*6	1\$=JPY110.71*6	1£=JPY153.16	1\$=JPY110.58

*5 Major overseas MUL subsidiaries: Average rates during Jan. through Mar. applied to PL.

*6 FY3/2021

Exchange rates as of end-Dec. 2020 and end-Mar. 2021 are applied to FY3/2021 BS and FY3/2022 1Q BS respectively

Major HC overseas subsidiaries: Average rates during Apr. through Jun. applied to PL. Exchange rates as of end-Mar. 2021 and end-Jun. 2021 are applied to FY3/2021 BS and FY3/2022 1Q BS respectively

Major Companies (1)

* Ownership Ratio of Mitsubishi HC Capital Leasing (Beijing) has been corrected on August 20, 2021.
(Original) 94.1% ⇒ (Corrected) 100.0%

Segment	Company	Ownership Ratio ^{*1}	Main Business
Customer Business	Mitsubishi HC Capital / Domestic Branches	-	Leasing, etc.
	DFL Lease	80.0%	Leasing, etc.
	Shutoken Leasing	70.7%	Leasing, etc.
	DRS	100.0%	Rental and leasing, etc.
	Mitsubishi HC Capital (U.S.A.)	100.0%	Leasing, etc.
	ENGS Commercial Finance ^{*2} <ENGS>	100.0%	Vendor finance, etc.
	Bangkok Mitsubishi HC Capital	44.0%	Leasing, etc.
	Mitsubishi HC Capital (Singapore)	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance Indonesia	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance (China)	100.0%	Leasing, etc.
	Mitsubishi UFJ Lease & Finance (Hong Kong)	100.0%	Leasing, etc.
MHC Lease & Finance (Ireland)	100.0%	Finance, etc.	

Segment	Company	Ownership Ratio ^{*1}	Main Business
Account Solution	Mitsubishi HC Capital / Hitachi Group Business Department	-	Leasing and financial business
	Mitsubishi HC Capital / Corporate Business Department	-	Leasing and financial business
	Hitachi Capital (UK)	100.0%	Leasing and financial business
	Hitachi Capital European Vendor Solutions	100.0%	Leasing and financial business
	Hitachi Capital America	100.0%	Leasing and financial business
	Hitachi Capital Canada	100.0%	Leasing and financial business

Segment	Company	Ownership Ratio ^{*1}	Main Business
Account Solution	CLE Capital	100.0%	Leasing and financial business
	Mitsubishi HC Capital Management (China)	100.0%	Financial holding company
	Mitsubishi HC Capital (Hong Kong)	100.0%	Leasing and financial business
	Mitsubishi HC Capital Leasing (Beijing)	100.0%	Leasing and financial business
	Mitsubishi HC Capital Factoring (Shanghai)	100.0%	Factoring
	Mitsubishi HC Capital Asia Pacific	100.0%	Leasing and financial business
	Hitachi Capital (Thailand)	74.0%	Leasing and financial business
	Mitsubishi HC Capital Malaysia	100.0%	Leasing and financial business
	Arthaasia Finance	85.0%	Leasing and financial business

Segment	Company	Ownership Ratio ^{*1}	Main Business
Vendor Solution	Mitsubishi HC Capital / Vendor Solution Business Department	-	Leasing
	Hitachi Capital NBL	100.0%	Leasing

Segment	Company	Ownership Ratio ^{*1}	Main Business
LIFE	Mitsubishi HC Capital / LIFE Business Department	-	Leasing and financial business
	Mitsubishi HC Capital Community	100.0%	Real estate development/management/leasing
	HCD Properti Indonesia	63.5%	Real estate leasing
	MHC Triple Win	100.0%	Outsourcing business, business relating to food, beverages and agriculture
	Sekisui Leasing	90.0%	Leasing and financial business
	Capital Insurance	79.4%	Non-life insurance
	Hitachi Auto Service	40.0%	Automobile-related businesses

(Note) Company names are as of August 13, 2021 and inside of <> refers to an abbreviation of the company.

*1 Includes indirectly held portion

*2 Operating company of ENGS Holdings Inc.

Major Companies (2)

* Ownership Ratio of Japan Infrastructure Initiative has been corrected on August 20, 2021.
(Original) 95.2% ⇒ (Corrected) 95.1%

Segment	Company	Ownership Ratio ^{*1}	Main Business
Real Estate	Mitsubishi HC Capital / Real Estate Business Department	-	Securitization finance
	MUL Property <MULP>	100.0%	Real estate leasing
	MUL Realty Investment <MURI>	100.0%	Real estate revitalization investment
	Mitsubishi HC Capital Realty (U.S.A.)	100.0%	Overseas securitization finance
	Diamond Asset Finance <DAF>	100.0%	Real estate rental and other real estate finance
	Miyuki Building	98.3%	Real estate rental
	MUL Realty Advisers <MURA>	66.6%	Real estate asset management
	Center Point Development <CPD>	33.4%	Asset management services for logistics real estate
Environment & Renewable Energy	Mitsubishi HC Capital / Environment & Energy Business Department	-	Renewable energy business
	Mitsubishi HC Capital / Renewable Energy Business Department	-	Renewable energy business
	MUL Energy Investment <MEI>	100.0%	Operation and asset management of renewable energy businesses
	MUL Utility Innovation <MUI>	100.0%	Development of energy-related businesses
	HGE	100.0%	Power generation from renewable energy
	HWP	85.1%	Power generation from renewable energy
	HSE	85.1%	Power generation from renewable energy
Aviation	Mitsubishi HC Capital / Aviation Business Department	-	Japanese operating lease, etc.
	Jackson Square Aviation <JSA>	100.0%	Aircraft leasing
	Engine Lease Finance <ELF>	100.0%	Aircraft engine leasing, part-out
Logistics	Mitsubishi HC Capital / Logistics Business Department	-	Ship finance
	Beacon Intermodal Leasing <BIL>	100.0%	Marine container leasing

Segment	Company	Ownership Ratio ^{*1}	Main Business
Logistics	MUL Railcars <MULR>	100.0%	Railcar leasing
	Takari Kokoh Sejahtera <TKS>	75.0%	Auto leasing, etc.
	Mitsubishi Auto Leasing <MAL>	50.0%	Auto leasing
Mobility	Mitsubishi HC Capital / Mobility Solution Business Department	-	Auto leasing
	Hitachi Capital Auto Lease	100.0%	Auto leasing
	Hitachi Capital Polska	100.0%	Auto leasing
	MHC Mobility Holding	98.6%	Financial holding company
	MHC Mobility [Netherlands] ^{*2}	100.0%	Auto leasing
	MHC Mobility [Germany] ^{*2}	100.0%	Auto leasing and rental
	MHC Mobility [Austria] ^{*2}	100.0%	Auto leasing and rental
Others	Mitsubishi HC Capital / Healthcare Business Department	-	Medical equipment leasing and medical fee factoring
	Japan Medical Lease	100.0%	Medical equipment and real estate leasing
	MUL Healthcare <MULH>	100.0%	Support service for installment of medical equipment and Medical institution consulting
	Healthcare Management Partners <HMP>	66.0%	Management of fund to support management specializing in the medical and long-term care fields
	Mitsubishi HC Capital / Infrastructure Business Department	-	Infrastructure business, PFI business
	Mitsubishi HC Capital / Investment Business Department	-	Corporate investment
	Japan Infrastructure Initiative <JII>	95.1%	Infrastructure investment and loan
	Mitsubishi HC Capital / Business & Strategic Planning Division	-	Business planning, settlement services, etc.
	Mitsubishi HC Capital Servicer	100.0%	Credit management and collection
	MHC Reuse Services	100.0%	Purchase and sale of used goods
	Mitsubishi HC Capital Trust	100.0%	Trust business

(Note) Company names are as of August 13, 2021 and inside of <> refers to an abbreviation of the company.

*1 Includes indirectly held portion

*2 Location

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