

Financial Results for the Fiscal Year Ended March 31, 2022

Mitsubishi HC Capital Inc.

May 16, 2022

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【Financial Results for the Fiscal Year Ended March 31, 2021 (FYE3/2021) 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, the results for FYE3/2021 are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, and are presented as reference values.

Highlights

Net income for FYE3/2022 exceeded the forecast. The annual dividend per share is 28 yen, 2 yen higher than the forecast (up 2.50 yen YOY).

- Net income increased by 12.2 billion yen YOY to 99.4 billion yen thanks to the business growth mainly in Europe and the U.S. and an increase in gains on sales in the Aviation business, along with other factors. This exceeds the forecast for FYE3/2022 (net income: 95.0 billion yen) by 4.4 billion yen.
- Dividend per share increases by 2 yen from the forecast (up 2.50 yen YOY) to 28 yen (payout ratio of 40.4%).

Net income for FYE3/2023 forecast to be 110.0 billion yen.

The annual dividend per share is projected to be 31 yen, increase by 3 yen YOY.

- Net income for FYE3/2023 reach record-high profit exceeding that for FYE3/2020 (101.4 billion yen*¹), the fiscal year just before the COVID-19 pandemic, thanks to the growth in various businesses and contributions of consolidation of a U.S. leading marine container leasing company CAI, along with other factors.
- The dividend per share is projected to be 31 yen, increase by 3 yen YOY (payout ratio of 40.5%).

“Medium- to long-term management direction” has been formulated (refer to page 24 to 29 for details).

- We will promote “CX”² through “SX”³ / “DX”⁴ and “Business Portfolio Transformation”, and achieve “Our 10-year Vision” through our three-phase Medium-term Management Plans.
- The expected targets for the final fiscal year of the new Medium-term Management Plan (FYE3/2026) are ROA⁵ of approx. 1.5%, and ROE⁵ of approx. 10%. The expected target of the dividend payout ratio for the period of the new Medium-term Management Plan (FYE3/2024 to FYE3/2026) is approx. 40%.

*1 Simple sum of MUL (J-GAAP basis) and HC (IFRS basis) figures

*2 Corporate Transformation / Customer Experience

*3 Sustainability Transformation

*4 Digital Transformation

*5 Based on net income

I. Financial Results for FYE3/2022

Financial Results for FYE3/2022

- Gross profit increased by 38.8 billion yen or 13.1% YOY to 334.6 billion yen and the net income attributable to owners of the parent increased by 12.2 billion yen or 14.0% YOY to 99.4 billion yen, thanks to the business growth mainly in Europe and the U.S., and an increase in gains on sales in the aviation business, along with other factors.
- Net income for FYE3/2022 exceeded the forecast (net income: 95.0 billion yen) by 4.4 billion yen.

(Billion Yen)	(a)	(b)	(c)=(b)-(a)	(d)	(e)=(c)/(a)	(f)	(g)=(b)-(f)
	(Reference) FYE3/2021	FYE3/2022	YOY Change	Exchange Rates Effects ^{*5}	YOY Change (%)	FYE3/2022 Forecast	Change
1 Revenues	1,713.8	1,765.5	+51.6	+25.0	+3.0%	-	-
2 Gross Profit	295.8	334.6	+38.8	+9.6	+13.1%	-	-
3 Operating Income	98.0	114.0	+16.0	+3.3	+16.4%	-	-
4 Recurring Income	105.4	117.2	+11.8	+3.6	+11.2%	-	-
5 Net Income ^{*1}	87.1	99.4	+12.2	+2.7	+14.0%	95.0	+4.4
6 New Transactions Volume	2,261.4	2,507.8	+246.3	+94.9	+10.9%	-	-
7 Total Segment Assets ^{*2}	8,604.8	9,345.3	+740.4 ^{*6}	+359.1	+8.6% ^{*6}	-	-
8 Dividend per Share	¥25.50 ^{*7}	¥28.00	+¥2.50			¥26.00	+¥2.00
9 Payout Ratio	41.1% ^{*7}	40.4%	-0.7pt			39.3%	+1.1pt
10 ROA ^{*3}	-	1.0% ^{*8}	-			-	-
11 ROE ^{*3}	-	8.0% ^{*8}	-			8.0%	0.0pt
12 OHR ^{*4}	56.5%	54.6%	-1.9pt			55.9%	-1.3pt

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

*1 Net income attributable to owners of the parent

*2 "Operating assets" + "equity method investments" + "goodwill" + "investment securities, etc." (refer to page 34 for details)

*3 Based on net income

*4 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

*5 Effects of changes in exchange rates to be applied when incorporating results of overseas subsidiaries (refer to page 40 for details)

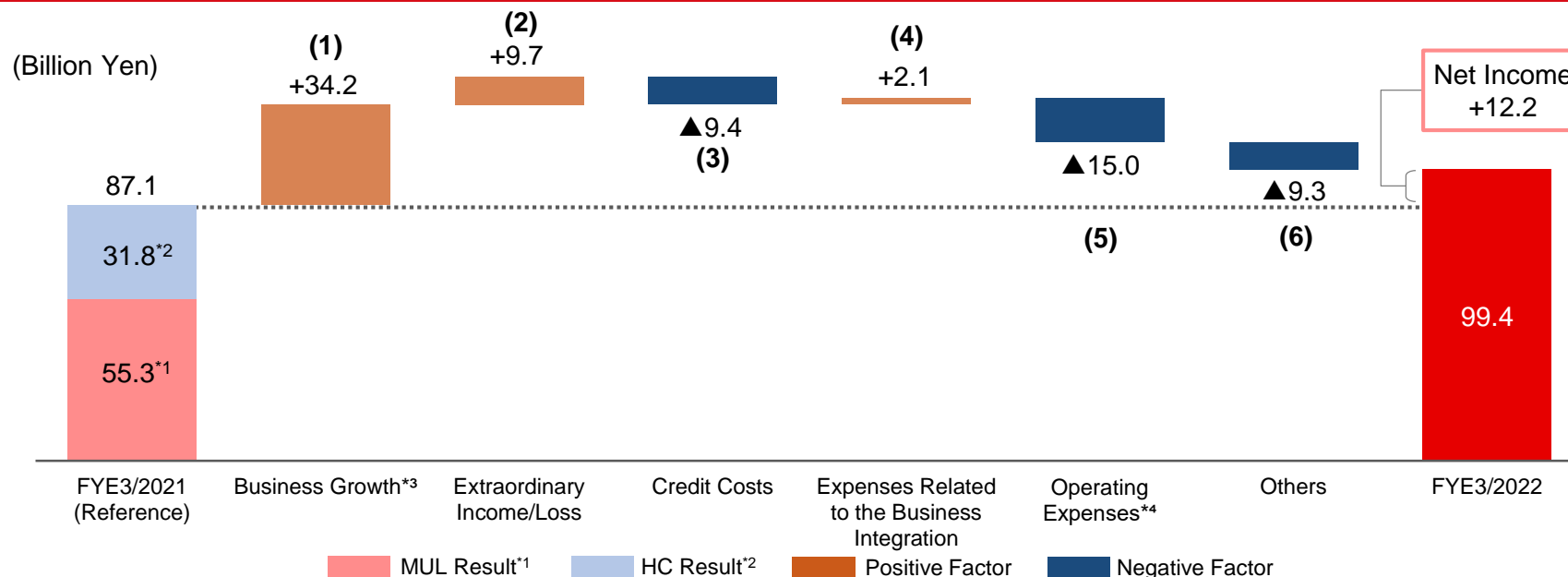
*6 Change vs. end of FYE3/2021

*7 MUL's figure for FYE3/2021

*8 Denominator: average of FYE3/2022 equity and FYE3/2021 equity (calculated by adding up J-GAAP-based reference figures of the former 2 companies and made adjustments upon the integration) or of FYE3/2022 total assets and FYE3/2021 total assets (calculated by adding up J-GAAP-based reference figures of the former 2 companies and made adjustments upon the integration)

Numerator: net income for FYE3/2022

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



(Billion Yen)	FYE3/2021	FYE3/2022	Major Factors for Changes
(1) Business Growth* ³	301.3	335.5	■ Increased YOY thanks to the business growth in European and U.S. subsidiaries in the Account Solution and in the marine container leasing business, in addition to an increase in gains on sales in the Aviation business, etc.
(2) Extraordinary Income/Loss	20.2	30.0	■ Increased YOY thanks to the sale of strategic shareholdings to replace the portfolio, etc.
(3) Credit Costs	25.7	35.2	■ Increased YOY due to the posting of expenses on payment deferrals by some customers in the infrastructure, Customer Business and Aviation business .
(4) Expenses Related to the Business Integration	8.2	6.1	■ Decreased YOY thanks to the absence of due diligence expenses (8.2 billion yen in total for the former two companies), etc. posted in FYE3/2021, despite the posting of expenses related to the trade name change and to systems, etc. (6.1 billion yen).
(5) Operating Expenses* ⁴	161.8	176.9	■ Increased YOY due to expenses associated with the promotion of business activities primarily in overseas subsidiaries and the acquisition cost of marine container leasing company CAI (1.5 billion yen), etc.
(6) Others	38.5	47.8	■ An increase in taxes, etc.

(Note) (1) to (5) are based on figures before tax. Taxes are included in (6)

*1 MUL's net income is retroactively adjusted along with the change in the accounting method (refer to page 34 for details)

*2 HC's net income attributable to owners of the parent (IFRS basis) converted into J-GAAP basis in a simplified manner, which is presented as a reference value

*3 Gross profit + non-operating income/expenses (however, non-operating income/expenses do not include gain on bad debts recovered)

*4 Excluding expenses related to the business integration

Exposures to Russia and Ukraine

- Receivables in Russia and Ukraine held by MHC are minor at the moment, thus the impact on business for MHC is limited.
However, we will keep a close eye on the indirect effects on MHC's performance caused by the impact on the global economy.
 - ✓ The balance of outstanding receivables held by MHC in Russia is approximately 500 million yen as of the end of April 2022.
The majority of such receivables are covered by trade insurance.
 - ✓ The aircraft leasing business has no receivables in Russia or Ukraine.
 - ✓ Neither the aircraft engine leasing business has any receivables in Russia or Ukraine.
(However four engines, leasing to companies outside these countries, are located in Russia as of May 13, 2022.)

II. Segment Updates

Increase/Decrease in Segment Profit and Assets

Segment Profit

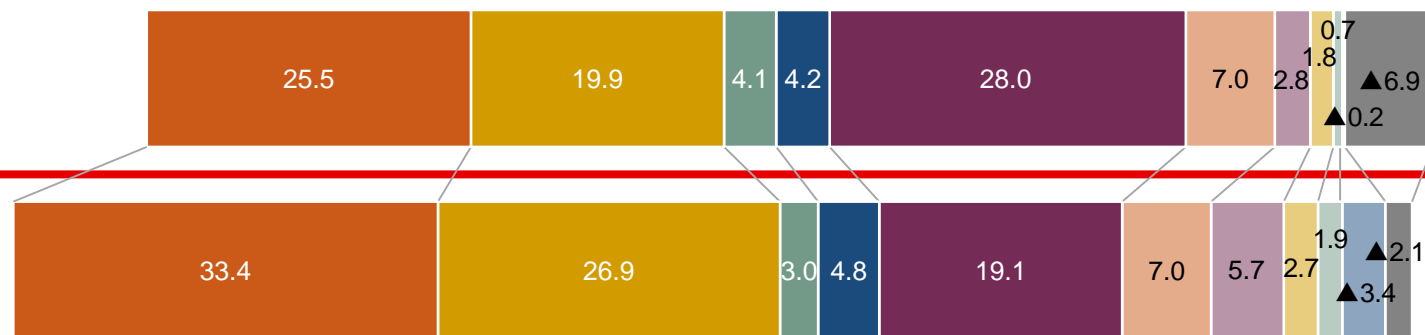
(Billion Yen)

FYE3/2021
(Reference)

Total: 87.1

FYE3/2022

Total: 99.4



■ Customer Business ■ Account Solution ■ Vendor Solution ■ LIFE ■ Real Estate ■ Environment & Renewable Energy ■ Aviation ■ Logistics ■ Mobility ■ Others ■ Adjustments

(Billion Yen)	Segment Profit			Segment Assets			Major Factors for Changes in Segment Profit
	FYE3/2021	FYE3/2022	YOY	FYE3/2021	FYE3/2022	YOY	
Customer Business	25.5	33.4	+7.9	2,129.5	2,002.1	-127.4	Increased thanks to business growth of ENGS, a U.S. sales finance company, and to the sale of strategic shareholdings, etc.
Account Solution	19.9	26.9	+6.9	2,109.2	2,353.4	+244.2	Increased thanks to business growth mainly in Europe and the U.S., etc.
Vendor Solution	4.1	3.0	-1.1	434.4	424.6	-9.7	Decreased due to declines in segment assets, etc. while new transactions volume increased
LIFE	4.2	4.8	+0.6	321.8	312.7	-9.0	Increased thanks to the sale of logistics facilities in real estate-related business, etc.
Real Estate	28.0	19.1	-8.8	955.6	974.9	+19.2	Decreased due to a reactionary fall in gains on sales posted in FYE3/2021, etc.
Environment & Renewable Energy	7.0	7.0	0.0	322.4	315.4	-6.9	No change because the posting of gains on sales of solar energy-related assets were offset by the absence of one-time gains posted in FYE3/2021, etc.
Aviation	2.8	5.7	+2.9	1,203.8	1,365.1	+161.2	Increased thanks to the increases in gains on sales of owned assets and gains on sales of certain receivables from bankrupt debtors, etc.
Logistics	1.8	2.7	+0.8	545.5	1,063.2	+517.7	Increased mainly thanks to business growth of BIL, etc., while posting the acquisition cost of CAI (1.5 billion yen)
Mobility	0.7	1.9	+1.1	161.1	174.8	+13.6	Increased thanks to favorable sales of vehicles for which the leasing term matured in Japan and overseas
Others	-0.2	-3.4	-3.1	355.7	355.5	-0.2	Posting of credit costs on payment deferrals in infrastructure-related business, etc.
Adjustments	-6.9	-2.1	+4.8	65.4	3.2	-62.2	Declines in expenses associated with advance funding and integration expenses posted in FYE3/2021, etc.
Total	87.1	99.4	+12.2	8,604.8	9,345.3	+740.4	

(Note) Refer to page 41 and 42 for details of subsidiaries (abbreviations, etc.)

Customer Business

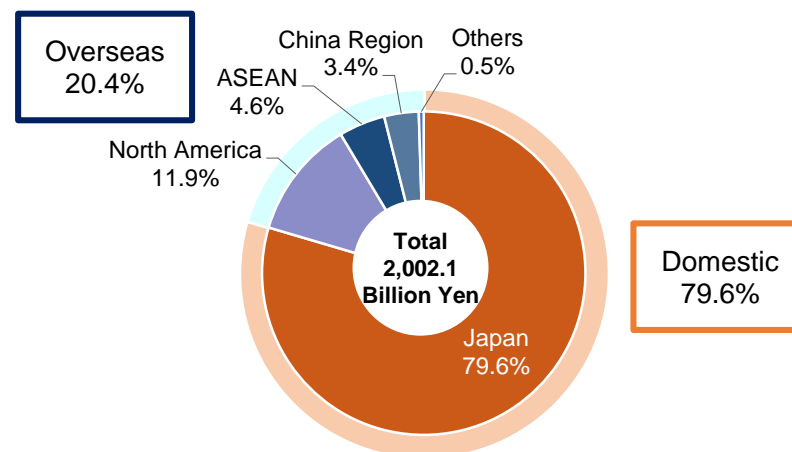


Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*
Gross Profit	59.8	62.9	+3.0
Segment Profit	25.5	33.4	+7.9
New Transactions Volume	587.2	592.2	+5.0
Domestic	435.8	424.8	-10.9
Overseas	151.3	167.3	+15.9
North America	81.1	111.3	+30.2
ASEAN	34.4	27.8	-6.5
China Region	32.3	28.1	-4.1
Others	3.5	-	-3.5
Segment Assets	2,129.5	2,002.1	-127.4
Domestic	1,700.4	1,592.8	-107.5
Overseas	429.1	409.3	-19.8
North America	202.3	237.6	+35.2
ASEAN	107.9	92.8	-15.0
China Region	73.9	69.0	-4.8
Others	44.9	9.7	-35.1

Comment

- Gross profit increased YOY thanks to business growth of ENGS, a U.S. sales finance company, etc., despite the impact of the deconsolidation of Hirogin Lease in FYE3/2021, etc.
- Segment profit increased YOY thanks to the sale of strategic shareholdings, which was executed in 1Q aiming to replace the portfolio, despite the posting of large credit costs.
- Segment assets decreased compared to the end of FYE3/2021 due to the impact of a decrease in domestic new transactions volume and sale of strategic shareholdings, etc.

Segment Assets of Customer Business by Region (FYE3/2022)



* Segment assets figure is vs. end of FYE3/2021

Account Solution

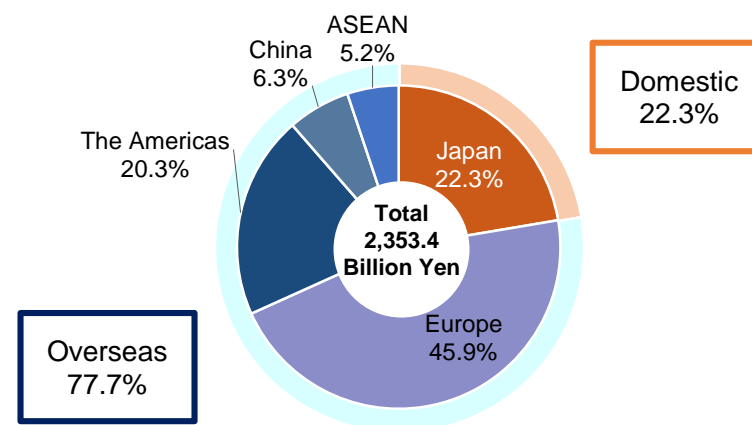


Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*
Gross Profit	80.1	102.6	+22.5
Segment Profit	19.9	26.9	+6.9
Domestic	4.0	5.1	+1.1
Overseas	15.9	21.7	+5.8
Europe	11.2	15.2	+3.9
The Americas	3.1	5.6	+2.4
China	1.3	0.0	-1.4
ASEAN	0.1	0.9	+0.7
New Transactions Volume	866.7	1,092.5	+225.7
Domestic	158.2	177.9	+19.6
Overseas	708.5	914.6	+206.0
Europe	461.4	608.2	+146.8
The Americas	145.2	189.9	+44.6
China	61.5	66.8	+5.2
ASEAN	40.2	49.6	+9.3
Segment Assets	2,109.2	2,353.4	+244.2
Domestic	528.1	525.8	-2.3
Overseas	1,581.0	1,827.6	+246.5
Europe	929.7	1,080.4	+150.6
The Americas	365.1	478.6	+113.4
China	164.6	147.6	-16.9
ASEAN	121.5	120.9	-0.6

Comment

- Segment profit increased YOY as a result of the business growth thanks to the proactive business operations mainly in Europe and the U.S.
- New transactions volume dramatically increased YOY in Europe, thanks to the recovery from a decline in demand affected by the lockdown in the UK in FYE3/2021.
- Segment assets increased compared to the end of FYE3/2021 thanks to the increase in new transactions volume in Europe and the U.S., etc.

Segment Assets of Account Solution by Region (FYE3/2022)



* Segment assets figure is vs. end of FYE3/2021



Comment

- Segment profit decreased YOY due to a decline in segment assets, etc.
- New transactions volume increased YOY thanks to the improvement of investment demand among customers.

Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*1
Gross Profit	15.8	15.0	-0.7
Segment Profit	4.1	3.0	-1.1
New Transactions Volume	131.5	132.7	+1.2
Segment Assets	434.4	424.6	-9.7
Leasing	347.4	336.6	-10.8
Finance Leasing	337.8	333.5	-4.3
Operating Leasing	9.5	3.1	-6.4
Installment	13.8	12.4	-1.4
Loans	40.9	39.6	-1.3
Others	32.1	35.9	+3.7

*1 Segment assets figure is vs. end of FYE3/2021

Comment

- Segment profit increased YOY thanks to a decrease in expenses in addition to the sale of multiple logistics facilities.
- New transactions volume decreased YOY due to the reactionary fall in large real estate leasing transactions posted in FYE3/2021.

Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*1
Gross Profit	14.6	15.7	+1.0
Segment Profit	4.2	4.8	+0.6
New Transactions Volume	201.3	155.2	-46.0
Segment Assets	321.8	312.7	-9.0
Real Estate-related	174.6	170.5	-4.0
Leasing	166.8	159.7	-7.1
Securitization (Equity)	7.7	10.8	+3.1
Others*2	147.2	142.1	-5.0

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

Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY ^{*2}
Gross Profit	46.2	38.0	-8.1
Segment Profit	28.0	19.1	-8.8
New Transactions Volume	146.4	130.1	-16.3
Segment Assets	955.6	974.9	+19.2
Real Estate Leasing	254.9	252.2	-2.6
Other Real Estate Finance	248.7	238.2	-10.4
Securitization (Debt)	122.7	148.9	+26.1
Domestic ^{*1}	103.1	124.4	+21.2
Overseas	19.5	24.5	+4.9
Securitization (Equity)	64.8	56.8	-7.9
Domestic ^{*1}	48.0	39.6	-8.3
Overseas	16.7	17.2	+0.4
Real Estate Rental Business	89.7	85.5	-4.1
Real Estate Revitalization Investment	174.6	193.0	+18.3

*1 The amount is booked by Real Estate Business Department

*2 Segment assets figure is vs. end of FYE3/2021

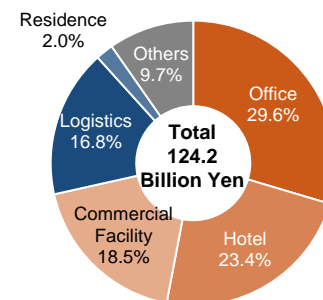
Amount of Equity Contribution for Domestic Securitization/Real Estate Revitalization Investment ^{*3*4} (Billion Yen)			
	FYE3/2021	FYE3/2022	Change from FYE3/2021
Total	111.4	124.2	+12.8
Domestic Securitization	37.2	33.6	-3.5
Real Estate Revitalization Investment	74.1	90.5	+16.4

Comment

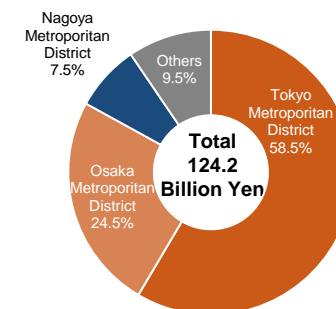
- Segment profit decreased YOY mainly due to the reactionary fall in large gains on sales and the absence of compensation received in association with a redevelopment project posted in FYE3/2021, despite the posting of large gains on sales of office assets in 4Q.
- Segment assets increased vs. the end of FYE3/2021 due to the posting of multiple large transactions.

Breakdown of Amount of Equity Contribution for Domestic Securitization/Real Estate Revitalization Investment^{*3*4} (FYE3/2022)

(1) By Asset Type



(2) By Region



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

*4 Relevant segment assets for domestic securitization are 48.0 billion yen for FYE3/2021 and 39.6 billion yen for FYE3/2022. Those for real estate revitalization investment are 174.6 billion yen for FYE3/2021 and 193.0 billion yen for FYE3/2022

Environment & Renewable Energy



Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*1
Gross Profit	14.1	17.0	+2.8
Segment Profit	7.0	7.0	0.0
New Transactions Volume	42.5	31.3	-11.2
Segment Assets	322.4	315.4	-6.9
Finance	91.6	85.3	-6.2
Power Generation Business Assets	229.1	226.4	-2.6
Others	1.6	3.7	+2.0

*1 Segment assets figure is vs. end of FYE3/2021

Domestic and Overseas Output in Operation Based on the Equity Ownership*2*3*4 (MW) (Includes results in the Infrastructure & Investment Business Division)			
	FYE3/2021	FYE3/2022	Change from FYE3/2021
Total	1,136*5	1,225	+89
Solar Power	907	951	+44
Domestic	899	934	+35
Overseas	7	16	+8
Wind Power	228*5	273	+45
Domestic	190	190	-
Overseas	38	83	+45

*2 Includes equity-method investments

*3 Management accounting figures

*4 Projects classified as finance are not included

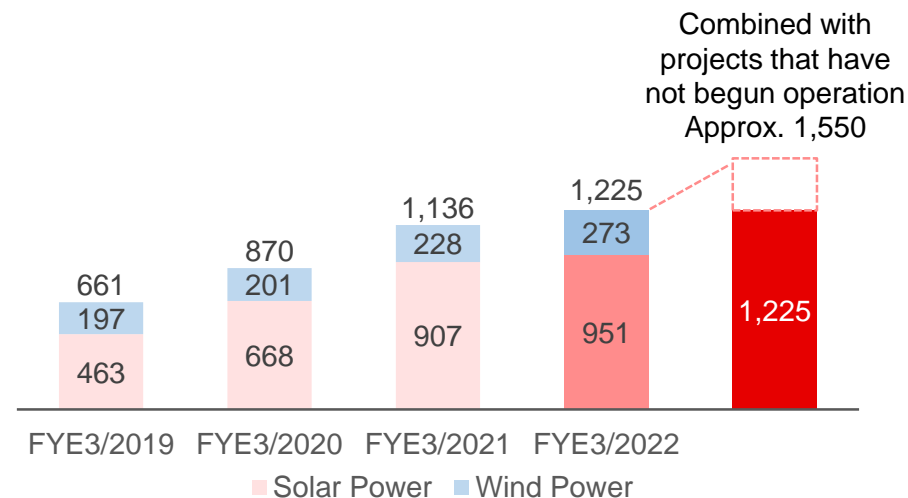
*5 Revised the figure in the presentation material for FYE3/2021 results (refer to page 34 for details)

Comment

- Gross profit increased YOY thanks to an increase in gains on sales of solar energy-related assets, and an increase in electricity sales revenue along with the start of operation of our investees' power plants, etc.
- Segment profit remained the same compared to FYE3/2021 because of the absence of one-time gains that were posted in FYE3/2021 on the consolidation of subsidiaries through additional investments in solar energy-related SPCs, etc.

History of Domestic and Overseas Output in Operation Based on the Equity Ownership (MW)

- The output of projects that have begun operations is 1.2GW. The total output combined with projects that have executed the contracts but have not begun operation is 1.5GW.



Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY ^{*1}
Gross Profit	27.5	35.0	+7.4
Segment Profit	2.8	5.7	+2.9
New Transactions Volume	106.0	181.3	+75.3
Segment Assets	1,203.8	1,365.1	+161.2
Aircraft Leasing (JSA)	862.9	995.1	+132.1
Engine Leasing (ELF)	244.1	299.5	+55.4
Aircraft Leasing (MHC)	96.7	70.4	-26.2

*1 Segment assets figure is vs. end of FYE3/2021

Owned Aviation-related Assets ^{*2*3}			
	FYE3/2021	FYE3/2022	Change from FYE3/2021
Number of Aircraft (JSA)	177	191	+14
Number of Aircraft Purchased	11	22	+11 ^{*4}
Number of Aircraft Sold	1	8	+7 ^{*4}
Average Age (JSA)	4.1 years	4.5 years	+0.4 years
Number of Aircraft Engines (ELF)	311	341	+30

*2 Management accounting figures

*3 Figures before consolidated adjustments

*4 The number is vs. FYE3/2021

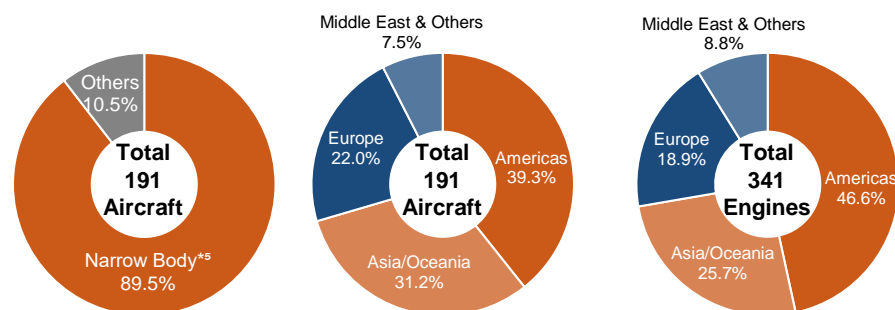
Comment

- Gross profit increased YOY thanks to the increase in gains on sale of owned assets and of certain receivables from bankrupt debtors, despite the increase in expenses in relation to modification of terms for certain existing contracts and impairment losses.
- Segment profit increased YOY mainly thanks to the increase in gross profit, despite the increase in credit costs and the posting of foreign exchange losses.
- Our aircraft leasing business has a highly liquid portfolio centering on young aged and next-generation narrow-body aircraft^{*5}, and the aircraft off-leasing ratio as of the end of March 2022 remained low.

Breakdown of Owned Aviation-related Assets (FYE3/2022)

(1) Aircraft Asset by Type/Region

(2) Aircraft Engine by Region



*5 Single-aisle aircraft mainly used for domestic and short-distance flights (A320 series of Airbus, B737 series of Boeing, etc.)

Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*1
Gross Profit	5.0	7.7	+2.6
Segment Profit	1.8	2.7	+0.8
New Transactions Volume	75.1	78.0	+2.8
Segment Assets	545.5	1,063.2	+517.7
Marine Containers	223.5	736.5	+512.9
Railway Freight Cars	195.7	223.2	+27.4
Shipping and Others	126.1	103.4	-22.7

*1 Segment assets figure is vs. end of FYE3/2021

Owned Logistics-related Assets*2			
	FYE3/2021	FYE3/2022	Change from FYE3/2021
Marine Container Fleet (TEU 1,000*3)	1,515	3,492*5	+1,977
Marine Container Fleet (CEU 1,000*4)	1,659	3,701*5	+2,042
Number of Railway Freight Cars	20,554	21,818	+1,264

*2 Management accounting figures

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

*4 CEU: Cost Equivalent Unit (unit equivalent to the cost of a 20-foot long container)

*5 Sum of BIL and CAI

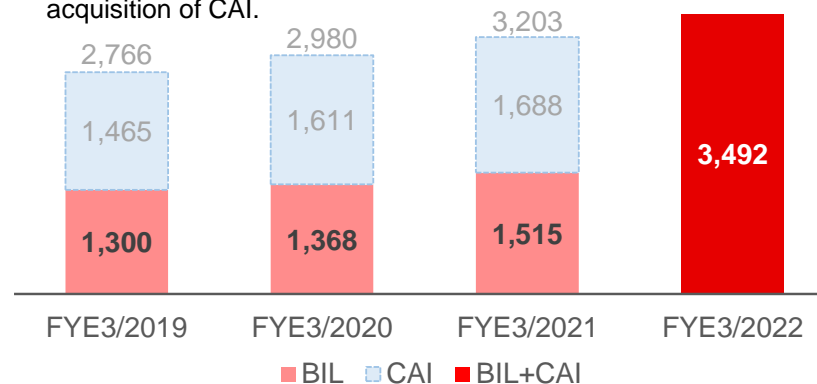
Comment

- Gross profit increased YOY thanks to the acquisition of CAI*6 in addition to the steady performance of BIL, despite the posting of one-time expenses in connection with reconfiguration of portfolio in railway freight car leasing business.
- Segment profit increased YOY mainly thanks to the increase in gross profit and in equity-method investment gains in the auto leasing business, while the expenses (1.5 billion yen) for acquiring CAI were posted.
- Segment assets increased compared to the end of FYE3/2021 thanks to the acquisition of CAI.

*6 The profit from the time of acquisition to the end of December (for approx. 1 month) was consolidated

History of Marine Container Fleet of BIL and CAI (TEU 1,000)*7

- In terms of the number of owned marine containers, MHC Group has grown to one of the 2nd largest companies in the world upon the acquisition of CAI.



*7 The figures of CAI for FYE3/2019 through FYE3/2021 are pre-acquisition figures provided for reference

Mobility



Comment

- Segment profit increased YOY thanks to the increase in the gain on sales of vehicles for which the leasing term matured in Japan and overseas, etc., responding to the high demand for used vehicles on a global basis.

Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*
Gross Profit	12.0	14.9	+2.8
Segment Profit	0.7	1.9	+1.1
New Transactions Volume	48.0	55.7	+7.6
Segment Assets	161.1	174.8	+13.6
Domestic	99.3	98.0	-1.3
Overseas	61.7	76.7	+15.0

* Segment assets figure is vs. end of FYE3/2021

Others



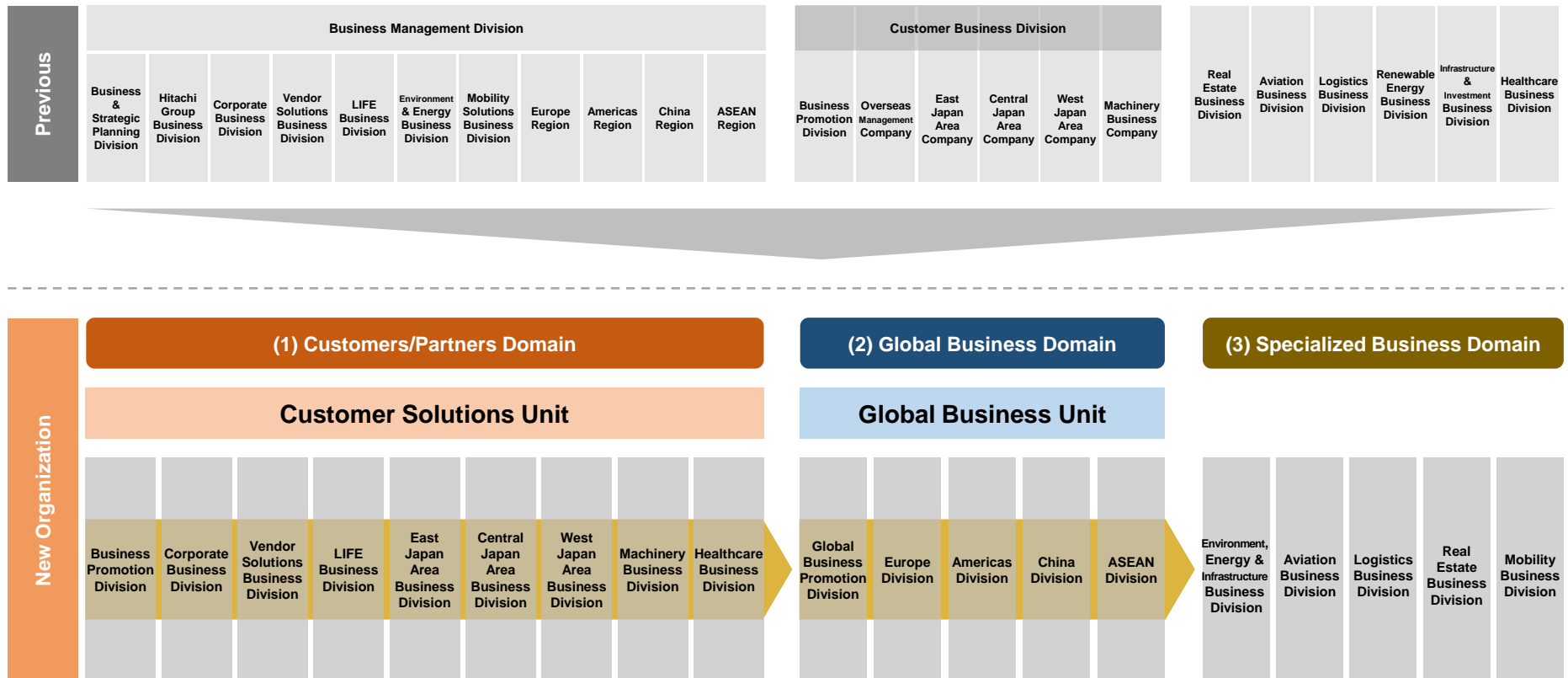
Comment

- Gross profit increased YOY thanks to the increase in profits from the healthcare-related fund, etc.
- Segment profit decreased YOY due to the posting of credit costs on payment deferrals by some customers in infrastructure-related businesses.

Major Figures (Billion Yen)			
	FYE3/2021	FYE3/2022	YOY*
Gross Profit	14.0	15.3	+1.3
Segment Profit	-0.2	-3.4	-3.1
New Transactions Volume	56.5	58.5	+1.9
Segment Assets	355.7	355.5	-0.2
Healthcare	157.3	162.8	+5.4
Infrastructure & Investment	111.6	132.5	+20.9
Others	86.7	60.1	-26.5

Organizational Changes

- Toward the new Medium-term Management Plan scheduled to start from FYE3/2024, organizations with similar functions and roles were integrated as of April 1, 2022. The organizational levels of the business departments, which differed under the former two companies, have been unified and reorganized into three domains: “(1) customers/partners domain”, “(2) Global Business Domain”, and “(3) specialized business domain”.



New Reporting Segments from 1Q FYE3/2023 (Planned)

■ Along with the organizational changes effective on April 1, 2022, we plan to change the reporting segments as follows from 1Q FYE3/2023.

Until FYE3/2022		
Reporting Segments	FYE3/2022 (Billion Yen)	
	Segment Assets	Segment Profit
A Customer Business	2,002.1	33.4
B Account Solution	2,353.4	26.9
C Vendor Solution	424.6	3.0
D LIFE	312.7	4.8
E Real Estate	974.9	19.1
F Environment & Renewable Energy	315.4	7.0
G Aviation	1,365.1	5.7
H Logistics	1,063.2	2.7
I Mobility	174.8	1.9
J Healthcare	162.8	
K Others Infrastructure & Investment	132.5	-3.4
L Others	60.1	
Adjustments	3.2	-2.1
Total	9,345.3	99.4

From FYE3/2023				
Reporting Segments	Before	(Ref.*1) FYE3/2022 (Billion Yen)		
		Segment Assets	Segment Profit	
Customer Solutions	A B C D	3,337.6	32.7	
	E ^{*2} J K ^{*3} L ^{*4}			
Global Business	A B I ^{*5}	2,316.3	41.2	
Environment, Energy & Infrastructure	F K	417.9	2.2	
Aviation	G	1,365.1	5.6	
Logistics	H	1,026.7	0.8	
Real Estate	E	712.7	12.3	
Mobility	H ^{*6} I	129.4	3.1	
Adjustments		39.3	1.1	
Total		9,345.3	99.4	

*1 FYE3/2022 results converted into new reporting segments in a simplified manner as reference values

*2 Real estate leasing transferred from Real Estate

*3 PFI business and corporate investment transferred from Infrastructure & Investment

*4 Purchasing and sales business of secondhand property and trust business transferred from Others

*5 Mobility business in Europe transferred from Mobility

*6 Auto leasing transferred from Logistics

III. Financial Forecast for FYE3/2023

Financial Forecast for FYE3/2023

- Net income attributable to owners of the parent for FYE3/2023 is projected to be 110.0 billion yen, increased by 10.5 billion yen YOY, thanks to various reasons including business growth and decrease in credit costs and impairment losses. This net income forecast for FYE3/2023 (110.0 billion yen) reaches record-high profit exceeding that for FYE3/2020 (101.4 billion yen^{*1}), the fiscal year just before the COVID-19 pandemic.
- ROA^{*2} in FYE3/2023 is estimated to be 1.1%, up 0.1pt YOY, and ROE^{*2} is estimated to be 8.2%, up 0.2pt YOY, by increasing profits through strategic resource/asset re-allocation focusing on profitability.
- OHR^{*3} is estimated to be 54.1%, down 0.5pt YOY, by steady business growth, in spite of an increase of expenses associated with the promotion of business activities.
- We estimate the annual dividend per share of 31 yen, up 3 yen YOY (interim dividend of 15 yen and year-end dividend of 16 yen) and a payout ratio of 40.5%.

(Billion Yen)		FYE3/2022	FYE3/2023 ^{*4*5}	YOY Change	YOY Change (%)
1	Net Income Attributable to Owners of the Parent (Billion Yen)	99.4	110.0	+10.5	+10.7%
2	ROA^{*2}	1.0%	1.1%	+0.1pt	-
3	ROE^{*2}	8.0%	8.2%	+0.2pt	-
4	OHR^{*3}	54.6%	54.1%	-0.5pt	-
5	Dividend per Share (Yen)	28.00	31.00	+3.00	-
6	Payout Ratio	40.4%	40.5%	+0.1pt	-

*1 Simple sums of MUL (J-GAAP basis) and HC (IFRS basis)

*2 Based on net income

*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

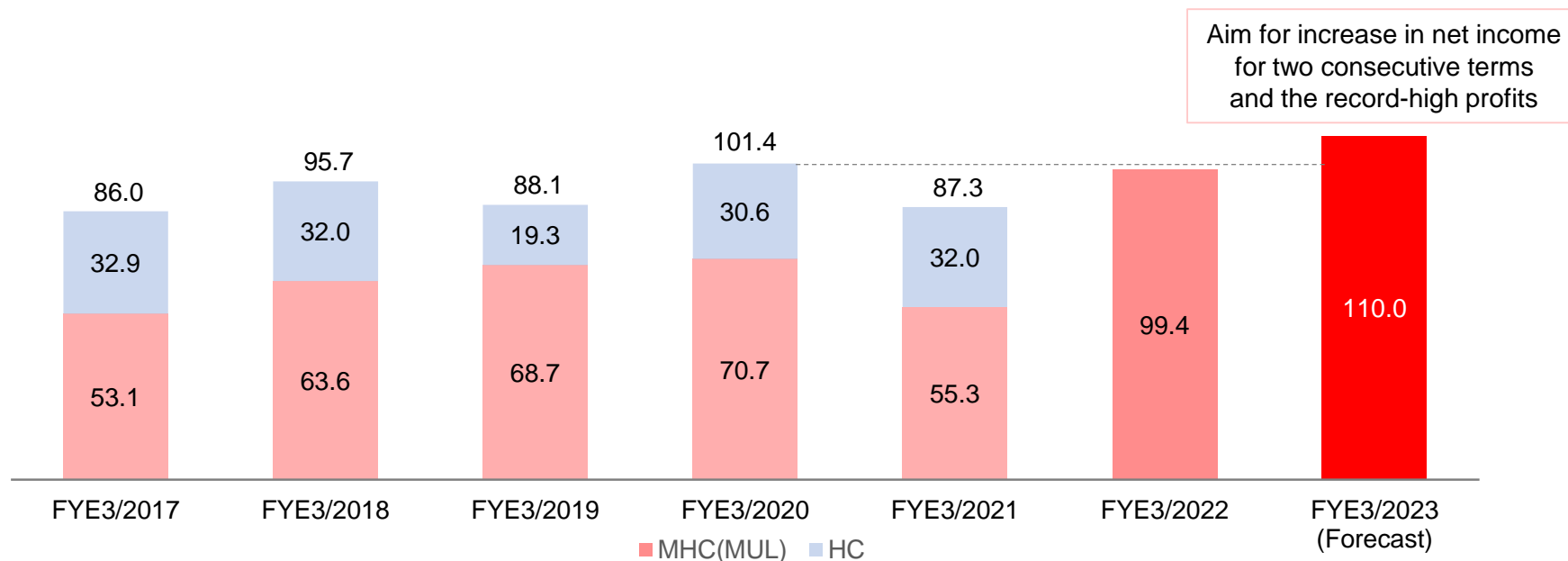
*4 Forecast as of May 16, 2022

*5 The assumed foreign exchange rates are \$1=¥120, £1=¥158, €1=¥134

History of Major Figures

(Billion Yen)		FYE3/2019			FYE3/2020			FYE3/2021			FYE 3/2022	FYE3/2023 ^{*1} (Forecast)	
		HC (IFRS)	MUL (J-GAAP)	Simple Sum	HC (IFRS)	MUL (J-GAAP)	Simple Sum	HC (IFRS)	MUL (J-GAAP)	Simple Sum	MHC Result	Forecast for FYE3/2023	YOY
1	Net Income ^{*2}	19.3	68.7	88.1	30.6	70.7	101.4	32.0	55.3	87.3	99.4	110.0	+10.5
2	ROA ^{*3}	0.5%	1.2%	1.0%	0.8%	1.2%	1.0%	0.9%	0.9%	0.9%	1.0%	1.1%	+0.1pt
3	ROE ^{*3}	5.1%	9.4%	8.0%	8.1%	9.2%	8.9%	8.0%	7.0%	7.3%	8.0%	8.2%	+0.2pt

History of Net Income

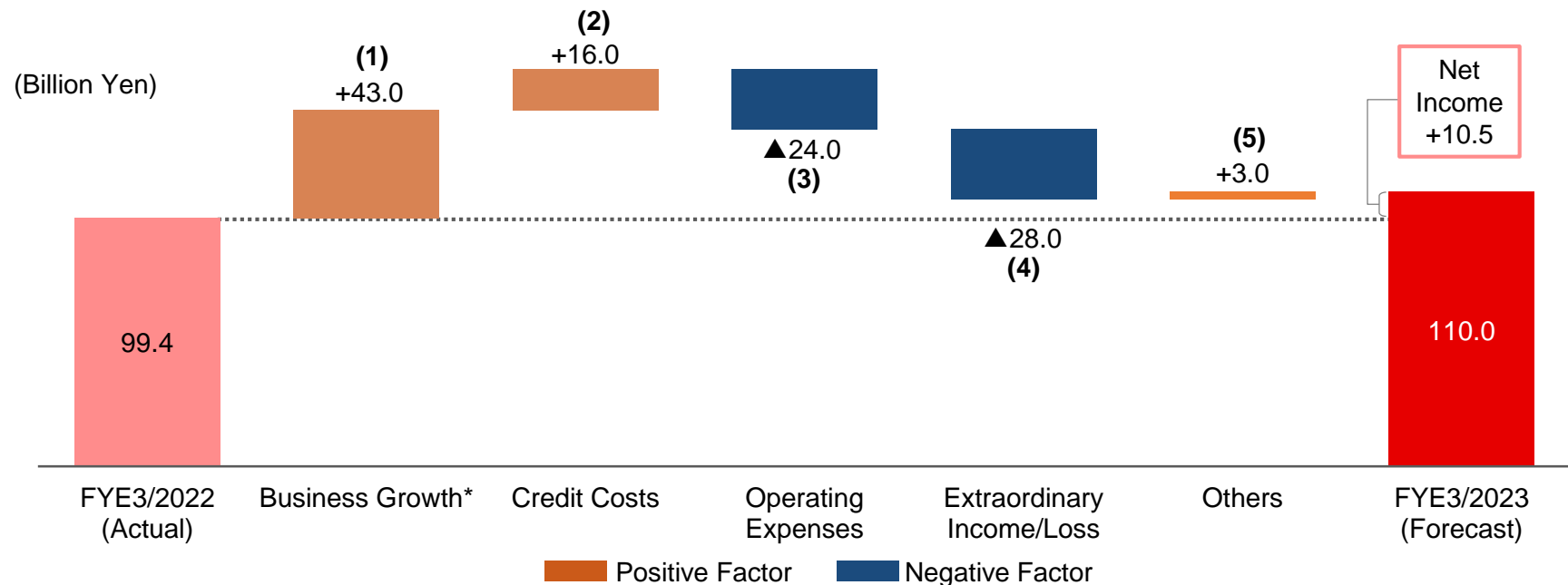


*1 The assumed foreign exchange rates for FYE3/2023 are \$1=¥120, £1=¥158, €1=¥134

*2 For MUL, net income attributable to owners of the parent under J-GAAP
For HC, net income attributable to owners of the parent under IFRS

*3 Based on net income

Increase/Decrease in Net Income Attributable to Owners of the Parent (Forecast)



Major Factors for Changes

(1) Business Growth*	<ul style="list-style-type: none"> Increase YOY thanks to growth of each business and the consolidation of CAI, a U.S. marine container leasing company that became our wholly-owned subsidiary in FYE3/2022, etc.
(2) Credit Costs	<ul style="list-style-type: none"> Decline in credit costs in the Aviation business and absence of credit costs in infrastructure business that were posted in FYE3/2022, etc.
(3) Operating Expenses	<ul style="list-style-type: none"> Increase in expenses along with the consolidation of CAI and with the promotion of business activities primarily in overseas subsidiaries, etc.
(4) Extraordinary Income/Loss	<ul style="list-style-type: none"> Absence of large profits on the sale of strategic shareholdings posted in FYE3/2022, etc.
(5) Others	<ul style="list-style-type: none"> An increase in taxes, etc.

(Note 1) (1) to (4) are based on figures before tax. Taxes are included in (5)

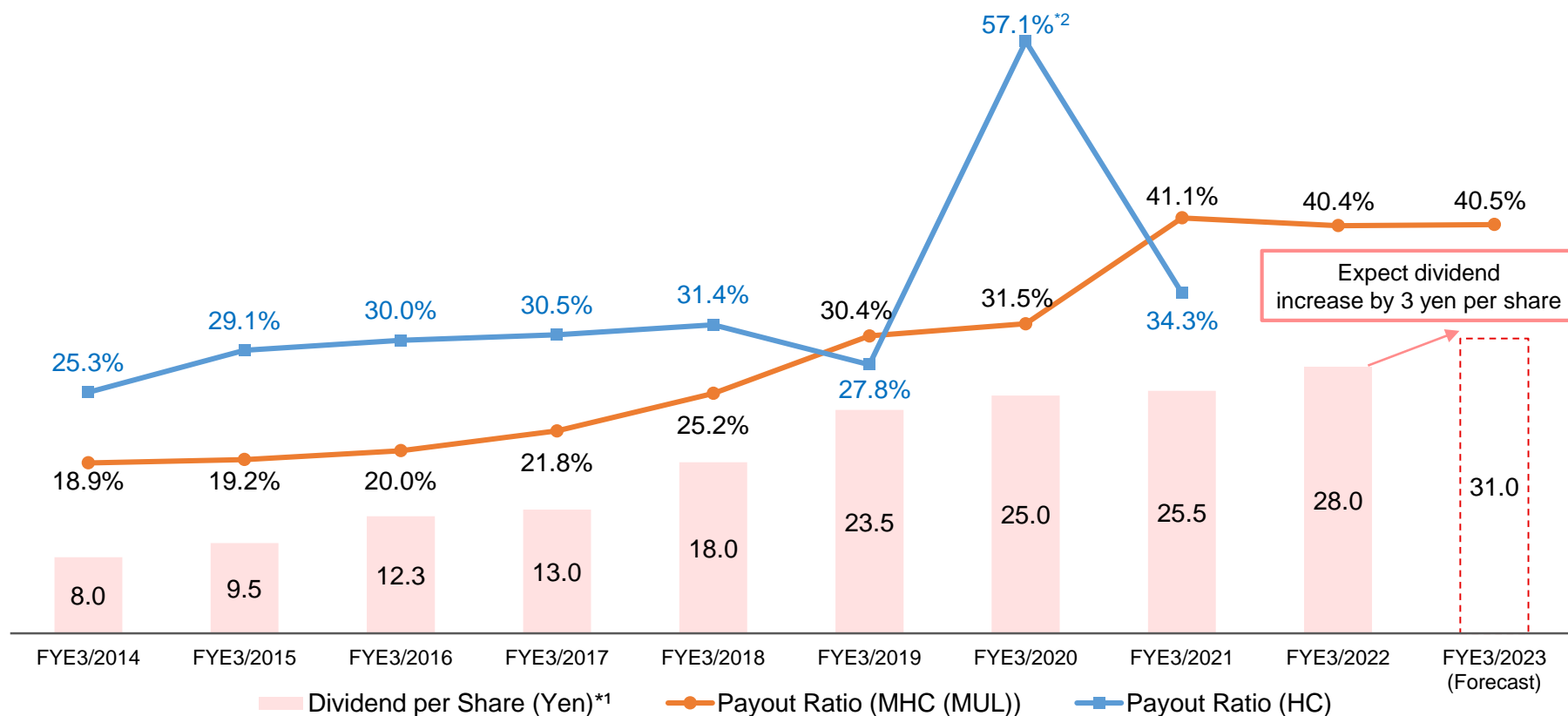
(Note 2) Because of rounding, sum of the figures (1) to (5) do not match the amount of an increase in net income (10.5 billion yen)

* Gross profit + non-operating income/expenses

Dividend Forecast for FYE3/2023

- We will return profits to shareholders by distributing dividends; the annual dividend per share is estimated to be 31 yen, up 3 yen YOY in line with our expected target for the payout ratio of approx. 40% during the period of the new Medium-term Management Plan scheduled to start in April 2023. Assuming net income of 110.0 billion yen and dividend per share of 31 yen, the payout ratio is estimated to be 40.5%.

Dividend History of MHC (MUL)



*1 MUL's results from FYE3/2014 to FYE3/2021

*2 Includes special dividends (dividends of 40.0 yen per share) in FYE3/2020

IV. Medium- to Long-term Management Direction

Basic Management Policy



Our Mission ~Our long-term goal~

Contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets.

Our Vision ~Objectives to achieve our long-term goal~

- Solve social issues by developing unique and progressive businesses with consideration for the global environment.
- Aim for sustainable growth through value co-creation with diverse stakeholders across the globe.
- Enhance corporate value by evolving our business model through utilizing digital technology and data.
- Foster an “open, creative and engaging” corporate culture that shapes each and every employee’s motivation and pride.
- Aim to be a trusted company by complying with laws and regulations, as well as implementing ethical corporate management.

Action Principles ~“Values and mindset to be held” and “actions to be taken” by each and every employee~

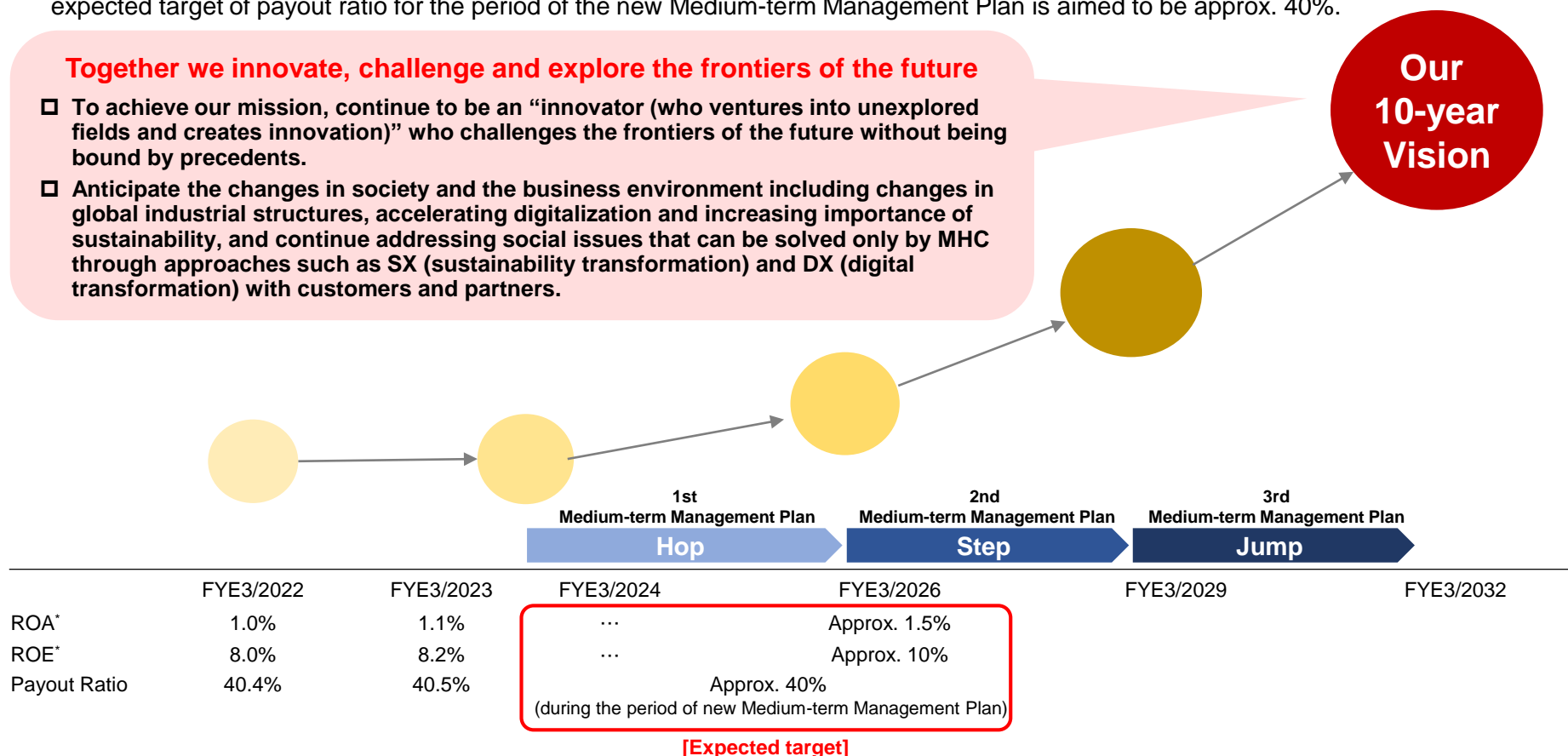
- Challenge and :Challenge ourselves to look forward to the future with a sense of responsibility and commitment.
- Digital :Drive digital innovation and expertise.
- Communication :Communicate openly and honestly to build mutual understanding and trust.
- Diversity :Embrace diversity and respect each other.
- Sustainability :Act in harmony with people, society and the earth to create a sustainable world.
- Integrity :Maintain the highest standards of ethics and integrity.

Our 10-year Vision

- We will achieve “Our 10-year Vision” by implementing Medium-term Management Plans in three phases. The new Medium-term Management Plan starting in FYE3/2024 is set as phase one, ‘hop’, followed by the Management Plans as phase two, ‘step’, and phase three, ‘jump’.
- Our expected target of ROA* is approx. 1.5% and of ROE* is approx. 10% for FYE3/2026, the final fiscal year of the “hop” phase. The expected target of payout ratio for the period of the new Medium-term Management Plan is aimed to be approx. 40%.

Together we innovate, challenge and explore the frontiers of the future

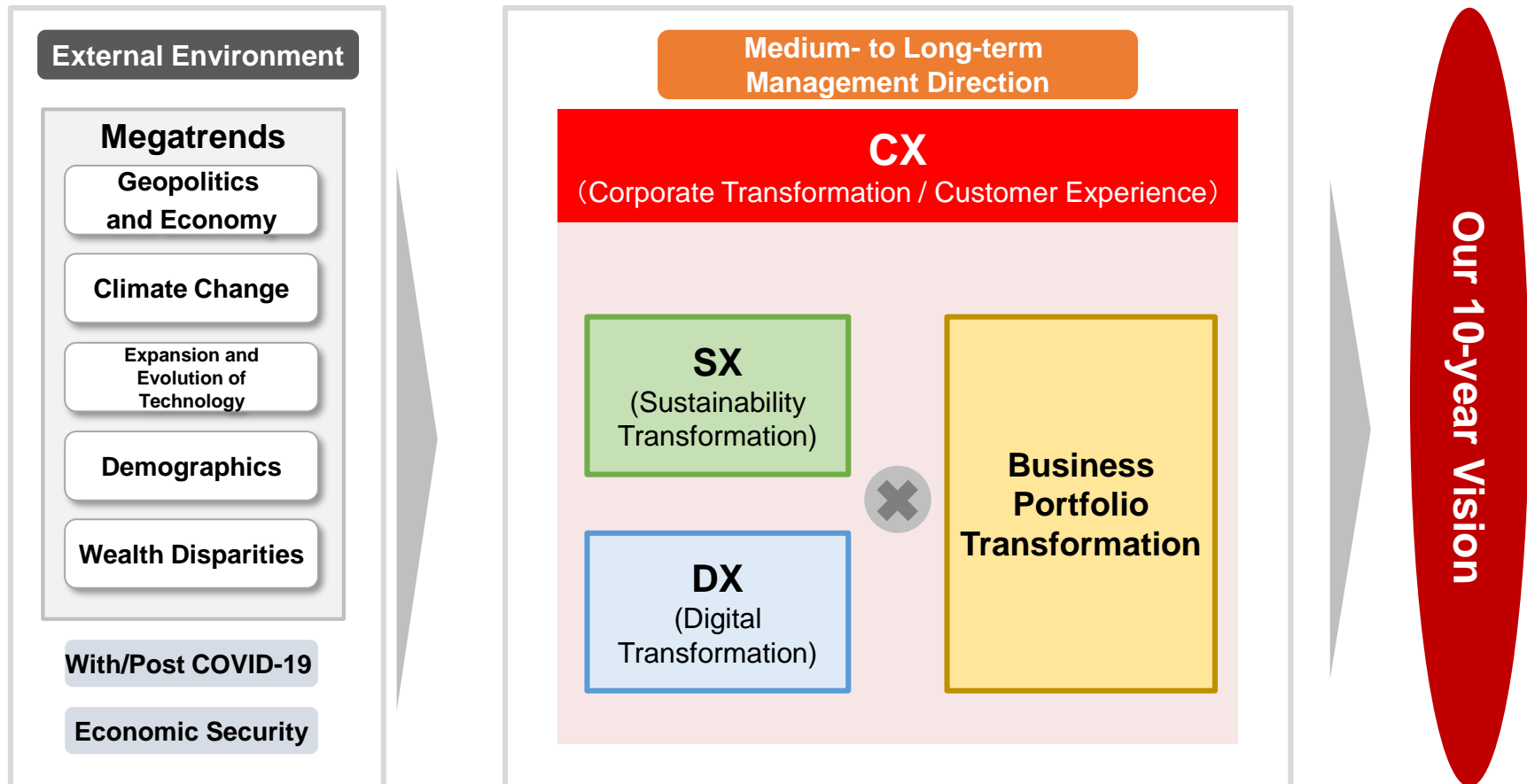
- To achieve our mission, continue to be an “innovator (who ventures into unexplored fields and creates innovation)” who challenges the frontiers of the future without being bound by precedents.
- Anticipate the changes in society and the business environment including changes in global industrial structures, accelerating digitalization and increasing importance of sustainability, and continue addressing social issues that can be solved only by MHC through approaches such as SX (sustainability transformation) and DX (digital transformation) with customers and partners.



* ROA and ROE are based on net income

Medium- to Long-term Management Direction: Toward Our 10-year Vision

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



Medium- to Long-term Management Direction: Implementing CX

CX

(Corporate Transformation / Customer Experience)

SX / DX

S
X

Achieve “co-existence and co-prosperity with environmental and social values” and “sustainable growth” through efforts for materiality and solid management base.

D
X
















Achieve “creation and qualitative improvement of customer value” by utilizing data and digital technologies and making strategic investments.



Business Portfolio Transformation

- I “Developing” new businesses
 - ✓ Develop new businesses and domains and create new revenue sources by utilizing stable cash flows and the wide-ranging customer base of existing businesses.
- II Shift existing business to high value-added services
 - ✓ Shift to high value-added services by maintaining and expanding the customer base of existing businesses and increase returns by improving customer experience.
- III Enhance profitability and efficiency of existing businesses
 - ✓ Enhance profitability and efficiency of existing businesses that create stable cash flows.

Materiality of MHC Group

	Materiality	Why the Group Treats as Highly Material Challenges	How Related to SDGs
(1)	Promote a Decarbonized Society	<ul style="list-style-type: none"> Efforts to realize a decarbonized society have been globally recognized as an urgent issue, and the Group can significantly contribute to solving this challenge through its services and solutions, such as renewable energy investment and EV promotion. The impact on the business side is large and significant, involving matters including distinguishing activities that go against the social issues. 	 
(2)	Realize the Circular Economy	<ul style="list-style-type: none"> The Group aims to contribute to creating a circular economy by reducing waste, not only within the Group but also in society through maximizing the potential of assets. As a leader in the leasing industry, the Group believes this issue is highly material. The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners. 	   
(3)	Establish Resilient Social Infrastructure	<ul style="list-style-type: none"> The Group recognizes that the business has many opportunities to support infrastructure projects in Japan that require repair and rebuilding, as well as the development of infrastructure and creation of smart cities in emerging countries with active collaboration between various partners. The group will contribute to the diversification, enhancement and optimization of the business through establishing systems and providing services for supporting the collaboration between companies. 	 
(4)	Realize Healthy Lifestyles that Promote Positive Wellbeing	<ul style="list-style-type: none"> It is vital for stakeholders that the Group recognizes the importance of health, safety, and physical and mental wellbeing for realizing a prosperous future. Valuable human resources are key to the value and trust in our corporate activities. Improving employee motivation, acquiring top talent, and similar actions are highly important. 	  
(5)	Create Businesses Utilizing the Latest Technologies	<ul style="list-style-type: none"> Both financing for the purpose of the digital transformation of customers and using internal digital technologies to increase the efficiency for this promote the development for new business models. The Group identifies this for highly material opportunities for diversified and innovative business creation, including establishing supply chains utilizing alternative energies. 	 
(6)	Collaborate with Partners Locally and Globally	<ul style="list-style-type: none"> Social issues differ by country and region. The Group should create synergies with local partners and find new opportunities inside and outside of Japan, meeting individual needs through community-based efforts. The Group can realize mutual benefits in developing society by utilizing its integrated capabilities. 	 

V. Appendix

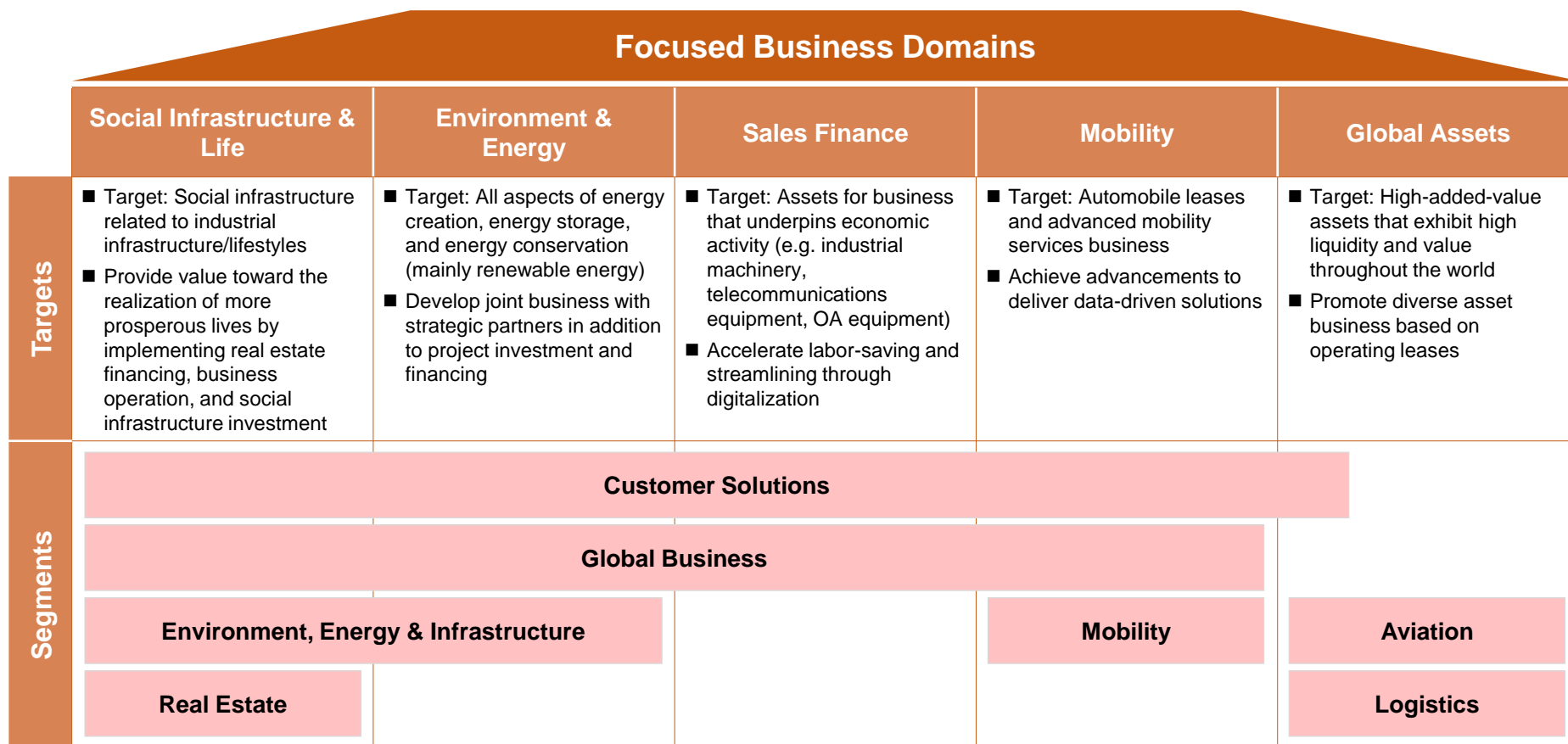
PMI Progress

- PMI progressed smoothly in the first year after the business integration.
- In the second year, we establish rules and frameworks in relation to management of organizations, businesses, and human resources across the company.

Areas	Progress in FYE3/2022	Synergy Measures for FYE3/2023
Management Resource Synergy	<ul style="list-style-type: none"> ■ Completed the replacement of the services and systems that had been used in HC before the business integration with the alternatives ■ Established operational processes and system infrastructures ■ Established the consolidated management philosophy ■ Implemented organizational changes (completed the integration of Corporate Center departments) 	<ul style="list-style-type: none"> ■ Establish and unify HR management systems ■ Integrate and abolish organizations, etc. on a consolidated basis ■ Instill the consolidated management philosophy ■ Start the formulation of a new medium-term IT plan and DX strategy including the next-generation system concept
Sales Synergy	<ul style="list-style-type: none"> ■ Held lively discussions in each sub working group such as Domestic Sales Working Group and Overseas Working Group ■ Created synergy measures and ideas by promoting understanding of MHC Group businesses through internal orientation sessions and communication measures for products and businesses ■ Established evaluation systems to expand business synergy ■ Integrated sales organizations under each division 	<ul style="list-style-type: none"> ■ Strengthen the business promotion frameworks ■ Cross-selling through sales collaboration on a global basis ■ Implement synergy measures formulated in each sub working group
Investment Synergy	<ul style="list-style-type: none"> ■ Completed the acquisition of CAI International, a U.S. marine container leasing company ■ Established M&A Advisory Gr. for the purpose of enhancing the promotional framework for strategic investment deals 	<ul style="list-style-type: none"> ■ Establish and implement investment strategies utilizing the capital buffer (such as operating the Investment Strategy Committee) ■ Continue strategic investments while firmly maintaining the balance between offense (strategic resource allocation) and defense (risk management)

Focused Business Domains

- As core pillars of sustainable growth, we have positioned “Social Infrastructure & Life”, “Environment & Energy”, “Sales Finance”, “Mobility”, and “Global Assets” as focused business domains and advanced asset business has been developed with 7 segments* (2 units and 5 business divisions) below.
- We contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets.



* Segments which we plan to change from 1Q FYE3/2023 (refer to page 18 for details)

Major Topics in FYE3/2022

■ Customer Business
 ■ Account Solution
 ■ Vendor Solution
 ■ LIFE
 ■ Real Estate
 ■ Environment & Renewable Energy
 ■ Aviation
 ■ Logistics
 ■ Mobility
 ■ Others
 ■ Head Office

Released in	Topics
May 2021	<ul style="list-style-type: none"> Acquired shares of a wind power company in Vietnam and entered the Vietnam wind power market
July 2021	<ul style="list-style-type: none"> Chosen as the undertaker of the PFI project “Shimonoseki City New General Gymnasium Construction” Completed the construction of “Tokorozawa Kita-Iwaoka Solar Power Plant” which engages in solar sharing to do both providing electricity to Tokorozawa City, Saitama Prefecture and cultivating crops Completed the construction of “CPD Hirakata”, a logistics facility for multiple tenants in Hirakata City, Osaka Prefecture
September 2021	<ul style="list-style-type: none"> Acquired stakes of the solar power generation project in California, U.S. Started R&D to build robot-friendly environments with Mori Trust, SoftBank Robotics, and Octa Robotics
October 2021	<ul style="list-style-type: none"> Invested in Universal Hydrogen Co., a start-up developing modular capsules for hydrogen storage and the powertrain for hydrogen-powered aircraft in California, U.S.
November 2021	<ul style="list-style-type: none"> Engine Lease Finance (ELF) purchased 25 new-generation fuel-efficient aircraft engines from Pratt & Whitney Completed the acquisition of CAI International, a U.S. leading marine container leasing company Concluded a joint venture agreement with Kasumigaseki Capital on a logistics facility development project to promote the development of “LOGI FLAG”, a logistics facility focused on SDGs and ESG
December 2021	<ul style="list-style-type: none"> Chosen as the undertaker of the PFI project “Tegarayama Sports Facility Construction (Himeji City)”
March 2022	<ul style="list-style-type: none"> Our auto leasing subsidiaries, Mitsubishi HC Capital Auto Lease and Mitsubishi Auto Leasing concluded a basic agreement on business integration Concluded a partnership agreement for digitalization acceleration with Tamagawa Village of Fukushima Prefecture, NTT Data, and Hitachi



Wind Power Farm in Vietnam



Tokorozawa Kita-Iwaoka Solar Power Plant



Marine container (image)



“LOGI FLAG” (image)



Tegarayama Sports Facility

Definitional Changes in FYE3/2022

- In FYE3/2022, 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	Applied	Before: MUL output = regardless of the scope of consolidated accounting of investee companies, output is divided on a pro rata basis according to the equity ownership HC output = output according to the scope of consolidated accounting of investee companies 1. Consolidated subsidiaries: count 100% output 2. Equity-method affiliates: divide on a pro rata basis according to the equity ownership 3. Other investee companies: no output is counted After: Regardless of the scope of consolidated accounting of investee companies, total output is divided on a pro rata basis according to the equity ownership.

Impact of Retroactive Adjustment in FYE3/2021

(Million Yen)	Item	Applied Company	FYE3/2021		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) 1,788,606	(New transactions volume) 1,258,267	-530,338
	Revenues	MUL	894,342	947,658	+53,315
Gross Profit	160,581		160,483	-97	
Recurring Income	65,002		64,968	-34	
Net Income	55,330		55,314	-15	
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

Segment Profit (by Quarter)

(Billion Yen)		FYE3/2021				FYE3/2022					Notes for FYE3/2022 (Pre-tax Basis)	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	QOQ		YOY
1	Customer Business	4.0	5.7	7.6	7.9	22.6	5.0	5.1	0.6	-4.4	-7.3	(1Q) Sale of strategic shareholdings: approx. JPY27.0Bn (+) (4Q) Major credit costs: approx. JPY4.0Bn (-)
2	Account Solution	3.4	5.1	5.6	5.7	6.8	6.5	7.6	5.7	-1.9	0.0	-
3	Vendor Solution	1.0	1.1	1.1	0.8	0.9	0.8	0.6	0.5	-0.1	-0.2	-
4	LIFE	0.8	0.6	1.4	1.2	1.1	1.0	1.9	0.7	-1.1	-0.4	(3Q) Gains on sales of assets held: approx. JPY 1.0Bn (+)
5	Real Estate	9.1	5.4	7.2	6.2	2.7	4.3	4.0	7.9	+3.9	+1.7	(2Q) Gains on sales of assets held: approx. JPY 2.0Bn (+) (3Q) Gains on sales of assets held: approx. JPY 2.0Bn (+) (4Q) Gains on sales of assets held: approx. JPY 9.0Bn (+)
6	Environment & Renewable Energy	2.1	1.4	1.1	2.2	1.4	1.7	1.1	2.6	+1.4	+0.3	(4Q) Gains on sales of assets held: approx. JPY 3.0Bn (+)
7	Aviation	3.1	0.0	1.3	-1.8	-2.4	6.6	-1.8	3.3	+5.2	+5.1	(1Q) Expenses in relation to modification of terms for certain existing lease contracts: approx. JPY 2.0Bn (-) Foreign exchange losses in JOLCO: approx. JPY 2.0Bn (-) (2Q) Gains on sales of certain receivables from bankrupt debtors: approx. JPY 7.0Bn (+) (3Q) Impairment loss on owned aircraft: approx. JPY 3.0Bn (-) (4Q) Gains on sales of assets held: approx. JPY 3.0Bn (+)
8	Logistics	0.0	0.3	0.4	1.1	0.6	1.4	-0.6	1.4	+2.1	+0.2	(2Q) Acquisition cost of CAI: JPY0.7Bn (-) (3Q) Acquisition cost of CAI: JPY0.8Bn (-) Reconfiguration of portfolio in railway freight car: approx. JPY2.0Bn (-) (4Q) Reconfiguration of portfolio in railway freight car: approx. JPY3.0Bn (-)
9	Mobility	0.2	0.3	0.1	0.0	0.5	0.4	0.6	0.2	-0.3	+0.2	-
10	Others	-0.1	0.0	0.1	-0.3	-0.2	-0.6	-3.0	0.5	+3.5	+0.8	(3Q) Infrastructure-related credit costs: approx. JPY4.0Bn (-)
11	Adjustments	-3.2	-4.1	-0.7	1.1	-1.5	0.1	-0.4	-0.3	+0.1	-1.4	-
12	Total Segment Profit	20.6	16.2	25.8	24.4	32.7	27.7	15.2	23.6	+8.3	-0.7	

New Transactions Volume by Segment

(Billion Yen)		FYE3/2021	FYE3/2022	YOY Change	YOY Change(%)
1	Customer Business	587.2	592.2	+5.0	+0.9%
2	Account Solution	866.7	1,092.5	+225.7	+26.0%
3	Vendor Solution	131.5	132.7	+1.2	+1.0%
4	LIFE	201.3	155.2	-46.0	-22.9%
5	Real Estate	146.4	130.1	-16.3	-11.1%
6	Environment & Renewable Energy	42.5	31.3	-11.2	-26.3%
7	Aviation	106.0	181.3	+75.3	+71.0%
8	Logistics	75.1	78.0	+2.8	+3.8%
9	Mobility	48.0	55.7	+7.6	+16.0%
10	Others	56.5	58.5	+1.9	+3.5%
11	Total New Transactions Volume	2,261.4	2,507.8	246.3	+10.9%

Credit Costs by Segment

(Billion Yen)		FYE3/2021	FYE3/2022	YOY Change
1	Customer Business	6.6	8.8	+2.1
2	Account Solution	11.2	10.2	-0.9
3	Vendor Solution	0.2	0.6	+0.4
4	LIFE	0.0	0.0	0.0
5	Real Estate	0.0	0.5	+0.6
6	Environment & Renewable Energy	0.0	0.1	+0.1
7	Aviation	8.8	9.7	+0.9
8	Logistics	-0.2	-0.1	0.0
9	Mobility	0.1	0.1	0.0
10	Others	0.3	5.4	+5.1
11	Adjustments	-1.2	-0.3	+0.8
12	Total Credit Costs	25.7	35.2	+9.4

Financial Performance: Profit & Loss Statement

(Million Yen)		FYE3/2021			FYE3/2022
		MUL ^{*1} (a)	HC ^{*2} (b)	MHC ^{*3} (a+b)	MHC
1	Revenues	947,658	766,233	1,713,891	1,765,559
		-	-	-	+3.0%
2	Cost of Revenues	787,174	630,891	1,418,066	1,430,898
		-	-	-	+0.9%
3	Cost of Funds	62,370	30,022	92,392	77,493
		-	-	-	-16.1%
4	Gross Profit	160,483	135,341	295,825	334,661
		-	-	-	+13.1%
5	SG&A Expenses	98,166	99,607	197,774	220,569
		-	-	-	+11.5%
6	Personnel Expenses	40,473	50,538	91,011	99,286
		-	-	-	+9.1%
7	Non-personnel Expenses	42,598	36,564	79,162	83,806
		-	-	-	+5.9%
8	Allowance	15,095	12,504	27,599	37,477
		-	-	-	+35.8%
9	Operating Income	62,316	35,734	98,051	114,092
		-	-	-	+16.4%
10	Recurring Income	64,968	40,451	105,419	117,239
		-	-	-	+11.2%
11	Extraordinary Income	18,457	2,133	20,591	30,399
		-	-	-	+47.6%
12	Extraordinary Loss	242	56	299	388
		-	-	-	+29.8%
13	Net Income Attributable to Owners of the Parent	55,314	31,852	87,166	99,401
		-	-	-	+14.0%

(Note) Percentage figures (%) in the lower column are YOY (results in FYE3/2022 are vs. those of MHC (a+b) in FYE3/2021)

*1 Retroactively adjusted figures along with the change of the accounting method (refer to page 34 for details)

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

*3 Simple sums

Financial Performance: Balance Sheet, etc.

(Million Yen)		FYE3/2021			FYE3/2022 ^{*1}
		MUL ^{*2} (a)	HC ^{*3} (b)	MHC ^{*4} (a+b)	MHC
1	Cash and Cash Equivalents	294,241	309,080 ^{*6}	603,321 ^{*6}	540,942
		-36.9%	-	-	-10.3%
2	Total Equity	817,906	432,309	1,250,216	1,333,467
		+2.8%	-	-	+6.7%
3	Total Assets	6,014,896	3,715,130 ^{*6}	9,730,027 ^{*6}	10,328,872
		-4.4%	-	-	+6.2%
4	Segment Assets	5,336,681	3,268,195	8,604,876	9,345,376
		-2.8%	-	-	+8.6%
5	Operating Assets	5,067,292	3,192,331	8,259,624	9,058,273
		-3.5%	-	-	+9.7%
6	Equity-Method Investments	116,078	24,213	140,291	142,469
		+29.0%	-	-	+1.6%
7	Goodwill, Investment Securities, etc.	153,309	51,650	204,960	144,633
		+0.4%	-	-	-29.4%
8	Impaired Assets	39,269	56,274	95,543	108,188
		+59.0%	-	-	+13.2%
9	Allowance	22,501	35,564	58,066	76,791
		+62.7%	-	-	+32.2%
10	Net Balance of Impaired Assets	16,767	20,709	37,476	31,397
		+54.4%	-	-	-16.2%
11	Equity Ratio	13.4%	11.2%	12.5%	12.7%
		+1.1pt	-	-	+0.2pt
12	ROE ^{*5}	7.0%	-	-	8.0%
		-	-	-	-
13	ROA ^{*5}	0.9%	-	-	1.0%
		-	-	-	-

(Note) Percentage figures (%) in the lower column are YOY (results in FYE3/2022 are vs. those of MHC (a+b) in FYE3/2021)

*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 34 for details)

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

*4 Simple sums

*5 Based on net income

*6 Revised the figure in 4Q FYE3/2022

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

(Million Yen)		FYE3/2021			FYE3/2022 ^{*1}
		MUL ^{*2} (a)	HC ^{*3} (b)	MHC ^{*4} (a+b)	MHC
14	Total Funding	4,634,956	2,998,879 ^{*5}	7,633,836 ^{*5}	8,066,082
		-6.0%	-	-	+5.7%
15	Indirect Funding	2,870,347	1,323,580 ^{*5}	4,193,928 ^{*5}	4,515,103
		+0.2%	-	-	+7.7%
16	Direct Funding	1,764,608	1,675,299	3,439,908	3,550,978
		-14.6%	-	-	+3.2%
17	CP	434,171	209,641	643,812	682,593
		-43.0%	-	-	+6.0%
18	Securitization	106,230	478,334	584,565	604,493
		-21.8%	-	-	+3.4%
19	Corporate Bonds	1,224,206	987,323	2,211,530	2,263,891
		+4.7%	-	-	+2.4%
20	Direct Funding Ratio	38.1%	55.9% ^{*5}	45.1%	44.0%
		-	-	-	-1.1pt
21	Long-Term Funding Ratio	70.9%	60.6% ^{*5}	66.8% ^{*5}	65.6%
		-	-	-	-1.2pt
22	Foreign Currency Funding Ratio	40.5%	47.2% ^{*5}	43.1%	49.4%
		-	-	-	+6.3pt

(Note) Percentage figures (%) in the lower column are YOY (results in FYE3/2022 are vs. those of MHC (a+b) in FYE3/2021)

*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 values

*4 Simple sums
*5 Revised the figure in 4Q FYE3/2022

*2 Retroactively adjusted figures along with the change of the accounting method (refer to page 34 for details)

Exchange Rate Applied to Financial Results of Major Overseas Subsidiaries^{*6}

	Major Overseas MUL Subsidiaries		Major Overseas HC Subsidiaries				
	FYE3/2021	FYE3/2022	FYE3/2021		FYE3/2022		
23	Exchange Rate Applied to PL	1\$=JPY106.82	1\$=JPY109.80	1£=JPY138.68	1\$=JPY106.06	1£=JPY153.56	1\$=JPY112.38
24	Exchange Rate Applied to BS	1\$=JPY103.50	1\$=JPY115.02	1£=JPY152.23	1\$=JPY110.71	1£=JPY160.89	1\$=JPY122.39

*6 Major overseas MUL subsidiaries: Average rates during January through December applied to PL
Exchange rate as of the end of December is applied to BS
Major overseas HC subsidiaries: Average rates during April through March applied to PL
Exchange rate as of the end of March is applied to BS

Major Companies (1)

Segment ^{*1}	Major Companies	Consolidated/ Equity-method	Main Business	
Customer Solution	Mitsubishi HC Capital/ Domestic Business Branches	-	Leasing, etc..	
	Mitsubishi HC Business Lease	Consolidated	Sales Finance	
	DFL Lease	Consolidated	Leasing, etc.	
	Shutoken Leasing	Consolidated	Leasing, etc.	
	DRS	Consolidated	Rental and leasing, etc.	
	Sekisui Leasing	Consolidated	Leasing, etc.	
	Mitsubishi HC Capital Property	Consolidated	Real estate leasing	
	Mitsubishi HC Capital Community	Consolidated	Real estate development and management, leasing	
	Japan Medical Lease	Consolidated	Medical equipment and real estate leasing	
	Healthcare Management Partners	Consolidated	Management of fund to support management specializing in the medical and long-term care fields	
	U-MACHINE	Consolidated	Purchase and sale of used goods	
	MHC Reuse Services	Consolidated	Purchase and sale of used goods	
Global Business	Europe	Mitsubishi HC Capital UK	Consolidated	Leasing and financial business
		MHC Mobility [Germany] ^{*3}	Consolidated	Auto leasing and rental
		MHC Mobility [Netherlands] ^{*2}	Consolidated	Auto leasing
		MHC Mobility [Poland] ^{*2}	Consolidated	Auto leasing
		Mobility Mixx	Consolidated	MaaS ^{*3} business

Segment ^{*1}	Major Companies	Consolidated/ Equity-method	Main Business	
Global Business	Americas	Mitsubishi HC Capital America	Consolidated	Leasing and financial business
		Mitsubishi HC Capital (U.S.A.)	Consolidated	Leasing, etc.
		ENGs Commercial Finance ^{*4} <ENGs>	Consolidated	Sales finance, etc.
		Mitsubishi HC Capital Canada Leasing	Consolidated	Leasing and financial business
		Mitsubishi HC Capital Leasing (Beijing)	Consolidated	Leasing, etc.
	China Region	Mitsubishi HC Capital (Shanghai)	Consolidated	Leasing, etc.
		Mitsubishi HC Capital (Hong Kong)	Consolidated	Leasing, etc.
		MHC Capital & Finance (Hong Kong)	Consolidated	Leasing, etc.
	ASEAN	Mitsubishi HC Capital Asia Pacific	Consolidated	Leasing, etc.
		Mitsubishi HC Capital (Singapore)	Consolidated	Leasing, etc.
		Mitsubishi HC Capital and Finance Indonesia	Consolidated	Leasing, etc.
		Arthaasia Finance	Consolidated	Leasing and financial business
		Bangkok Mitsubishi HC Capital	Consolidated	Leasing, etc.
		Mitsubishi HC Capital (Thailand)	Consolidated	Leasing, etc.
		Mitsubishi HC Capital Malaysia	Consolidated	Leasing, etc.

(Note) Company names are as of May 16, 2022 and words inside of "< >" denote abbreviations of companies

*1 New reporting segments from 1Q FYE3/2023 (Planned) (refer to page 18 for details)

*2 Location

*3 Abbreviation of "Mobility as a Service"

*4 Operating company of ENG's Holdings Inc

Major Companies (2)

Segment*	Major Companies	Consolidated/ Equity-method	Main Business
Environment, Energy & Infrastructure	Mitsubishi HC Capital/ Environment & Energy Business Department	-	Investment in environment and energy-related companies
	Mitsubishi HC Capital/ Environment & Energy Sales Department	-	Environment-related and renewable energy business
	Mitsubishi HC Capital/ Infrastructure Business Department	-	Renewable energy and infrastructure business
	Mitsubishi HC Capital Energy	Consolidated	Operation and asset management of renewable energy business
	HSE	Consolidated	Wind power generation business
	HGE	Consolidated	Solar power generation business
	Japan Infrastructure Initiative <JII>	Consolidated	Infrastructure investment and loan
Aviation	Mitsubishi HC Capital/ Aviation Business Department	-	Japanese Operating Lease with call option, etc.
	Jackson Square Aviation <JSA>	Consolidated	Aircraft leasing
	Engine Lease Finance <ELF>	Consolidated	Aircraft engine leasing, part-out
Logistics	Mitsubishi HC Capital/ Logistics Business Department	-	Ship finance
	CAI International <CAI>	Consolidated	Marine container leasing
	Beacon Intermodal Leasing <BIL>	Consolidated	Marine container leasing
	PNW Railcars	Consolidated	Railcar leasing

Segment*	Major Companies	Consolidated/ Equity-method	Main Business
Real Estate	Mitsubishi HC Capital/ Real Estate Business Department	-	Real estate securitization finance
	Mitsubishi HC Capital Realty	Consolidated	Real estate revitalization investment
	Mitsubishi HC Capital Realty Advisors	Consolidated	Asset management services
	Diamond Asset Finance	Consolidated	Real estate rental and other real estate finance
	Miyuki Building	Consolidated	Real estate rental
	Mitsubishi HC Capital Realty (U.S.A.)	Consolidated	Overseas (North America) securitization finance
	Center Point Development <CPD>	Equity-method	Asset management services for logistics real estate
	Logi Flag Development	Equity-method	Asset management services for logistics real estate
Mobility	Mitsubishi HC Capital/ Mobility Business Department	-	Investment in mobility-related companies
	Mitsubishi HC Capital Auto Lease	Consolidated	Auto leasing
	Takari Kokoh Sejahtera	Consolidated	Auto leasing
	Mitsubishi Auto Leasing	Equity-method	Auto leasing

(Note) Company names are as of May 16, 2022 and words inside of "< >" denote abbreviations of companies

* New reporting segments from 1Q FYE3/2023 (Planned) (refer to page 18 for details)

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